VLERICK BUSINESS SCHOOL

2025 M&A MONITOR

SHEDDING LIGHT ON M&A IN BELGIUM

Created by Vlerick Business School's Centre for Mergers, Acquisitions and Buyouts

Bank·Banque VanBreda MOORE Van Olmen & Wynant Wallonie Entreprendre Cession & Acquisition

ACKNOWLEDGMENTS

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Please direct questions and comments about this report via e-mail to: **mathieu.luypaert@vlerick.com**.

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PREFACE

STAYING STEADY IN TURBULENT TIMES...

We are very pleased to present the results of the 12th edition of our annual M&A Monitor. This Monitor presents the aggregate observations of 156 Belgian M&A experts based upon a survey at the start of this year.

In a macro-economic environment marked by geopolitical tensions and looming trade wars, the respondents largely refer to a relatively stable Belgian M&A market in 2024 (in line with international trends). Looking forward to the rest of 2025, 64% of these experts anticipate elevated M&A volumes, contingent upon an improvement in business confidence and the availability of bank financing. This anticipated surge is most pronounced for the largest deals (over €50 million), with about 3 out of 4 respondents expecting such an increase.

When examining the prices paid for M&A targets, we observe a slight uptick in EV/EBITDA multiples from an average of 6.4 in 2023 to 6.5 in 2024. This year, we introduced new and more detailed valuation questions in our survey, leading to some intriguing insights. For instance, we provide evidence of a significant 'valuation gap,' with 59% of the respondents indicating that initial offers are, on average, more than 10% below sellers' initial expectations. Furthermore, 28% of the respondents report an average valuation gap of more than 20%. This gap appears to be driven by both unrealistic seller expectations and opportunistic bidding behaviour by potential buyers.

Interestingly, we also observe strong regional differences in multiples, even within the same size categories. Walloon targets are sold at an average of 6.0 times EBITDA, compared to 7.1 for targets located in Flanders or Brussels. Non-Belgian targets exhibit even higher multiples, with 7.3 for European targets and 7.7 for targets in the rest of the world.

We are particularly happy to note that our annual Monitor has become an established source for multiples of privately held firms. The surveyed experts indicate that, in about 30% of all transactions they worked on, the Vlerick M&A Monitor was used to set a reference price.

These and many other insights on deal structuring and the M&A process are discussed in detail in the remainder of this report. We wish you a very insightful read.

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METHOD

The insights presented in this report are based on the online survey responses of 156 Belgian M&A experts collected between 28 January and 6 March 2025. This sample of M&A professionals was gathered through Vlerick Business School's professional network and that of the sponsors of the Centre for Mergers, Acquisitions, and Buyouts, supplemented by online searches.

We first present the respondents' insights into the evolution of the Belgian M&A market. The subsequent results relate specifically to the transactions that the respondents have been involved in during 2024.

We distinguish between different size categories, ranging from deals with a transaction value of less than €1 million to deals with a transaction value greater than €100 million. Before the survey was sent out, it was tested extensively and verified by practitioners and academics.

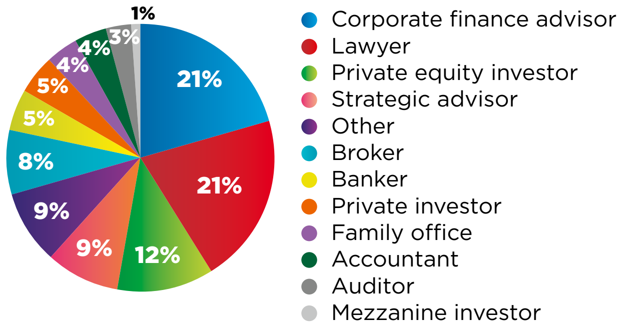
This report provides the aggregated results from our survey. In some cases, extreme outliers were removed from the sample.

ABOUT THE RESPONDENTS

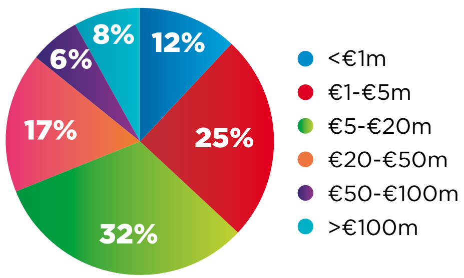
Representing a comprehensive view of the entire Belgian M&A market, the surveyed experts:

- cover a broad variety of professional roles – with corporate finance advisors (21%), lawyers (21%) and private equity investors (12%) as the most prominent groups;
- embody various deal segments: 14% of the respondents are primarily active in M&A with a total deal value greater than €50 million; 49% work on deals with a deal value between €5–€50 million, and 37% work on small transactions (<€5 million);
- cover a wide range of industries, with the strongest presence in business services (65%), industrial products (55%), and technology (48%);
- have worked on an average of 9 deals over the 12 months preceding this survey;
- are active in the 3 Belgian regions (121 in Flanders, 84 in Wallonia, and 85 in Brussels), as well as outside Belgium's borders (60 in Europe, 27 in other regions).

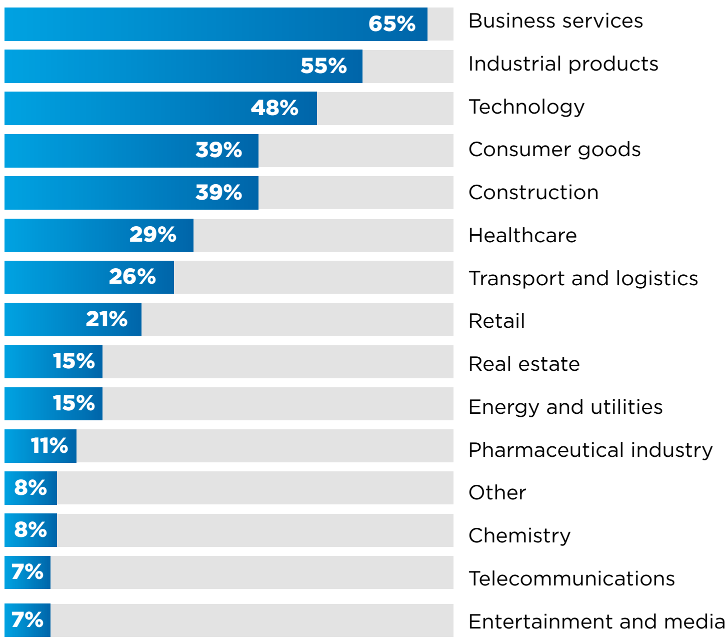
% RESPONDENTS PER PROFESSIONAL ROLE



PRIMARY MARKET SEGMENT OF RESPONDENTS - TRANSACTION VALUES



% RESPONDENTS INVOLVED IN M&A IN A GIVEN SECTOR OVER THE PRECEDING YEAR

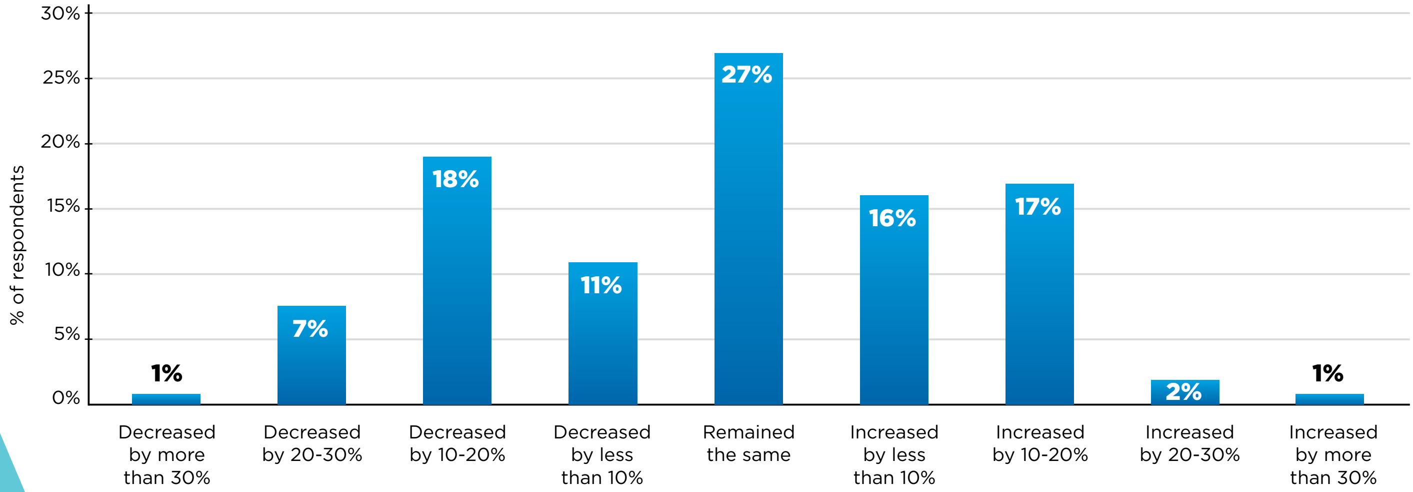


EVOLUTION OF BELGIAN M&A ACTIVITY

LOOKING BACK: 2024 M&A MARKET STILL IN LIMBO AMID UNCERTAINTY

When being asked about the overall evolution in the number of Belgian M&A transactions over the past year, the perceptions of the surveyed experts were divided. While 27% of the respondents indicated that deal activity remained stable, 36% reported an increase and 37% a decline. Overall, we can infer that the M&A market maintained relative stability, as more than half of the respondents pointed to changes below 10%. These findings confirm international trends. Data from LSEG illustrate that global M&A activity increased slightly in 2024, rising from $2.9 trillion to $3.2 trillion, following 2 consecutive years of declining volumes.[1] Lasting geopolitical tensions and concerns over economic turbulence following possible trade wars continue to delay a true recovery of the M&A market.

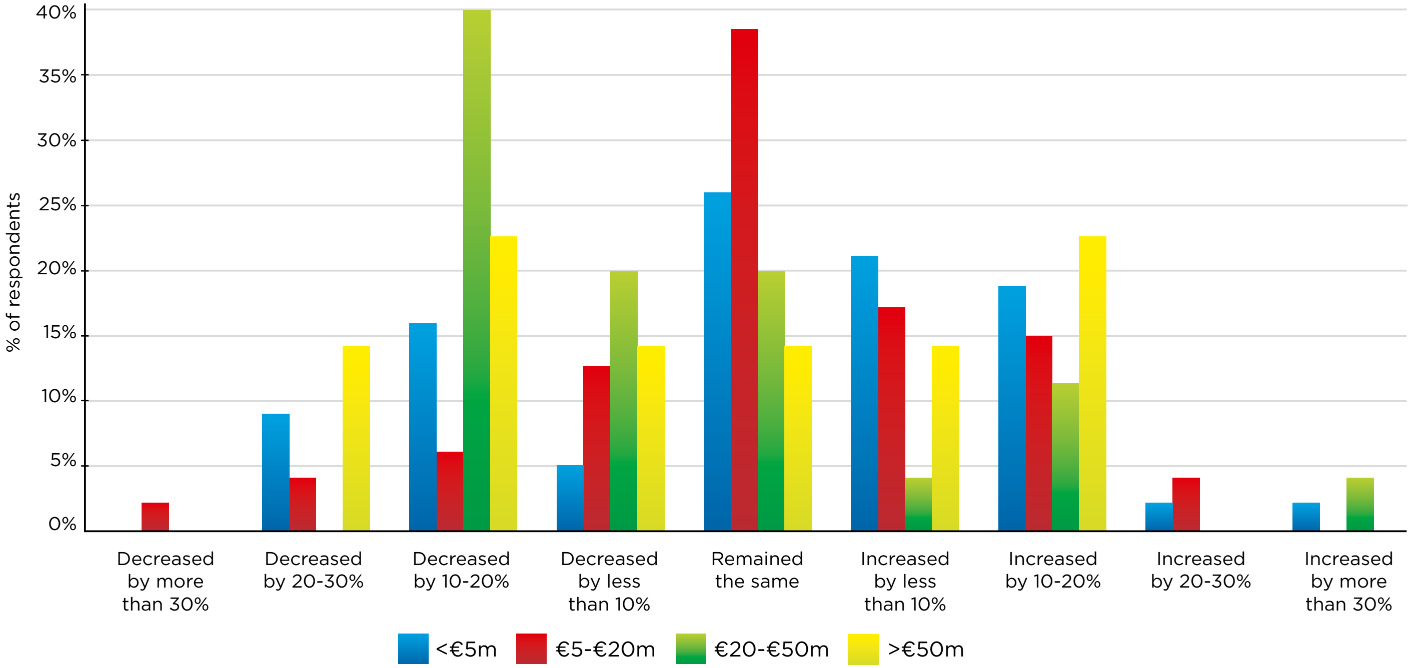
NUMBER OF M&A TRANSACTIONS IN 2024



1 *https://www.lseg.com/en/data-analytics/products/deals-intelligence/mergers-acquisitions*

When analysing the evolution by deal size, the surveyed experts mainly observed a market contraction for the mid-sized (€20 to €50 million) and large transactions (>€50 million), as reported by 60% and 50% of the respondents, respectively. In contrast, smaller transactions (<€20 million) demonstrated resilience, with nearly 3 out of 4 respondents stating that activity either remained stable or increased. Dealmaking in the smaller segment is more likely to be driven by demographic factors, succession problems or specific growth or synergy opportunities, rather than the ease and cost of financing the transaction.

EVOLUTION OF THE NUMBER OF M&A TRANSACTIONS PER SIZE CATEGORY IN 2024

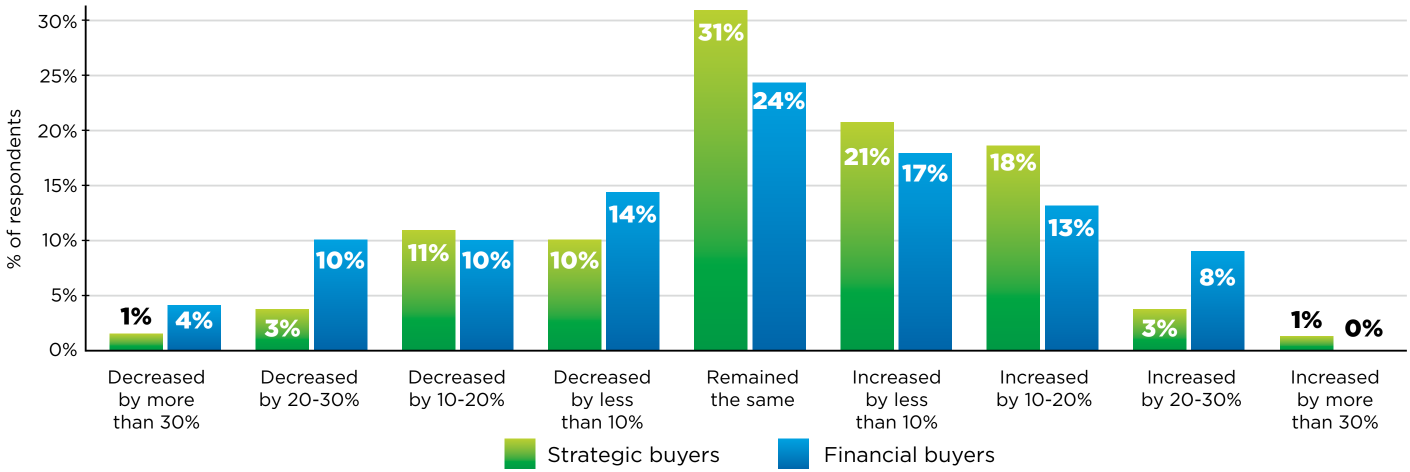


> The global uptick in M&A activity in 2024 is a welcome signal, but uncertainty remains. With trade tensions and geopolitical risks continuing to cloud the outlook, global markets are proving difficult to predict — and this inevitably affects dealmaking sentiment in Belgium as well. While a full recovery may still be unfolding, we saw a clear turning point in the second half of 2024 — following a slower first half.
>
> **Luc Wynant, Van Olmen & Wynant, Partner**

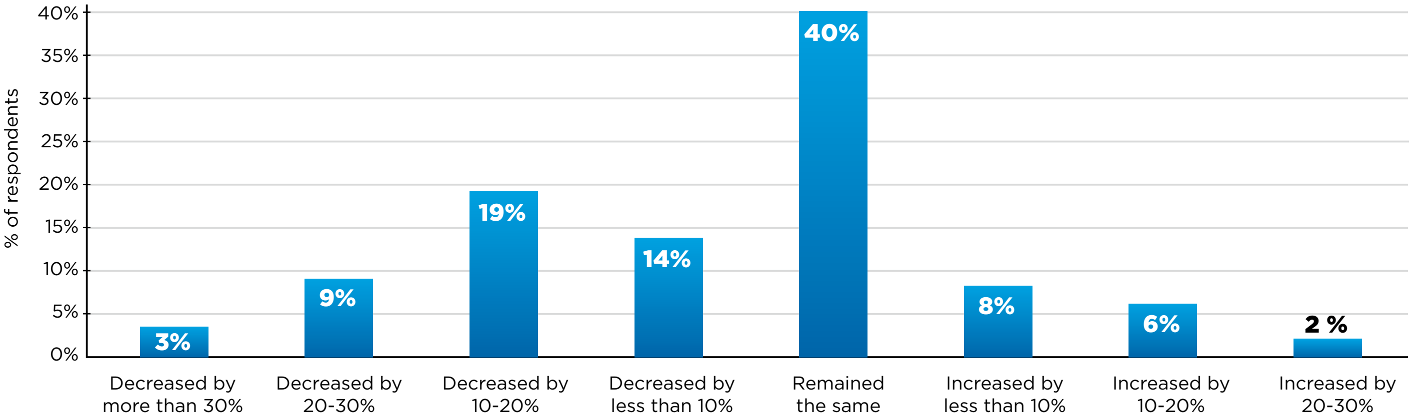
The respondents expressed a more negative view on 2024 deal activity by financial buyers (i.e., private equity) than by strategic acquirers. While 38% of the respondents observed a decline in acquisitions by financial players, only 25% noticed such a decline for strategic acquirers. Moreover, 24% noted a drop of more than 10% for financial buyers, significantly higher than the 15% seen among corporates.

Nearly half (45%) of our respondents reported a decline in PE exits through M&A in 2024. Private equity investors have postponed their exits in recent years, creating a backlog of transactions. Market volatility and economic uncertainty—leading to lower valuations—continue to make it less attractive for PE firms to sell their portfolio companies [2]. As a result, many are holding off on exits, waiting for improved market conditions to maximize returns.

EVOLUTION OF THE NUMBER OF M&A TRANSACTIONS PER BUYER CATEGORY IN 2024



PRIVATE EQUITY EXITS THROUGH M&A IN 2024

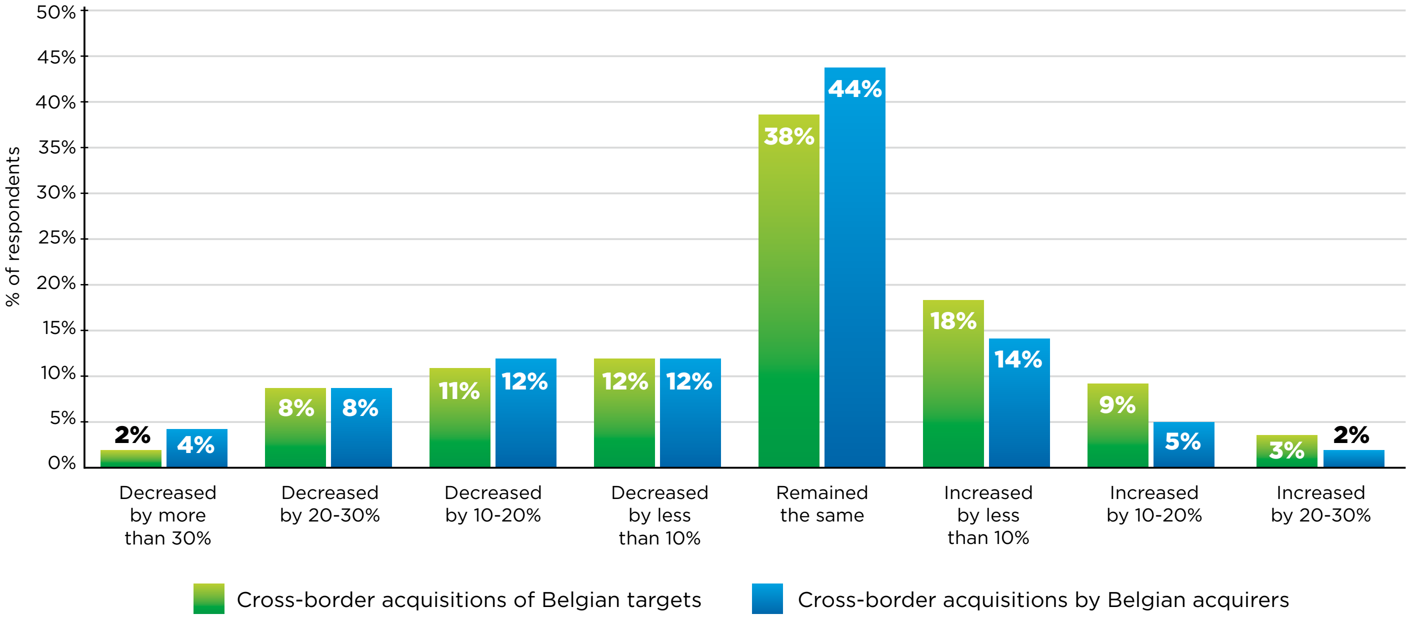


2 *https://www.ft.com/content/c7acc472-477c-496c-bf88-cf1be4b2879c*

In 2024, cross-border M&A activity involving Belgian companies was also marked by stability, both for acquisitions of Belgian targets and deals initiated by Belgian acquirers. The majority of respondents observed a stable or slightly increased cross-border market in both cases (68% and 65%, respectively).

This steady market sentiment aligns with the findings of the Cross-Border Mid-Market M&A Compass 2024[3], produced by Moore Global Corporate Finance in partnership with Vlerick Business School.

EVOLUTION OF THE NUMBER OF CROSS-BORDER TRANSACTIONS IN 2024

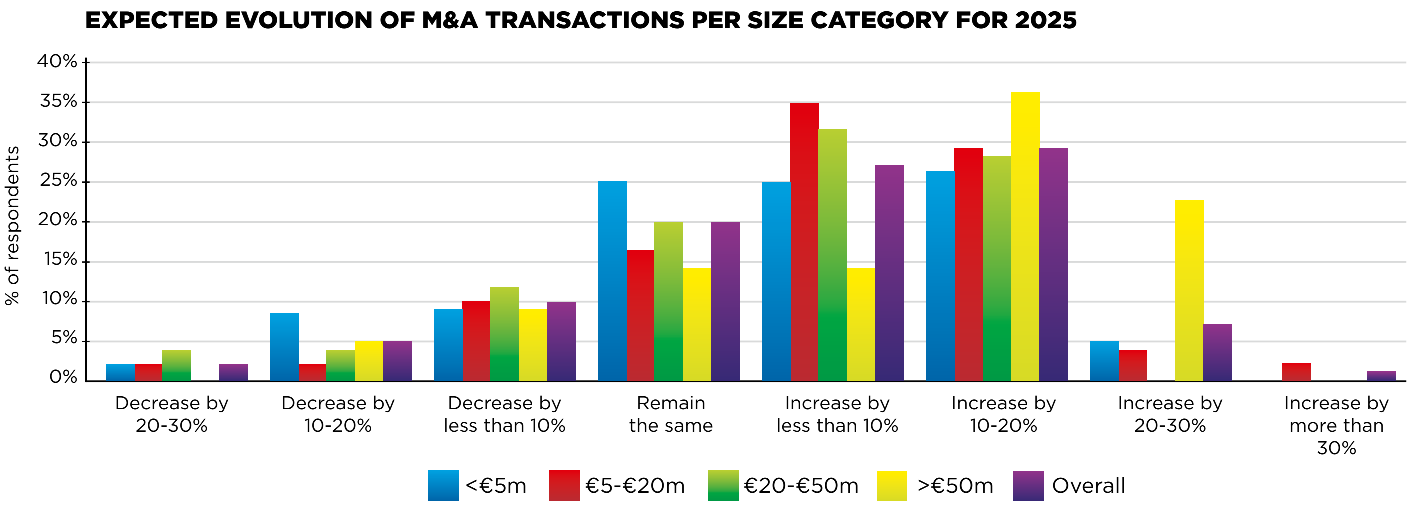


3 *https://www.moorecf.com/news/march-2025/%E2%82%AC180bn-business-logic-of-cross-border-m-a-for-mid*

LOOKING FORWARD: FROM UNCERTAINTY TO GROWING CONFIDENCE

Despite forecasts of ongoing market volatility, optimism prevails among the respondents, with 63% expecting Belgian M&A activity to increase in 2025. Among them, more than half anticipate a rise of at least 10%, highlighting significant confidence in market recovery. Meanwhile, only 20% of the surveyed experts believe that deal activity will remain unchanged.

Larger transactions are expected to drive market recovery, with 23% of the respondents in the deals exceeding €50 million segment forecasting M&A activity to grow by more than 20%. Small (<€5 million) and mid-sized (€20 to €50 million) deals attract a more cautious sentiment, with few respondents projecting such high growth.

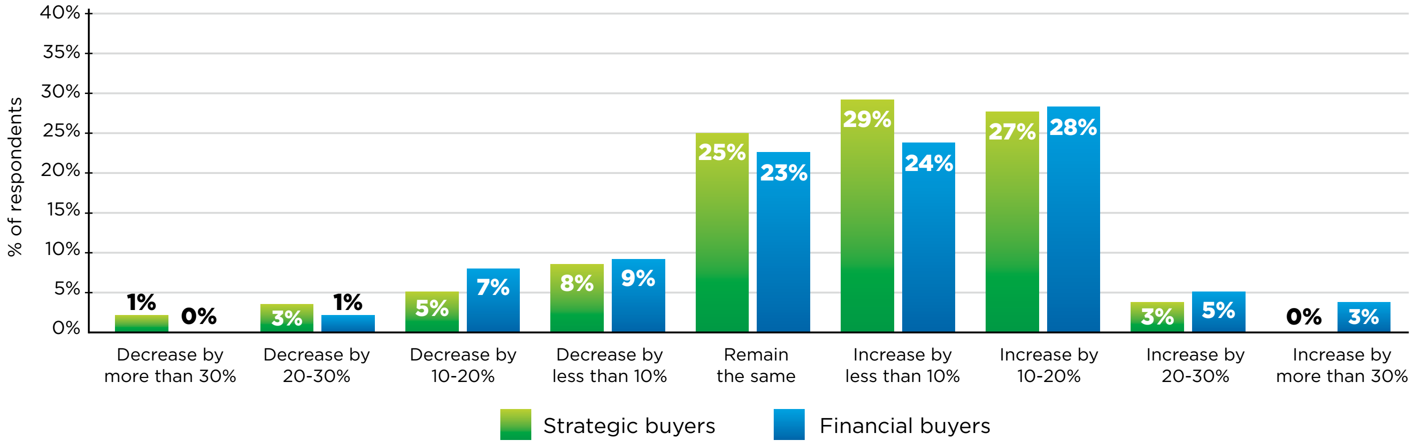


> At the start of 2025, we notice a greater willingness to invest among our clients compared to the past year, 2024. At the same time, we warn our SME clients about the impact of emotions during the sales process. A professional sounding board that provides guidance in this area remains essential.
>
> **Kristoph Wauters, Bank Van Breda, M&A Advisory Expert**

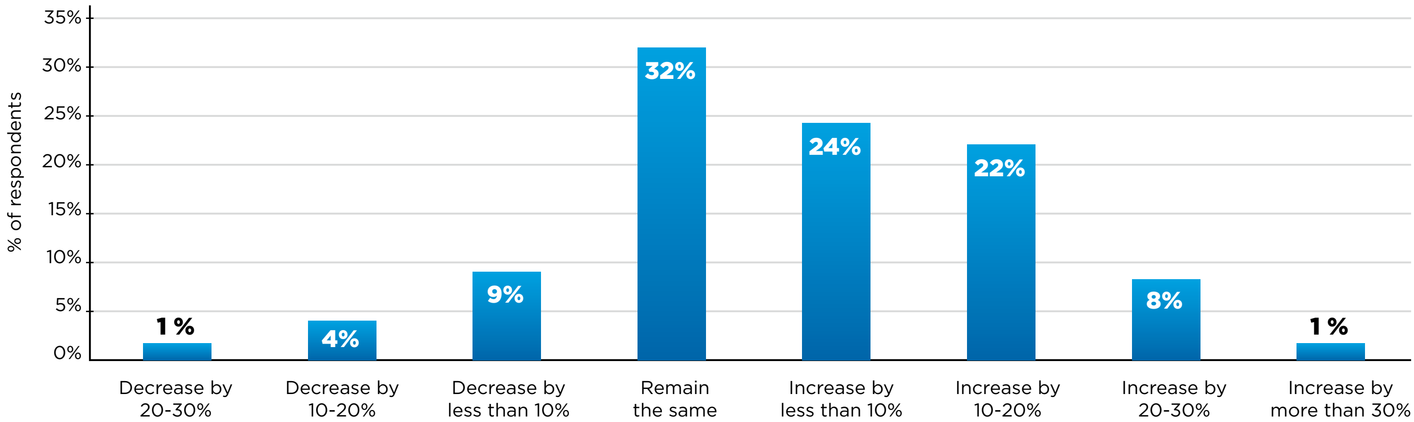
Expectations for M&A activity going forward are positive across both strategic and financial buyers. However, the anticipated increase appears to be more pronounced among financial buyers. In fact, over the years, private equity investors have amassed substantial 'dry powder,' which is now under growing pressure from limited partners (LPs) to be deployed.

In parallel, private equity investors have held off on their exits in recent years, creating a stockpile of transactions projected to materialize in 2025. This expectation is reflected in our survey results, with 55% of the respondents anticipating an increase in PE exits through M&A next year. If market conditions eventually stabilize and valuation expectations align, private equity firms are likely to take advantage of favourable exit opportunities, further fuelling deal activity.

EXPECTED EVOLUTION OF M&A TRANSACTIONS PER BUYER CATEGORY FOR 2025

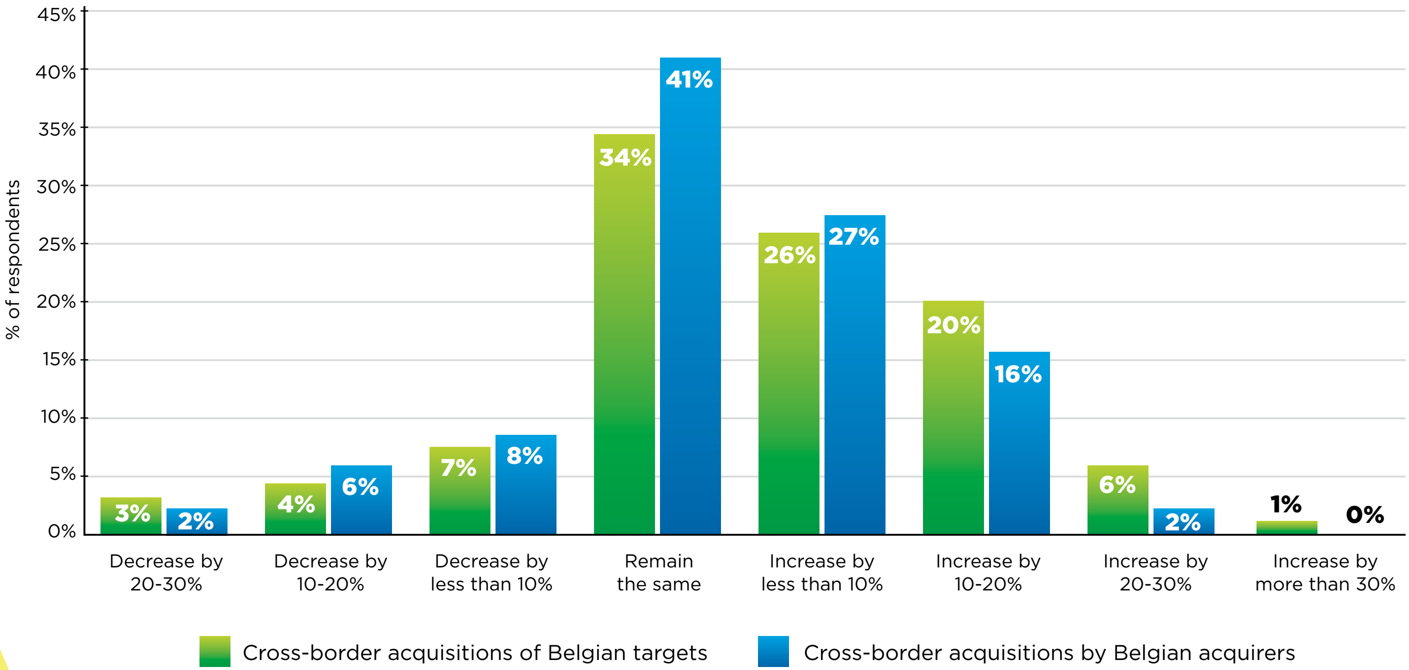


EXPECTED EVOLUTION OF PRIVATE EQUITY EXITS THROUGH M&A FOR 2025



The optimistic outlook extends to cross-border transactions, with over half of the respondents expecting an increase in foreign acquisitions of Belgian targets and 45% anticipating a rise in outbound M&A activity by Belgian acquirers.

EXPECTED EVOLUTION OF CROSS-BORDER TRANSACTIONS FOR 2025



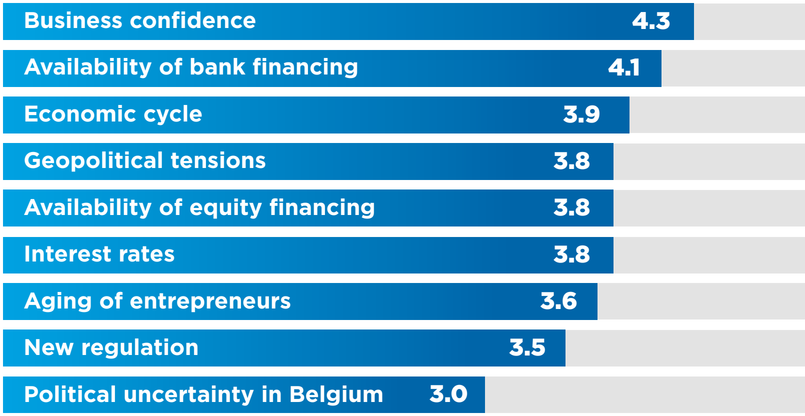
MARKET FORCES DRIVING M&A IN 2025

To gain deeper insights, we asked the participants to assess the importance of various market factors influencing the expected evolution of Belgian M&A activity in 2025. They rated each factor on a 5-point scale, ranging from 1 (not important) to 5 (very important).

Business confidence (4.3) emerges as the most influential factor, with 82% of the respondents rating it as important or very important for M&A activity in the coming year. Business confidence reflects overall market sentiment, risk appetite, and expectations for future economic conditions—all of which are critical drivers of deal-making. When confidence is high, companies and investors are more willing to pursue acquisitions, expand operations, and commit capital to growth initiatives.

3 out of 4 respondents report the availability of bank financing (4.1) as an important factor (i.e., score of 4 or 5) influencing M&A activity. In 2024, continued elevated interest rates and tighter lending conditions made access to traditional bank loans more challenging. The strong dependence of the Belgian M&A market on bank financing suggests that an easing of credit conditions in 2025 could play a crucial role in unlocking more deal opportunities.

MARKET FACTORS DRIVING BELGIAN M&A ACTIVITY IN 2025



Other macroeconomic and financial factors play a significant role in shaping Belgian M&A activity, with 2 out of 3 respondents highlighting the importance of the economic cycle (3.9), interest rates (3.8), and geopolitical tensions (3.8). The availability of equity financing (3.8) received a similar score, again indicating that the excess amount of dry powder could drive increased deal-making as private equity investors seek attractive opportunities to allocate capital effectively.

The ageing of entrepreneurs (3.6) appears to be an important factor for about half of the respondents, reflecting its direct impact on business succession and ownership transitions. This is particularly relevant in a Belgian setting, where a significant portion of SMEs are family-owned and effective governance and succession planning remain ongoing challenges. To ensure business continuity and sustained growth, entrepreneurs increasingly look to external buyers, such as private equity firms or strategic acquirers, further driving deal activity.

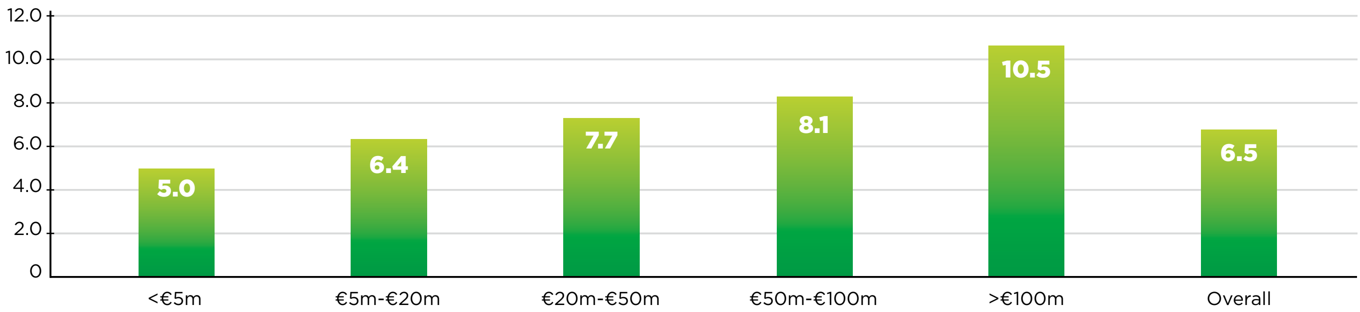
New regulation (3.5) and political uncertainty in Belgium (3.0) are expected to be less important in driving the Belgian market. However, it is crucial to note that our survey was open before the new government reached a coalition agreement that includes a proposal on capital gains taxes, among other measures.

> "A notable trend in business ownership transitions is the decline of family succession. As a result, business owners are initiating the sales process earlier, leading to a younger demographic of sellers.
>
> **Kristoph Wauters, Bank Van Breda, M&A Advisory Expert**

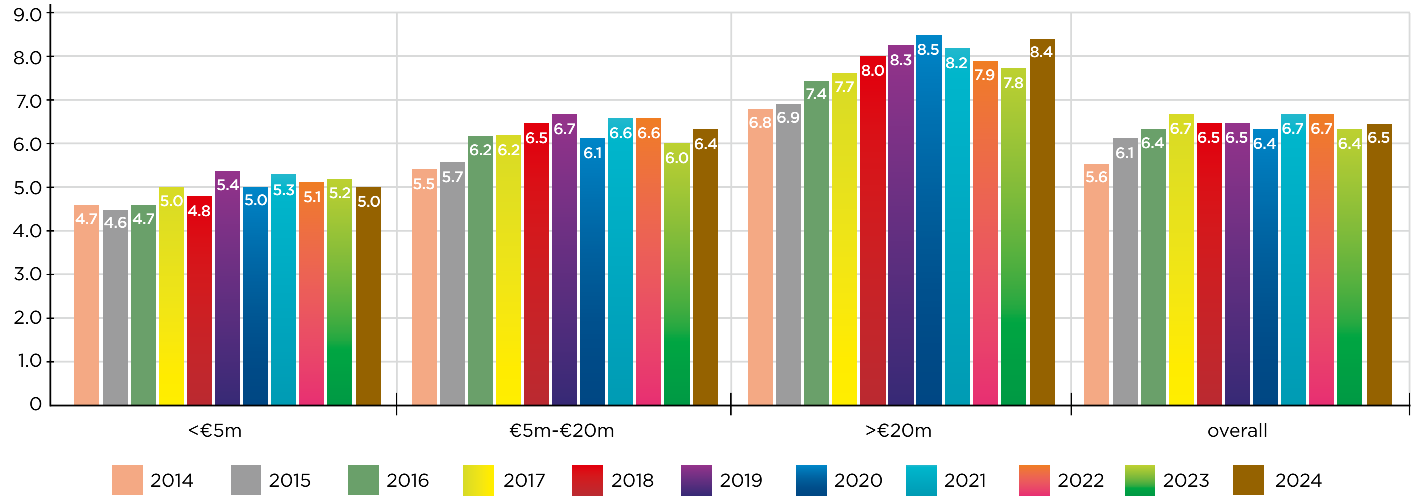
DEAL VALUATION

We asked the surveyed experts to report the average Enterprise Value (EV)/EBITDA multiple for the deals they participated in during 2024. The average multiple ranges from 5.0 for the smallest deal segment (<€5 million) to 10.5 for the largest deal segment (>€100 million). Despite ongoing macroeconomic and geopolitical challenges, targets were acquired at an average EV/EBITDA multiple of 6.5 in 2024, marking a slight increase compared to the previous year's overall multiple of 6.4. Transactions exceeding €20 million experienced a recovery in EV/EBITDA multiples, rising from 7.8 to 8.4. In addition, for companies that were sold for between €5 and €20 million, buyers paid a multiple that was on average 0.4 higher than in 2023. In contrast, multiples for deals of less than €5 million dropped from 5.2 in 2023 to 5.0 in 2024.

EV/EBITDA MULTIPLE



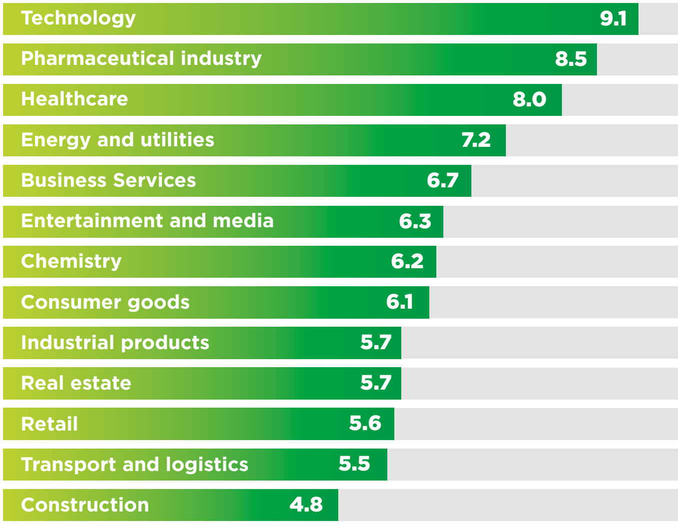
HISTORICAL EVOLUTION OF THE EV/EBITDA MULTIPLE



EV/EBITDA PER INDUSTRY

Valuation multiples vary significantly across sectors. Companies in scalable and knowledge-intensive industries – such as technology (9.1), pharmaceutics (8.5), and healthcare (8.0) – are the most highly valued. Energy and utilities (7.2) and business services (6.7) exceed the overall average of 6.5. On the other hand, industries such as entertainment and media (6.3), chemicals (6.2), and consumer goods (6.1) sell at a slight discount to the average. Industrial products and real estate exhibit the same multiple (5.7), with industrial products experiencing a 0.5-point decline in EV/EBITDA multiples compared to the previous year. At the lower end, capital-intensive or lower-growth industries—including retail (5.6), transport and logistics (5.5), and construction (4.8)—have the lowest valuation multiples in this year's survey.

EV/EBITDA MULTIPLE PER INDUSTRY



The table below highlights variations across different size segments within these industries. To ensure the reliability of our findings, we only report data for categories with at least 5 responses per cell. As a result, the entertainment and media sector has been excluded due to insufficient data. In general, the ranking of valuation multiples within each size segment is similar to the overall averages.

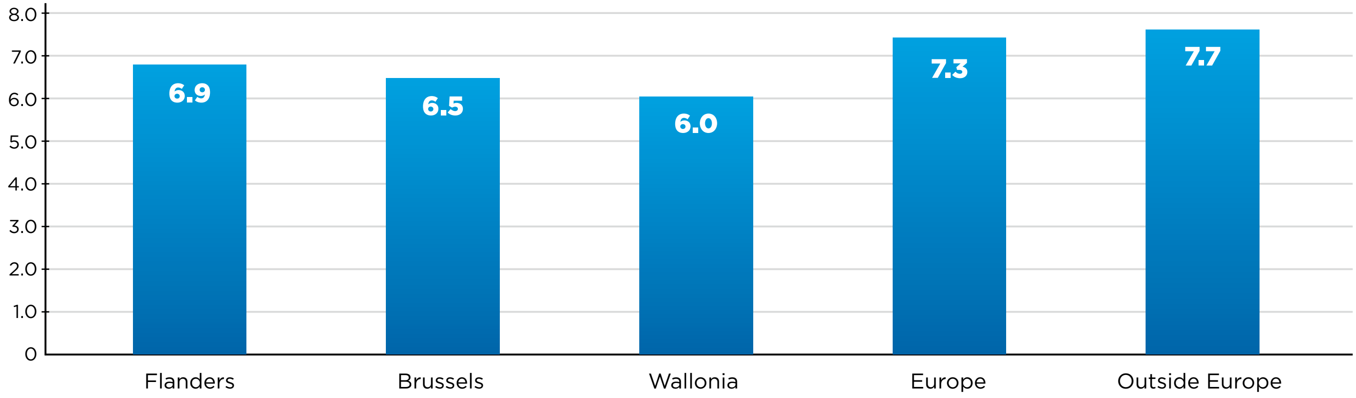
EV/EBITDA MULTIPLE

	<€5 million	€5-€20 million	>€20 million
Technology	7.2	8.2	10.6
Healthcare	5.7	7.0	10.6
Pharmaceutical industry	NA	NA	9.6
Energy and utilities	NA	5.6	8.9
Business Services	4.8	5.9	8.8
Real estate	4.0	4.9	7.7
Consumer goods	4.4	6.3	7.4
Retail	5.4	5.2	NA
Industrial products	4.7	5.4	6.9
Transport and logistics	4.6	4.9	6.5
Chemistry	NA	NA	5.7
Construction	4.1	5.4	5.4

EV/EBITDA PER TARGET LOCATION

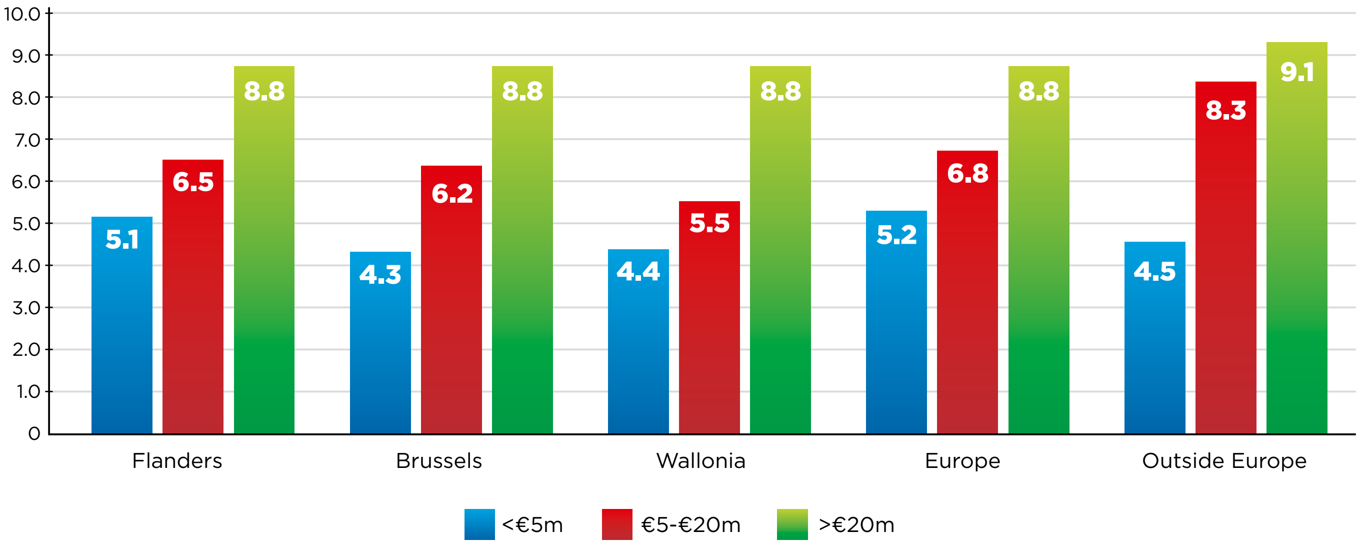
Next, we invited the respondents to provide input into the multiples observed per target location. On average, companies outside Belgium receive higher valuations, with transactions in Europe (7.3) and the rest of the world (7.7) exceeding the Belgian market average. Within Belgium, Flanders (6.9) has the highest multiple, followed by Brussels (6.5) and Wallonia (6.0).

EV/EBITDA MULTIPLE PER TARGET LOCATION



Our findings indicate that regional disparities are most pronounced in smaller and mid-sized deals, while large transactions follow a more standardized valuation approach, both within Belgium and across Europe. Larger transactions (>€20 million) command a uniform multiple of 8.8 across all Belgian regions and European targets, suggesting consistent valuation dynamics for sizable deals. However, smaller and mid-sized transactions show notable regional disparities. For mid-sized deals (€5 to €20 million), acquirers of Flemish targets (6.5) pay approximately 1.0 times EBITDA more than those acquiring Walloon targets (5.5), while Brussels (6.2) falls in between. Interestingly, targets outside Europe command a significantly higher multiple of 8.3, possibly reflecting higher growth expectations, strategic interest from international buyers, or differences in competitive dynamics. In the smallest transaction segment (<€5 million), valuations in Flanders (5.1) closely align with the European average (5.2), exceeding those of Brussels (4.3), Wallonia (4.4) and the rest of the world (4.5).

EV/EBITDA MULTIPLE PER TARGET LOCATION AND PER DEAL SIZE



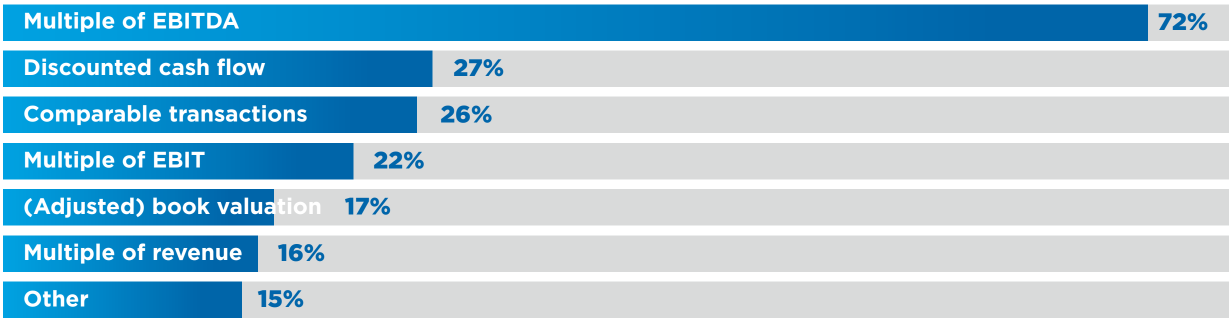
VALUATION TECHNIQUES & SOURCES

As part of our survey, we asked the experts about the valuation methods they applied in 2024 M&A transactions. The results indicate that market-based and income-based approaches dominate the valuation landscape. The multiple of EBITDA remains the dominant approach, used in 72% of deals. This method is favoured for its simplicity and direct comparability across companies and industries. In approximately 1 out of 4 transactions, the discounted cash flow (DCF) method—used to estimate a company's value based on projected future cash flows—was employed. A comparable percentage applies to valuations based on similar past transactions, where benchmarks are set against previous deals. Multiples of EBIT (22%) and revenue (16%), as well as the adjusted book value approach (17%) are applied less frequently.

The surveyed experts indicate that Vlerick Business School's M&A Monitor is used as a benchmark for setting reference prices in approximately 29% of all transactions they worked on. Additionally, when asked about alternative sources, the respondents frequently mentioned the use of commercial and publicly available databases (e.g., Wallonie Entreprendre, Pitchbook, Capital IQ, Mergermarket, FactSet, etc.) to obtain valuation multiples.

29% of all transactions used the **Vlerick M&A Monitor** to set a reference price

COMMONLY USED VALUATION TECHNIQUES



> This report highlights the over-reliance on simplistic valuation methods such as multiples. We often see people underestimating the complexity of understanding value creation mechanisms on the one hand, and managing succession or integration on the other.
>
> **Philippe Craninx, Moore Corporate Finance, Managing Partner**

VALUATION MISTAKES OR PITFALLS

In an open-ended question, we asked the participants for their opinions on common valuation mistakes or pitfalls. Valuation errors can significantly impact M&A transactions, often leading to mispricing and deal failures. Based on their responses, we identified 5 key themes.

The respondents highlighted unrealistic seller price expectations as one of the most important difficulties regarding valuation of smaller private firms. Sellers often over-estimate the value of their business, basing it on personal expectations rather than market realities. Many integrate future business plans into their pricing or fail to account for potential risks, leading to misaligned valuations.

Another key issue lies in financial and methodological pitfalls. Many rely too heavily on simplistic valuation methods, such as multiples, without deeper financial analysis. Critical adjustments, including working capital needs, EBITDA normalization, and CAPEX, are often overlooked. Incorrect assumptions about sustainable margins and growth further distort valuations.

Emotional and psychological biases also play a role. Entrepreneurs may develop a strong attachment to their business, leading to inflated valuations. Some resist external advice from valuation experts, while buyers can mistakenly assume they are the only interested party, underestimating competition.

Misinterpretation of financials and business fundamentals can also result in valuation errors. A lack of understanding of the business model and industry-specific risks can skew assessments. Inaccurate or manipulated financial statements further complicate matters, and overestimating synergies while ignoring integration costs can lead to costly miscalculations.

Finally, market and deal-specific risks should not be ignored. Economic uncertainty, geopolitical risks, and market volatility all influence valuations. Applying the wrong valuation methods to specific industries, or engaging in opportunistic bidding behaviour, can ultimately jeopardize the success of a deal.

COMMON VALUATION MISTAKES OR PITFALLS

UNREALISTIC PRICE EXPECTATIONS

FINANCIAL AND METHODOLOGICAL PITFALLS

EMOTIONAL AND PSYCHOLOGICAL FACTORS

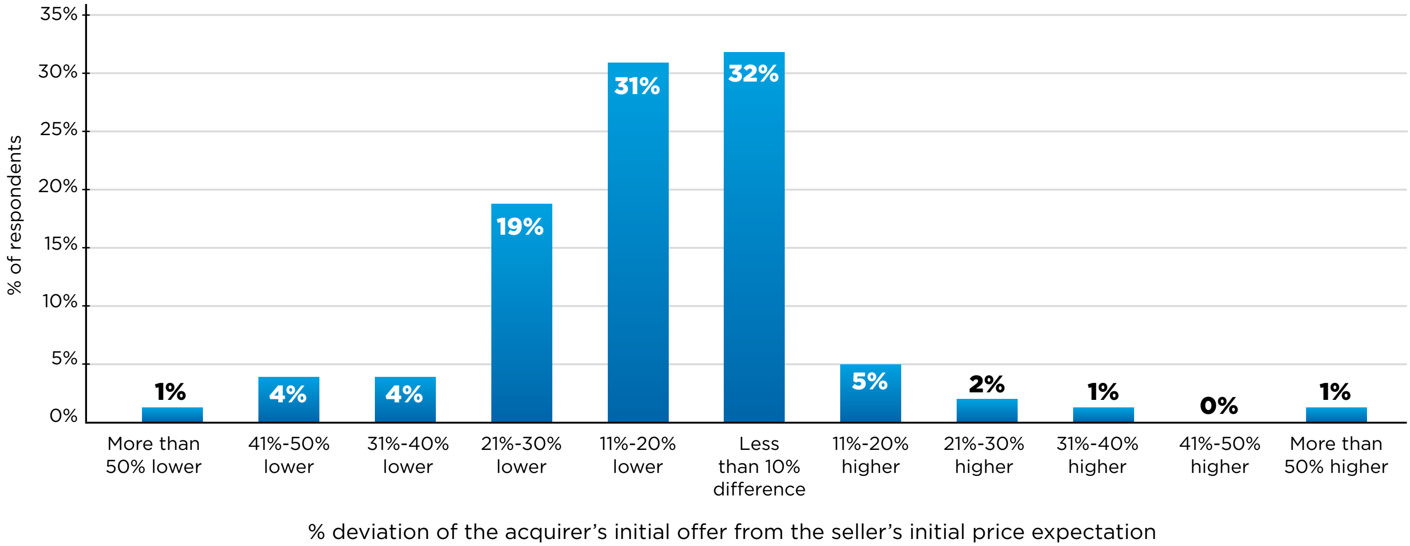
MISINTERPRETATION OF FINANCIALS AND BUSINESS FUNDAMENTALS

MARKET AND DEAL-SPECIFIC FACTORS

VALUATION GAP

This section delves into the valuation gap that occurs when the initial offer made by the acquiring party deviates from the seller's initial price expectation. The survey results highlight a significant valuation gap in 2024, with the majority of the respondents (59%) highlighting that the first offer made by acquirers is at least 10% lower than initially expected by the sellers. Specifically, 31% of the respondents pointed towards an average gap of 11%-20%, while 19% saw a valuation difference of 21%-30%. Only one-third of the respondents experienced an average valuation spread of less than 10%. In 9% of the cases, the initial offer even exceeded seller expectations. The valuation gap remains a significant challenge for M&A transactions, with half of the respondents indicating that it has remained the same compared to last year, while 1 in 4 experts reported an increase.

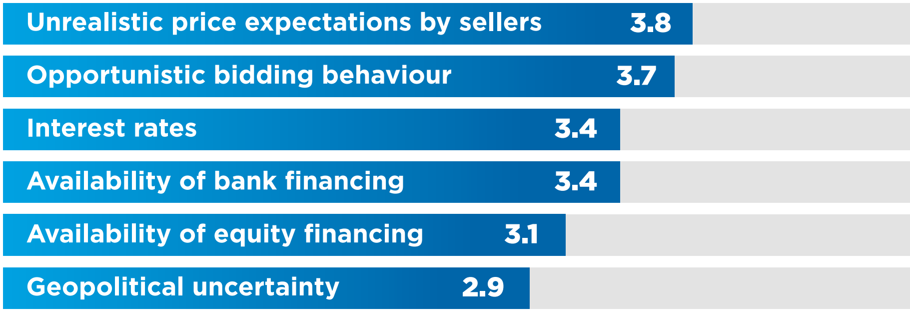
VALUATION GAP IN 2024



Going into greater detail, we asked the participants to evaluate the factors driving the valuation gap on a 5-point scale, ranging from 1 (not important) to 5 (very important). The findings reveal that the persistent misalignment between buyers and sellers is primarily driven by behavioural factors. Unrealistic price expectations from sellers (3.8) and opportunistic bidding behaviour (3.7) ranked as the most significant contributors to the valuation gap.

Beyond behavioural dynamics, financing constraints and macroeconomic pressures also contributed to the valuation gap, though their overall impact appears somewhat less pronounced given their relatively low average scores. Continued high interest rates (3.4) and tightened bank lending (3.4) make it more challenging for bidders to meet seller's expectations. Availability of equity financing (3.1) and geopolitical instability (2.9) were considered to be less important in explaining the valuation spread.

FACTORS DRIVING THE VALUATION GAP BETWEEN BUYERS AND SELLERS

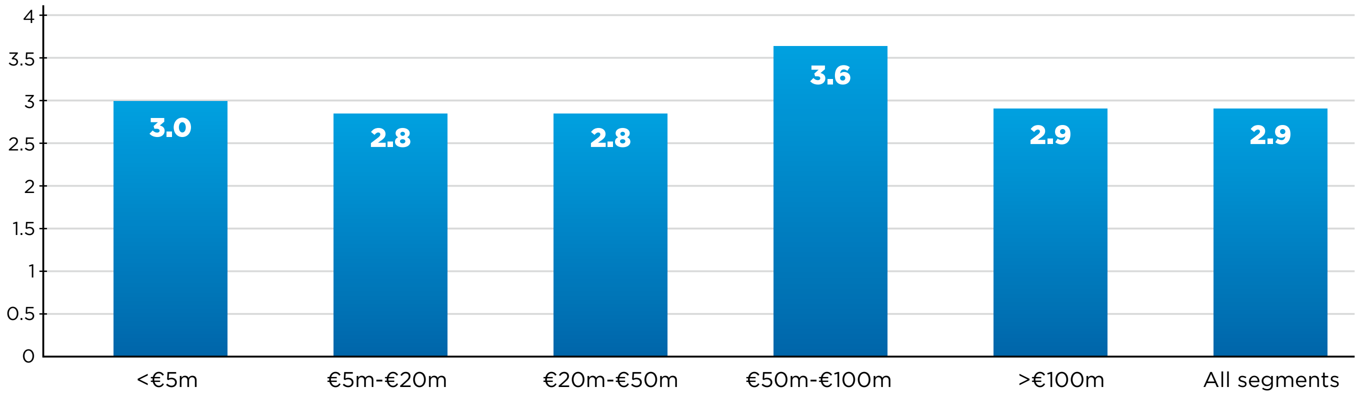


> This year's M&A Monitor sheds clearer light on the valuation gap between buyers and sellers. This emphasises the great importance of the role of capable dealmakers in finding creative solutions – such as earn-outs, deferred (contingent) payments, or vendor loans – to bridge pricing expectations and pull transactions across the finish line.
>
> **Koen Hoornaert, Van Olmen & Wynant, Partner**

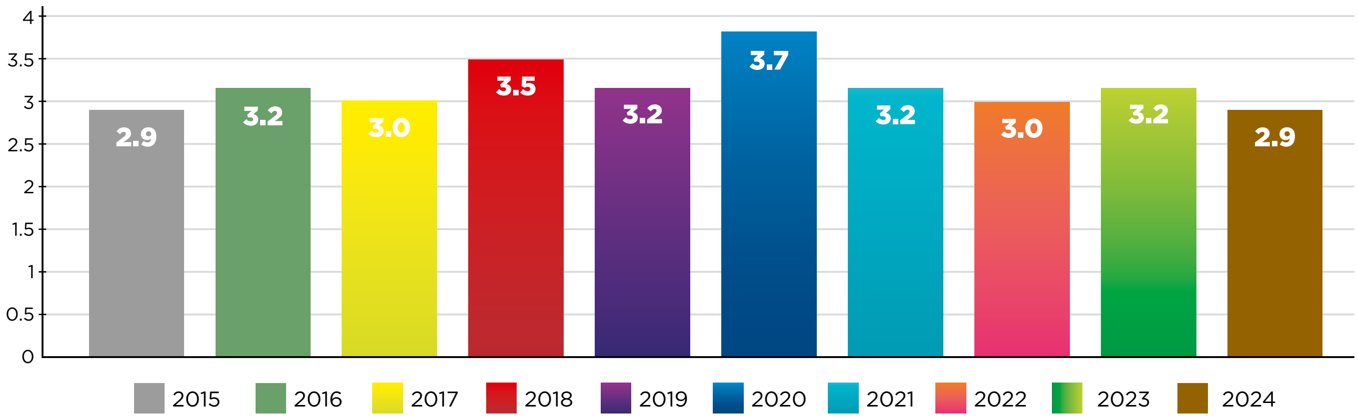
DEAL FINANCING

To assess the sources of funding in M&A transactions, we analysed the typical extent of debt financing by asking the respondents about the average net financial debt (NFD) to EBITDA ratio. In addition, we also included questions on the use of delayed payments that are fixed (vendor loans) or that depend on post-M&A performance (earnouts). In 2024, the average NFD/EBITDA ratio amounts to 2.9, consistent across most size segments. However, for transactions between €50-€100 million, the ratio is notably higher at 3.6. From a historical perspective, leverage levels have remained relatively stable.

NFD/EBITDA PER SIZE CATEGORY IN 2024

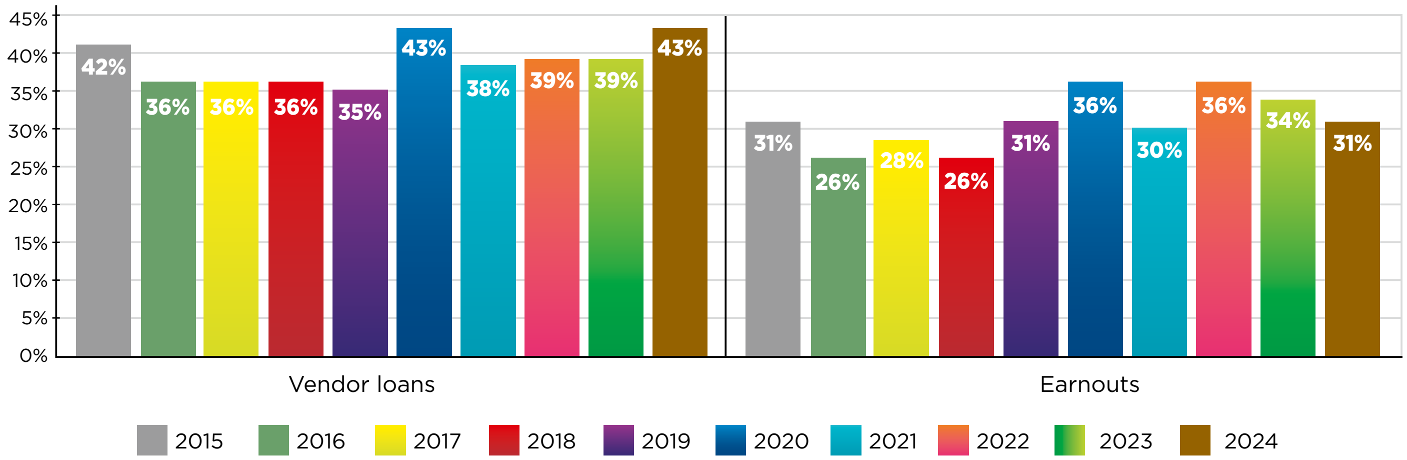


EVOLUTION OF THE OVERALL NFD/EBITDA

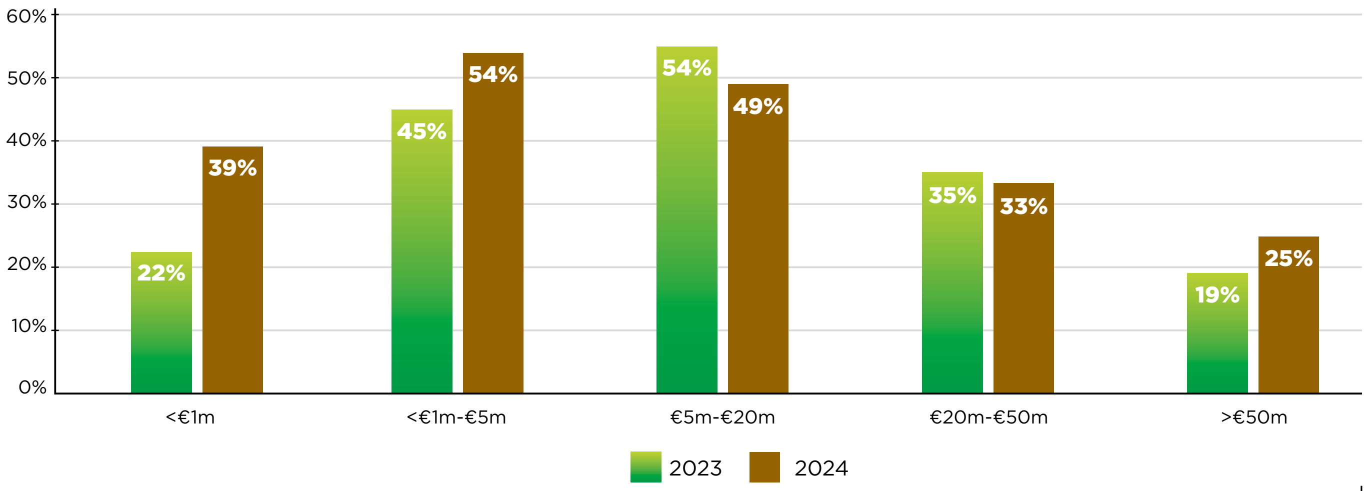


From a historical perspective, the use of vendor loans saw a slight increase in 2024, while the use of earnouts somewhat declined. A closer look reveals that the rise in vendor loan usage is primarily driven by a sharp increase in the smallest deal segment (<€1 million), where it surged to 39% in 2024 (up from 22% in 2023). Meanwhile, the average interest rate on vendor loans decreased slightly to 5.6% in 2024 (compared to 6% in 2023). Additionally, experts noted a modest decline in the overall use of earnouts, largely attributed to a significant drop in the largest deal segment (>€50 million), where their prevalence fell from 27% in 2023 to 15% in 2024.

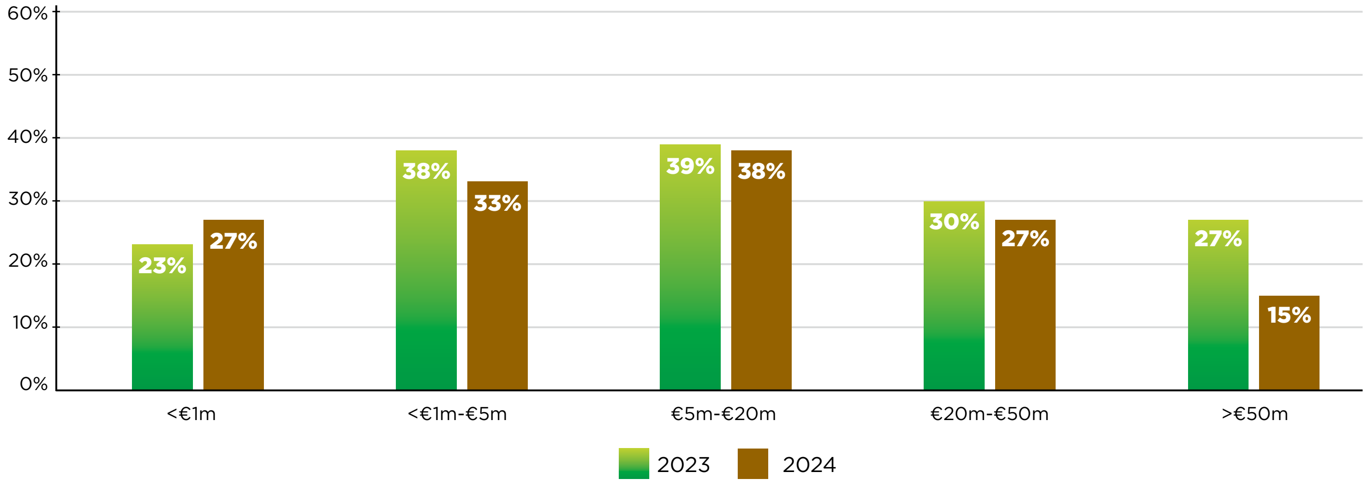
HISTORICAL EVOLUTION OF THE USE OF VENDOR LOANS AND EARNOUTS



FRACTION OF M&A TRANSACTIONS WITH A VENDOR LOANS IN 2023 & 2024



FRACTION OF M&A TRANSACTIONS WITH AN EARNOUT IN 2023 & 2024



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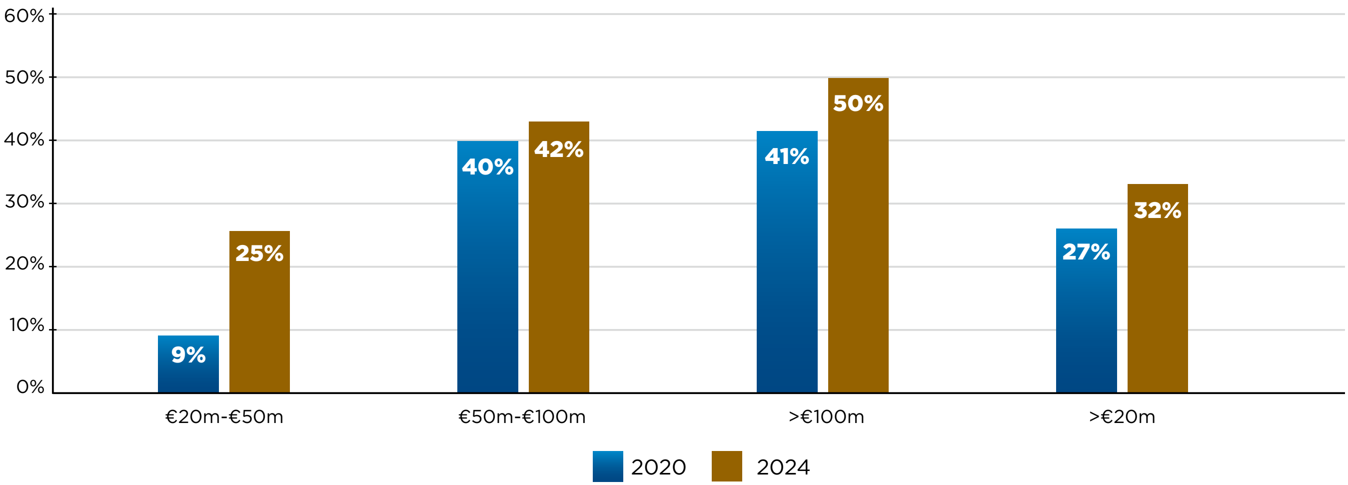
The drop in earnouts for larger deals is a notable finding. Earnouts can hinder the achievement of strategic objectives in external growth strategies. It's encouraging to see strategic buyers focusing on building strong businesses and using deal structuring techniques only where appropriate.

Philippe Craninx, Moore Corporate Finance, Managing Partner

We also surveyed the respondents on the presence of Warranty and Indemnity (W&I) insurance in M&A transactions. These contracts provide cover for losses arising from a breach of the representations and warranties. For all deals exceeding €20 million, 32% of the respondents reported the use of W&I insurance—an increase from 27% at the onset of the Covid-19 pandemic in 2020. While W&I insurance remains most prevalent in larger transactions, its adoption in smaller deals (€20 to €50 million) has grown remarkably in recent years, marking a clear shift from previous trends. In 2020, only 9% of deals in this range included W&I insurance, but by 2024 that share had risen to 25%.

% DEALS WITH WARRANTY & INDEMNITY INSURANCE



> We are now seeing Warranty & Indemnity insurance gain real traction in the smaller deal segment — a shift from just a few years ago. Foreign brokers are increasingly active in the small and mid-sized Belgian market, offering not only standard W&I cover but also policies tailored to known risks, such as identified tax liabilities, environmental exposure, and real estate issues.
>
> **Luc Wynant, Van Olmen & Wynant, Partner**


2024
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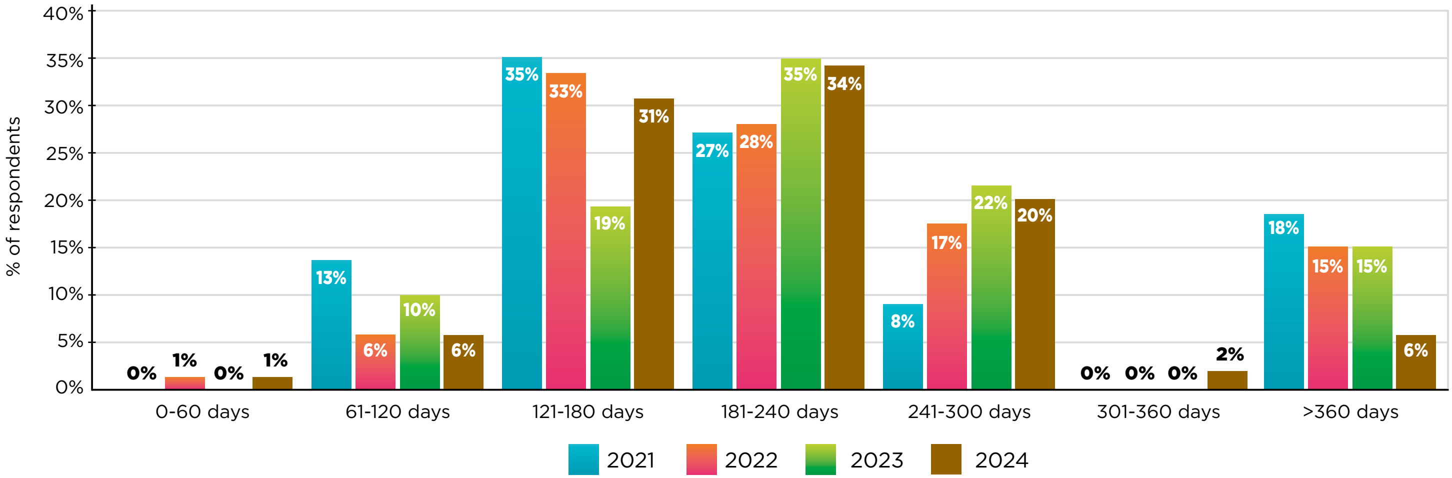
DEAL PROCESS

We examined how the typical length of an M&A deal process—from initiation to completion—has evolved in recent years. Over the past few years, deal timelines have been extended in response to rising market uncertainties and growing complexities. However, in 2024, this trend came to a halt, with deal durations either stabilizing or even showing a slight decline. In 2023, nearly 75% of respondents reported that the average deal process exceeded 6 months. By 2024, this dropped to 62%, bringing deal length back in line with 2022 levels.

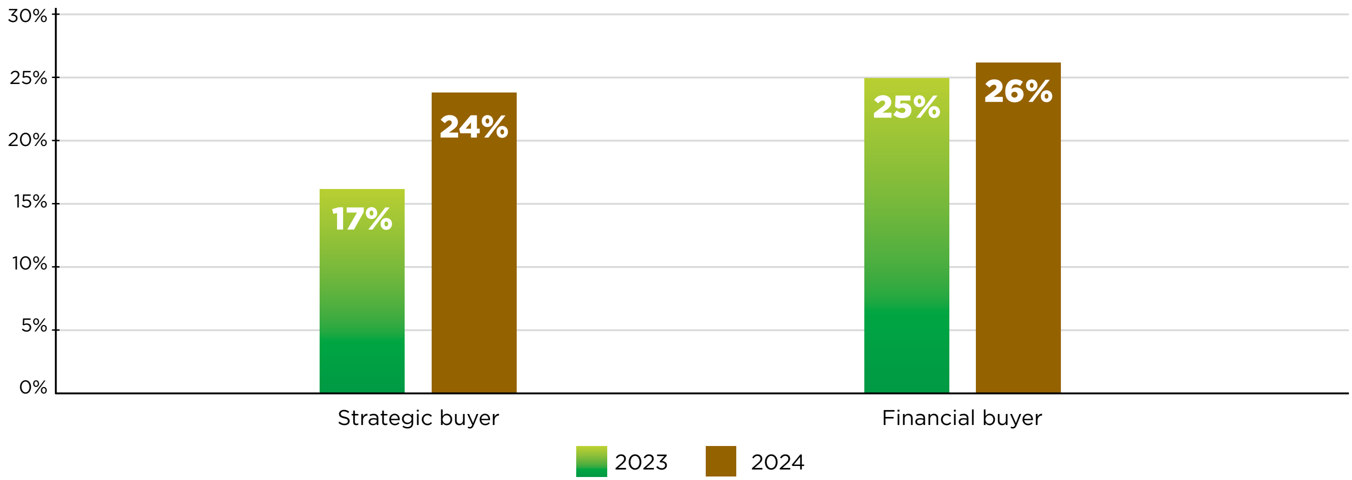
DEAL LENGTH



The focus on ESG factors in M&A transactions as a driver of value creation continues to grow, with a slight uptick in the share of deals involving ESG due diligence—rising from 19% (in 2023) to 22% (in 2024). This increase is primarily driven by strategic buyers, where the proportion of deals including ESG due diligence, rose from 17% (in 2023) to 24% (in 2024). In contrast, for financial buyers, the percentage of deals incorporating ESG due diligence remained stable. As a result, the gap between strategic and financial buyers has narrowed significantly.

In 2023, ESG due diligence was 8% more common in deals led by financial buyers than in those led by strategic buyers. By 2024, this difference had shrunk to just 2 percentage points, reflecting how strategic buyers are catching up. This suggests that strategic buyers are increasingly viewing ESG not just as a tool for risk mitigation but also as a strategy for value creation, aligning with the approach that financial buyers have been ahead of.

% DEALS WITH ESG DUE DILIGENCE PER BUYER CATEGORY



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