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The new dynamics of the Italian M&A market: internationalization, patient capital, and carve-outs



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Overview

Our experts focus on the new dynamics of the Italian M&A market. In the first nine months of 2026, the value of transactions reached its highest level since 2007, but this figure is driven by a handful of major banking deals: excluding these, the market consists of numerous medium-sized transactions, with multiples under pressure and an increasingly diverse group of buyers. Private equity funds are growing in terms of number of transactions, mainly through add-ons, whilst investors with a longer-term horizon, such as permanent capital vehicles, are gaining ground. Multinationals are streamlining their portfolios and divesting non-core businesses, opening up opportunities for industrial and financial buyers, including Italian ones. This article analyses who is buying and who is selling, the pricing and structural logic behind these transactions, and explores a virtuous model of international growth.

In the new M&A market, the key factor is not capital, but a sound business plan: that is what determines who buys and at what valuation.

Expert's opinion

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Corporations, private equity funds and permanent capital vehicles are increasingly competing for the same assets, but their approaches differ significantly in terms of investment horizons, performance metrics and structures.

CORPORATIONS, PRIVATE EQUITY FUNDS AND PERMANENT CAPITAL: WHO'S DRIVING THE MARKET

HOW SHOULD WE INTERPRET THE FIGURES FOR ITALIAN M&A OVER THE PAST YEAR?

Carefully and with a thorough examination of the scope of reference. In the first nine months of 2026, transactions involving Italy increased compared with the previous year, both in terms of number (+9 per cent) and value (+122 per cent), but large transactions in the financial sector accounted for around 65 per cent of the value of Italian targets. Excluding bank offers, in fact, the picture changes: the aggregate value is down, with a marked decline particularly in the industrial sector. It is therefore a two-speed market, with average transaction values falling and increasing price polarisation. Looking solely at the European mid-market (Argos Index), the median multiple stands at 8.8× EBITDA; However, the proportion of transactions concluded at less than 7× rose to 27 per cent, whilst that above 15× fell to 5 per cent, an all-time low.

WHO IS BUYING THE MOST: LARGE CORPORATIONS OR PRIVATE EQUITY FUNDS?

In terms of number of transactions, large corporations still dominate, as they are able to capitalise on synergies more swiftly and continue to dominate large-scale transactions. Funds, for their part, are gaining ground: in the first seven months of 2026, financial sponsors accounted for around a third of transactions and a quarter of the value. Funds focus primarily on sectors with high valuations, such as software, healthcare and B2B services, and on 'buy and build' strategies, aimed at building a platform through the integration of a number of 'add-ons': in the first half of 2026 alone, add-ons accounted for 64 per cent of private equity transactions completed.

HOW ARE PRIVATE EQUITY FUNDS OPERATING AND WHAT ROLE DO PERMANENT CAPITAL'S INVESTMENT VEHICLES PLAY?

Private equity is currently going through a complex and transitional phase: the decline in fundraising and longer exit times, linked to a fragile economic climate, are driving increasing volumes towards the secondary market, largely via 'continuation vehicles' – that is, the transfer of one or more holdings to a new vehicle – which offer investors the choice between liquidity and rollover, with prices often in line with NAV. By contrast, the number of investors with no fixed maturity – the so-called 'permanent capital' vehicles (such as Newport & Co, Lifco, and Indutrade) – is growing; these take a long-term view, prioritising cash yield and the capitalisation of cash flows over exits within 5–6 years.

ARE MULTINATIONAL COMPANIES SELLING OFF? HOW SIGNIFICANT ARE CARVE-OUTS?

Yes, large corporations are currently in the process of divesting business units that are no longer considered core. This process opens up new investment opportunities for qualified operators specialising in carve-outs: industrial buyers with strong expertise in the relevant sector, special situations funds and permanent capital vehicles. Among the most recent transactions is the acquisition by Allison Transmission of Dana's Off-Highway division (approximately 800 employees between Arco and Rovereto) and the transfer by Continental of the Cairo Montenotte plant to Mutares. Moreover, Newport & Co, has completed three carve-out transactions in less than a year, acquiring businesses from Baumann Federn, Health Care Group, and Justrite Safety Group.

DO ITALIAN COMPANIES MAKE ACQUISITIONS ABROAD? WHAT MODELS DO THEY FOLLOW?

In 2026, there are clear signs that Italian companies are acquiring businesses abroad: a trend that signals structural growth among our strategic players and a shift in the model of international development. Expansion abroad is no longer seen simply as the direct export of goods and services, but as a structural expansion of industrial platforms through a planned M&A process. In the first nine months of the year, in fact, the value of transactions carried out by Italian operators abroad rose significantly. Among the most significant deals are those involving Angelini on Catalyst and Chiesi on KalVista in the US, as concerns the pharmaceutical industry, the UniCredit offer on Commerzbank in the financial industry, and the acquisition of Eventbrite by Bending Spoons in the digital sector. This trend also applies to Italian funds, which – increasingly adopting a 'buy and build' approach – are acquiring foreign targets to consolidate their industrial platforms: in the first half of 2026, there were around 34 add-on acquisitions of European targets.



Focus on

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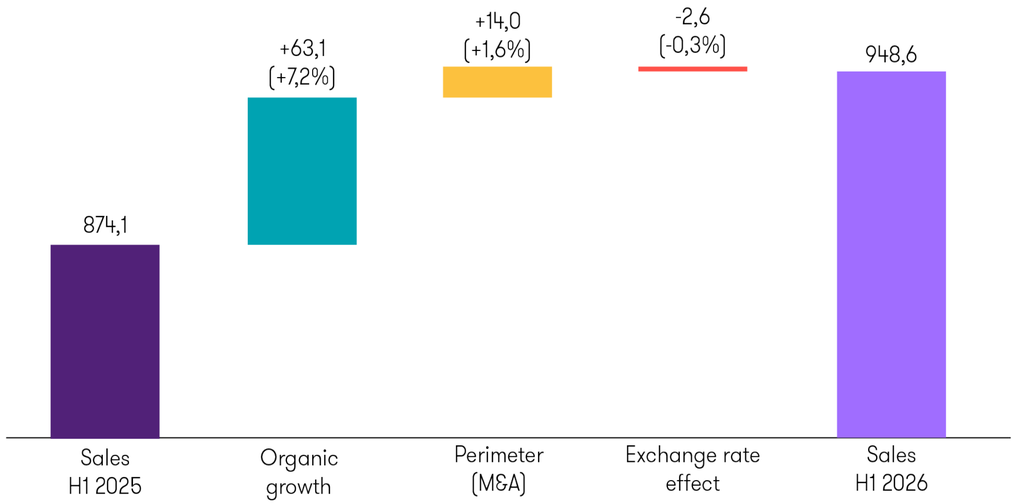


CASE STUDY

A concrete example of an M&A model for international growth

The following case study represents a commendable and contemporary model of international growth for an Italian company.
SOL Group, located in Monza, was incorporated in 1927 and is listed on the stock exchange. It operates primarily in the technical and medical gases sector and in home care under the Vivisol brand and has a presence in 33 countries, 26 of which are in Europe; with a turnover of around 2 billion euros, it is the eighth largest group in the world and the sixth largest in Europe within its sector. Over the years, the Group has complemented its organic growth with a series of acquisitions that fit in a complementary and structural manner with its core business: technical gases, medical equipment and home care. In the first half of 2026 alone, it completed four acquisitions, followed in the subsequent months by those of IBG in Brasil and of Nowus Healthcare in Denmark, and, in October, that of Wentimed in Poland.

Graphic 1 – SOL: breakdown of sales growth, semester 1, 2026 vs semester 1 2025 (€m)



Source: analysis of SOL data (half-yearly financial report 2026). Organic growth calculated as total growth net of changes in scope and exchange rate effects as reported by the company.

Company	Country	Activity	Transaction
Freyco	Germany	Technical gases	100% (2025)
CSAIR	Switzerland	Home care	100% (2025)
Berman	Italy	Medical equipment	70% (2025)
Aenduo	Italy	Telemedicine	80% (2025)
Wuxi Liyuan Medical Oxygen	China	Medical oxygen	90%, with partner (2025)
Shanghai BoHao Health Service	China	Healthcare services	Up to 80% (2025)
Haemopharm Biofluids	Italy	Peritoneal dialysis fluids	100% (H1 2026)
VitalAire Schweiz (from Air Liquide)	Switzerland	Respiratory home care	100%, carve-out (H1 2026)
Remeo Healthcare and Remeo Property	United Kingdom	Specialist respiratory care	100% (H1 2026)
Oxigenar and Pulmonair	Brazil	Home respiratory car	70% (H1 2026)
Gruppo IBG	Brazil	Technical and medical gases	51%, joint venture (July 2026)
Nowus Healthcare	Denmark	Respiratory care	100% (July 2026)
Wentimed	Poland	Home care and home ventilation	100% (October 2026)

Source: SOL press releases (2025–2026).

SOL Group's M&A model has distinctive characteristics that are consistent with the trends currently observed in the market. In particular, transactions carried out follow a number of recurring patterns:

Highly specialised bolt-on acquisitions: M&A is used to enter new markets rapidly, prioritising the integration of small and medium-sized, highly specialised local operators, without placing an excessive burden on the group's debt levels. Rather than focusing on major acquisitions, the group therefore favours transactions in niche segments of its target markets. A prime example is its expansion in Switzerland, where the group has built up its presence in the home care sector through a series of acquisitions: Sitex, Spitex Perspecta, and CSAIR Sàrl.

Carve-outs: The group has also built up its international presence through major carve-out transactions, acquiring companies or business units no longer regarded as core by large multinationals. The most recent of these, in January 2026, was the acquisition of 100 per cent of VitalAire Schweiz AG from Air Liquide (French multinational group), which allowed SOL to establish itself as one of the leading providers of home respiratory care. A similar transaction was realized in 2021 with the acquisition, again from Air Liquide, of Air Liquide Hellas: a carve-out into which the physical assets and Greek staff have been transferred and that allowed SOL to become the leading operator in Southern Europe.





Strategic joint ventures: the group has acquired majority stakes in strategic geographical areas and emerging markets – often amounting to 51 per cent – by setting up joint ventures with local founders and entrepreneurs. The last one is that finalized in Brazil in July 2026 with IBG Group, aiming to establish a platform for growth in the Brazilian and South American market for industrial and medical gases. In the acquired companies, the founding family usually retains a stake, and the local management remains in place: the business is not fundamentally altered but is developed within the group. This approach makes it possible to preserve the company's identity and its roots in the local community, whilst maintaining the responsiveness and operational agility of the local entrepreneur.

In conclusion, SOL Group's M&A model is a prime example of an Italian group's expansion abroad, with specific characteristics that are consistent with the prevailing market conditions today. External growth, which complements organic growth, is based on entering strategic geographical areas through targeted and consistent acquisitions of small and medium-sized companies – which are therefore of modest financial scale but highly specialised (often local or regional market leaders). The aim is to support clearly defined platforms and to integrate advanced technological expertise and commercial networks into the group.

In the new M&A market, the key factor is not capital, but a sound business plan: that is what determines who buys and at what valuation.

Contacts

Our professionals are available to answer any questions or provide further clarification.



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