

EUROPEAN DEAL TERMS REPORT

Research on the deal terms in purchase agreements of SME transactions in Europe

2026

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Dealsuite

Foreword



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Each year, Dealsuite analyses the deal terms used in share purchase agreements (SPAs) for small and mid-sized M&A transactions across Europe.

This report offers insight into how often and in what way key elements, such as purchase price structures, conditions precedent, warranties, indemnities, securities, and non-compete clauses, are included in transaction agreements.

Deal terms represent the legal outcome of what has been agreed during negotiations between buyer and seller. They reflect the balance of power at the negotiating table and offer insight into the risk allocation and commercial priorities of both parties involved. As such, the structure and content of these terms can vary significantly depending on market conditions, transaction size, sector, and the specific dynamics of each deal.

These are the key findings of the European Deal Terms Report 2026, Dealsuite's annual analysis of the deal terms in share purchase agreements (SPAs). The report is based on first-hand data from 942 M&A legal firms across Europe, covering the final SPAs of small and mid-sized transactions they advised on between July 2025 and June 2026.

The objective of this research is to provide a clear overview of the current usage and negotiation of key legal provisions, such as purchase price mechanisms, conditions precedent, warranties, indemnities, securities, and non-compete clauses. The findings aim to support M&A professionals and business owners by offering data-driven insights into how deals are structured across the European mid-market.

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I Deal Value and Shareholding Structure

More sellers retain a stake: partial acquisitions rise from 13% to 21%

Figure 1 illustrates the distribution of reported transactions based on deal value (purchase price in euros). The survey was carried out among M&A legal offices that predominantly operate within the European mid-market.

Figure 2 presents the distribution of transactions by the percentage of shares acquired. In line with common market practice, the majority of transactions typically involve the acquisition of 100% of the shares.

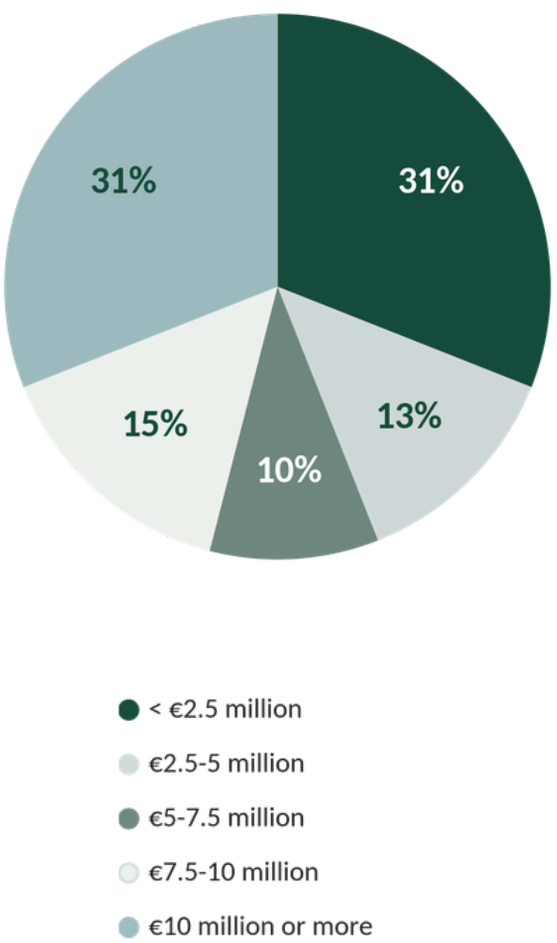


Figure 1: Transaction distribution by deal value (purchase price in euros)

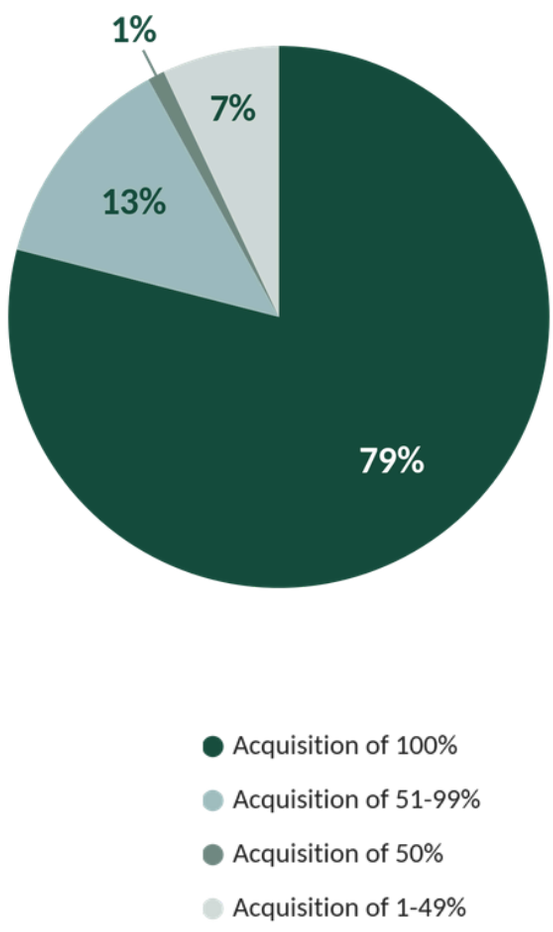


Figure 2: Transaction distribution by percentage of shares transferred

II Purchase Price Structure

Nearly one in three vendor loans covers more than 20% of the purchase price

Various financing mechanisms are used to structure purchase prices in mid-market M&A transactions. These often serve to balance risk and reward between buyer and seller, particularly in uncertain conditions. Common structures include deferred payments linked to future performance (earn-outs) and seller financing through vendor loans.

Earn-outs and vendor loans remain widely used to balance risk and reward between buyer and seller. Their use is broadly in line with last year: 38% of transactions include an earn-out (39% in 2025), 36% include a vendor loan (34% in 2025), and 26% combine both (28% in 2025).

38%
include a deferred earn-out payment.

36%
include seller financing through a vendor loan.

26%
include both a vendor loan and an earn-out.

Figure 4 shows the size of earn-outs and vendor loans relative to the purchase price. Vendor loans have become larger: the share covering more than 20% of the purchase price rose from 24% to 31%. For earn-outs, this share is unchanged at 29%.

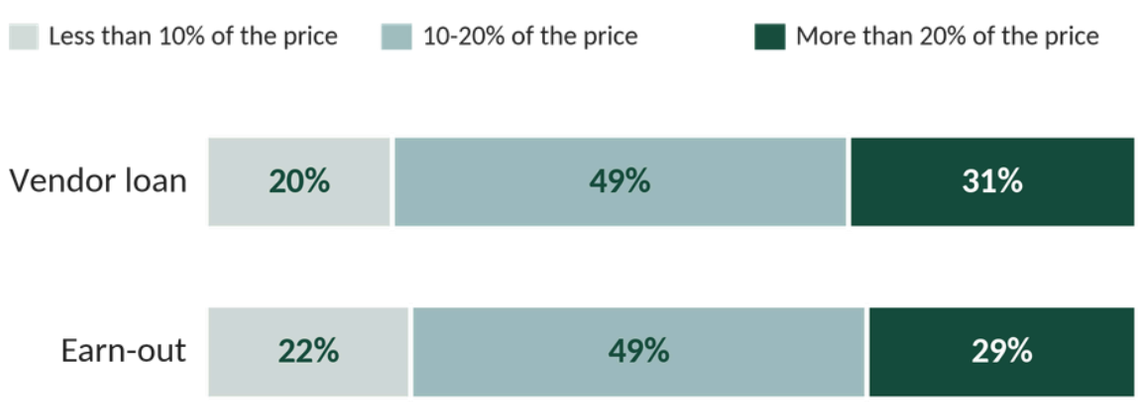


Figure 4: Size of earn-outs and vendor loans as a share of the purchase price

II Purchase Price Structure

69% of earn-outs now run for more than 12 months, up from 61%

Purchase price structures define how value is transferred between buyer and seller and often reflect the balance of risk and confidence in a transaction. In mid-market European M&A, earn-outs remain a common mechanism to align post-closing interests and bridge valuation gaps.

Figure 5 shows that EBIT/EBITDA remains the main performance indicator for determining the payout. Revenue-based earn-outs are less common, while only a small share is linked to profit or other performance metrics.

In seven out of ten transactions that include an earn-out, the deferred payment lasts between 6 and 24 months, with 13-24 months the most common term at 43%. Earn-outs are also running longer: 69% now last more than 12 months, up from 61% in the 2025 edition, while earn-outs shorter than six months fell from 16% to 4%.

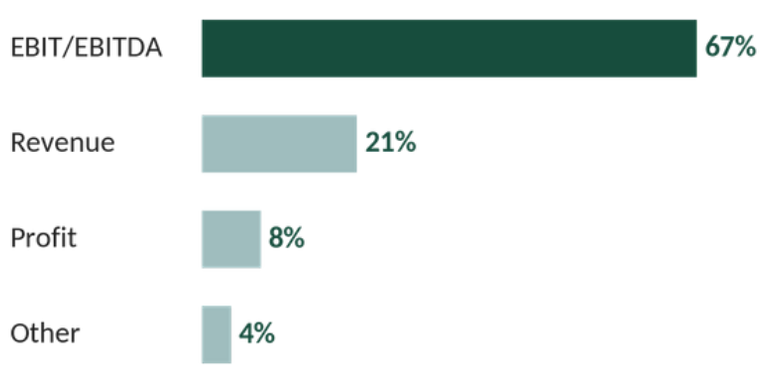


Figure 5: Basis for earn-out calculation

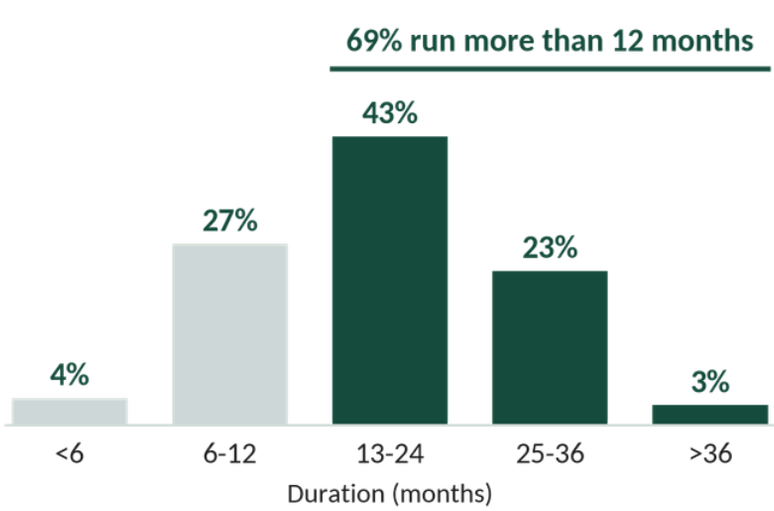


Figure 6: Duration of earn-out

III Conditions Precedent

Due diligence outcomes are the most common condition, followed by third-party approval, bank financing and MAC clauses at roughly equal levels

Conditions precedent outline the requirements that must be fulfilled before a transaction can be completed, serving as important safeguards for both parties. 81% of transactions now include one or more conditions precedent, up from 74% in the 2025 edition.

81%

contain conditions precedent

Figure 7 shows the types of conditions used in those transactions. Outcomes of due diligence remain the most common. Approval from third parties, such as regulatory or competition authorities, bank financing, and Material Adverse Change (MAC) clauses follow at similar levels, each appearing in around six in ten transactions with conditions precedent. The MAC clause, which allows a buyer to withdraw if the company's position deteriorates significantly, rose from 53% in 2025 to 61%. Bank financing, by contrast, is less often a condition for closing (62%, down from 68%), suggesting sellers are increasingly filling the financing gap themselves, for example through larger vendor loans (see Chapter II). Positive advice from the Works Council remains stable compared with last year. It is common for transactions to include multiple conditions precedent.

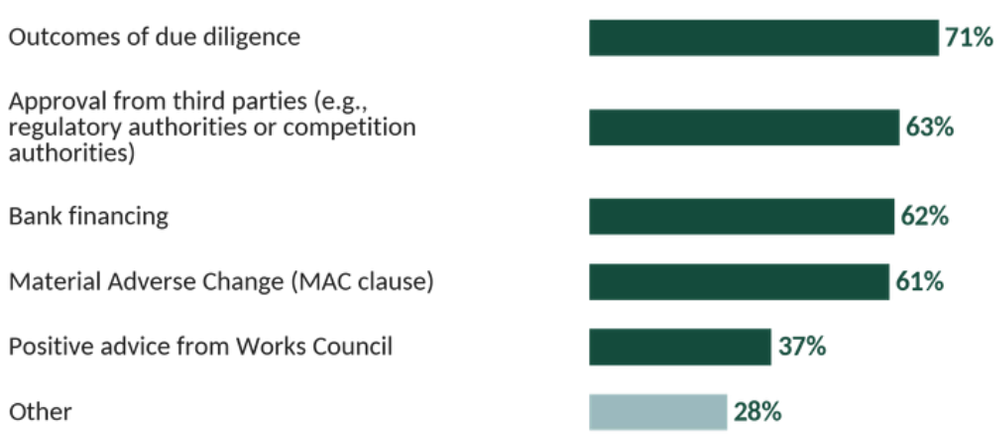


*Figure 7: Types of conditions precedent **

**Transactions can include multiple conditions precedent. Works Council: employee representative body whose advice is required in some jurisdictions before signing*

IV Warranties

Warranties remain near-universal, included in 98% of transactions

Warranties are a key element of most M&A transactions. Warranties give the buyer assurances about the accuracy and completeness of the information provided by the seller, and they allocate risk between both parties after the transaction. They typically cover areas such as financial statements, legal claims, asset ownership, and personnel matters, allowing the buyer to rely on the integrity of the company's financial and operational position at the time of sale.

98%

of transactions include warranties.

Figure 8 shows the areas covered. Three warranties are almost equally common: the balance sheet (96%), the absence of unknown legal claims (95%), and the correctness of information provided (95%). Personnel warranties saw the largest shift, falling from 95% to 88%.

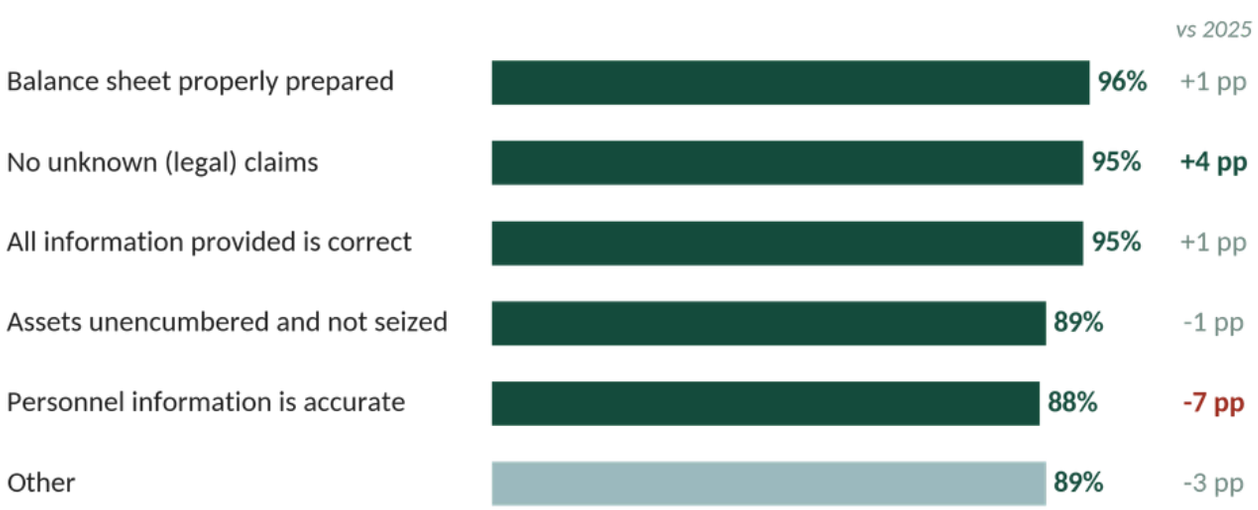


*Figure 8: Warranties by area of coverage (% of transactions with warranties, change vs 2025)**

**Transactions can include multiple warranties*

V Indemnities

Data privacy indemnities rise sharply, from 30% to 42% of transactions with indemnities

Indemnities are commonly included in M&A transactions to protect the buyer from liabilities arising from the company's past activities. They allocate specific risks to the seller, ensuring that pre-existing issues do not transfer to the buyer after completion. Most transactions include at least one indemnity in the share purchase agreement, typically covering tax, legal, or compliance-related matters. 86% of share purchase agreements include one or more indemnities, up from 81% in the 2025 edition.

As shown in Figure 9, tax matters are by far the most common area covered by indemnities (87%), followed by risks identified during due diligence (59%). Data privacy and GDPR indemnities show the largest increase, rising from 30% in the 2025 edition to 42%, and now rank third. Pension indemnities account for 19%.

86%

of SPAs include one or more indemnities

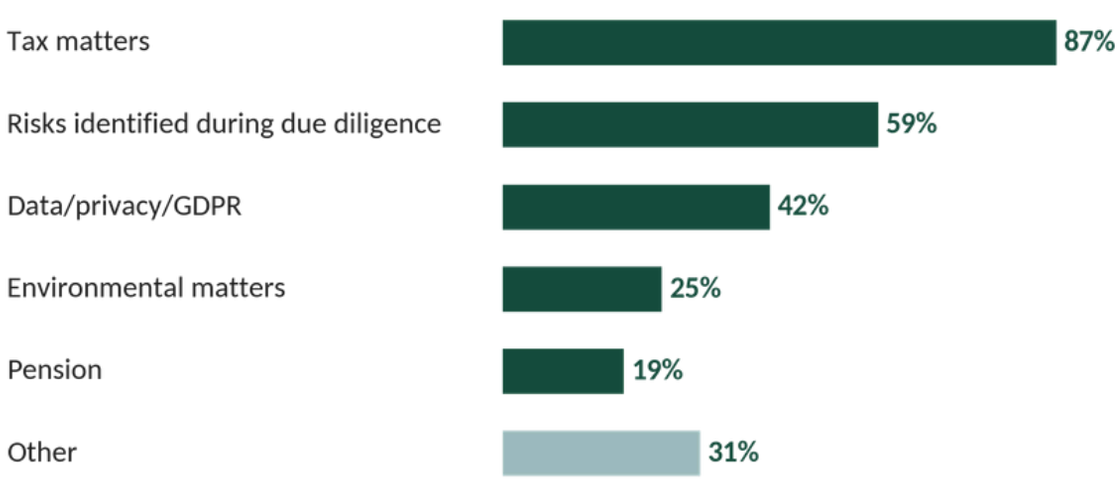


*Figure 9: Indemnities by area of coverage**

**Transactions can include multiple indemnities*

VI Securities

Escrow gains ground as personal guarantees decline

To ensure the seller has sufficient financial resources if a claim arises after the sale, securities can be used.

Figure 10 shows that solvency maintenance statements remain the most common form of security, used in 73% of transactions (2025: 71%). Holdbacks rose from 32% to 36%, and offsets against vendor loans rose from 32% to 34%. The clearest shifts are in escrow and personal guarantees: escrow arrangements rose from 16% to 21%, while personal guarantees fell from 22% to 15%. Bank guarantees remain stable at 17% (2025: 18%), and other forms of security account for 19%, up from 8%.

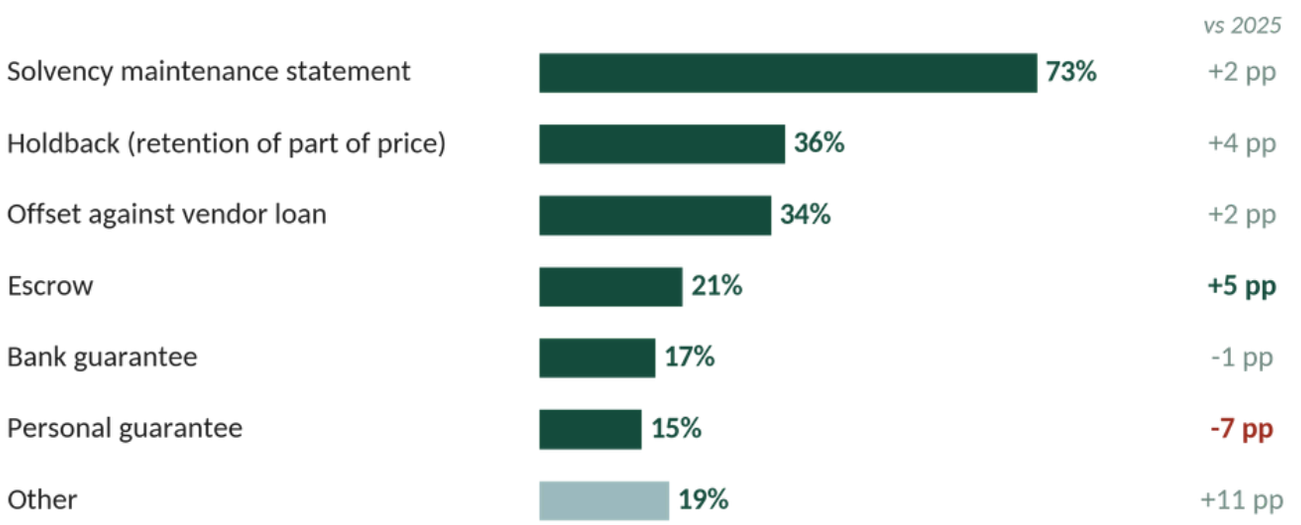


*Figure 10: Percentage of transactions involving security for claims, by type**

**Transactions can include multiple securities*

VII Non-Compete Clause

61% of non-compete clauses run for 12 to 24 months

A non-compete clause restricts the seller from competing with the company being sold for a set period and within a defined area. It protects the buyer's investment in goodwill, client relationships, and the acquired company's market position. In the European mid-market, non-compete clauses remain an almost universal feature of share purchase agreements, included in 95% of transactions, often together with non-solicitation provisions, preventing the seller from approaching the company's customers or employees.

Figure 11 shows that most clauses run for 12 to 24 months (61%), in line with last year (64%). Clauses lasting more than 24 months rose slightly from 30% to 34%, while durations of less than 12 months remain uncommon at 5% (2025: 6%).

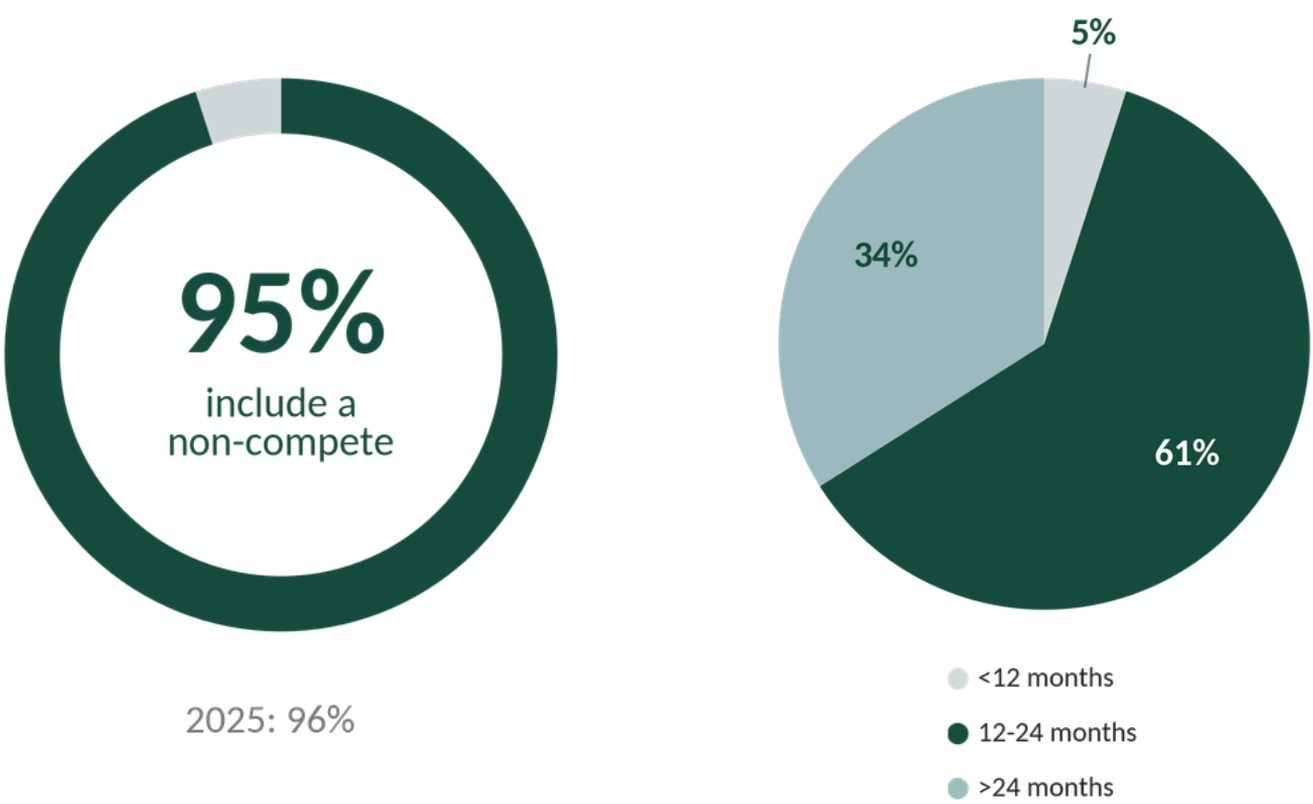


Figure 11: Duration of the non-compete clause in transactions

VIII Dealsuite Insights

Dealsuite's mission is to make the M&A market more transparent and accessible. By sharing reliable market data and insights, the aim is to support advisors, investors, and business owners in making better decisions, ultimately leading to more and better deals.

To serve this purpose, several recurring M&A reports are published, each offering a distinct perspective on the European mid-market:

M&A Monitor (bi-annual, Q1 and Q3)

A core publication, providing detailed data and insights for each European region, including sector dynamics and EBITDA multiples. Individual editions are published for CEE, the Netherlands, UK & Ireland, DACH, France, the Nordics, and Southern Europe, with the European M&A Monitor consolidating the findings of all regional editions into one pan-European perspective.

Trends Report (annual, Q2)

A forward-looking publication exploring market, strategy, and execution trends, as well as the digitalisation of M&A processes. This report is relevant for all professionals seeking to understand where the mid-market is heading.

European Deal Terms Report (annual, Q4)

An annual study based on input from M&A legal firms across Europe, now in its second edition. The report shows how deal terms are applied in practice and how they evolve year on year, offering valuable insights into transaction structures.

Private Equity Monitor (annual, Q4)

An overview of data and insights from private equity firms across Europe. The report examines deal activity, portfolio strategies, and the role of private equity in shaping the European M&A landscape.

Sector Monitors

In-depth reports on M&A activity and valuations within a specific sector. Each edition offers advisors, investors and business owners a focused view on deal dynamics, buyer interest and company values in that market.









IX Method

The majority of M&A transactions take place in the mid-market segment. This Deal Terms Report focuses on the legal and structural aspects of such transactions, providing insight into how deal conditions are shaped across Europe.

These are the key findings of the European Deal Terms Report 2026, Dealsuite's annual analysis of the deal terms in share purchase agreements (SPAs). The report is based on first-hand data from 942 M&A legal firms across Europe, covering the final SPAs of small and mid-sized transactions they advised on between July 2025 and June 2026.

The conclusions are further supported by Dealsuite's proprietary data and ongoing market intelligence. Together, these inputs offer a unique perspective on current deal structures, reflecting real-world market practices across multiple European jurisdictions.

- **Focus**: Mid-market M&A transactions across Europe
- **Regions covered**: Europe-wide, across all major markets
- **Respondents**: M&A legal firms advising on share purchase agreements
- **Approach**: Quantitative survey on deal structures and legal terms
- **Data sources**: Survey input combined with proprietary Dealsuite data and insights
- **Scope**: Purchase price structure, conditions precedent, warranties, indemnities, securities, and non-compete clauses

Additional sources used:
- Dealsuite transaction data 2015-2026
- Dealsuite M&A mid-market trends report 2026
- Dealsuite M&A Monitors 2015 - 2026

This research was conducted by Jelle Stuij, Roos Bijvoet and Camilla Schiavo. For further questions, please contact Jelle Stuij.



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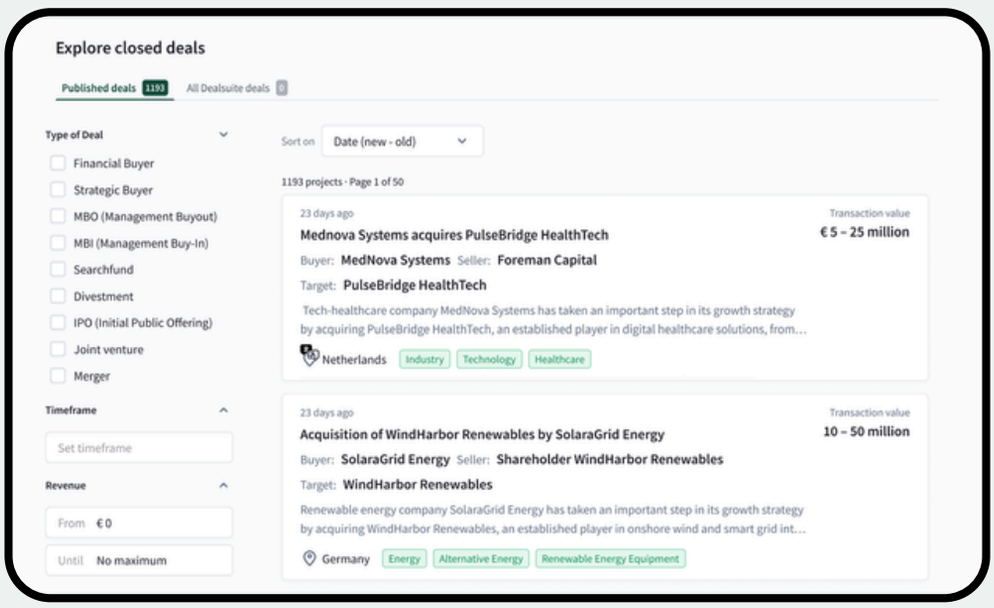
X About Dealsuite

Dealsuite is Europe's largest market network for M&A. The best opportunities rarely come from the people you already know, they come from the connections you haven't made yet. Dealsuite gives M&A advisors, investment firms and corporate M&A teams direct access to that wider pool, matching live buyer and seller criteria automatically so opportunities beyond their own network become just as accessible as the ones within it.

Founded in 2017 in close collaboration with M&A advisors and investment firms, Dealsuite set out to make deal sourcing in the SME and lower mid-market more transparent and accessible to every M&A professional, not only the firms with the largest networks. As a plug-and-play platform, it takes minutes to get started: list a project or scan live opportunities, and let Dealsuite's matching do the rest. Over 1,750 M&A advisory firms, investment companies and corporate M&A teams are now part of the network, active in more than 60 countries, and every new member adds to a constant, curated flow of deals for everyone already on the platform.

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