Investing in Central and Eastern Europe

SPEAKERS

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Large-scale healthcare M&A is making a comeback in Europe, with rising investor interest in Central and Eastern Europe (CEE). A prime example is the recent acquisition of Regina Maria and MediGroup by Finland's Mehiläinen. This momentum was explored during the course of the panel.

"We see strong investment theses in CEE, driven by convergence in per capita healthcare spending with Western Europe. The market is resilient and shows strong dynamics," said Pawel Malicki, Partner at MidEuropa.

The region's underfunded public systems have created unique market dynamics that favour private operators. Unlike Western Europe's insurance-driven private healthcare, CEE markets feature high rates of direct private payment through both corporate subscriptions and out-of-pocket expenditure.

"With €20 billion in healthcare spend — 30% of it out-of-pocket — dissatisfaction with the public system is a major growth driver," explained Ana-Maria Pascu, M&A Director at Regina Maria.

An important differentiator is the prevalence of integrated provider models. Regina Maria's network spans 60 clinics, 6 hospitals and 200 labs under one brand, with a single digital patient pathway that tracks detailed clinical and operational KPIs in real-time.

Guillaume Duparc, Partner at L.E.K. Consulting, who hosted the session, noted that while "Western Europe has more mature private healthcare systems, CEE is quickly catching up, in both spending and openness to private sector involvement."

Recent years have seen significant increases in public healthcare funding across the region, creating complementary revenue opportunities. Duparc highlighted several key investment drivers making CEE attractive, including "rising demand despite demographic decline, increased private pay post-COVID, and stable policy environments supporting efficient private operators."

The panel stressed that despite occasional political volatility, regulatory stability in healthcare remains strong across the region, with pragmatic policymakers recognising the essential role

of efficient private providers in addressing capacity shortfalls.

With markets still highly fragmented – Regina Maria holds just 10% market share despite being Romania's largest provider – consolidation opportunities remain substantial for the foreseeable future.

Key investment drivers in Central & Eastern Europe (CEE)

Duparc talked about the drivers that make CEE an attractive healthcare investment destination:

- Rising demand, despite demographic decline
- Increased private pay post-COVID
- Stable policy environment supporting efficient private operators
- Underfunded public systems, marked by long wait times and declining patient confidence

The panel pointed out that while public healthcare budgets are growing, capacity and investment remain constrained — opening the door for private providers to fill the gap.

Session takeaways

Private pay acceptance outstrips Western Europe

CEE patients have navigated inadequate public systems for decades, creating broad acceptance of out-of-pocket and employer-sponsored healthcare.

Integration drives superior economics

Providers like Regina Maria deliver better returns by controlling patient pathways across their digital-enabled networks.

Dual revenue streams emerging

Rising public budgets create opportunities for private providers to combine funding sources without cannibalisation.