

IDEAS | PEOPLE | TRUST

M&A: A pattern of change in Facilities Management

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Agenda

01 M&A deal volume trends in FM

02 The hotspots for activity
- and why

03 The rise of financial investors
and what they're looking for

04 Market themes
underpinning investment

05 Deal considerations

06 Market outlook

BDO Global Deal Advisory

1,835 COMPLETED
DEALS IN 2025

40% PRIVATE
EQUITY
DEAL
INVOLVEMENT

25% OF OUR
DEALS ARE
CROSS
BORDER

ONE OF THE MOST
ACTIVE ADVISERS GLOBALLY*

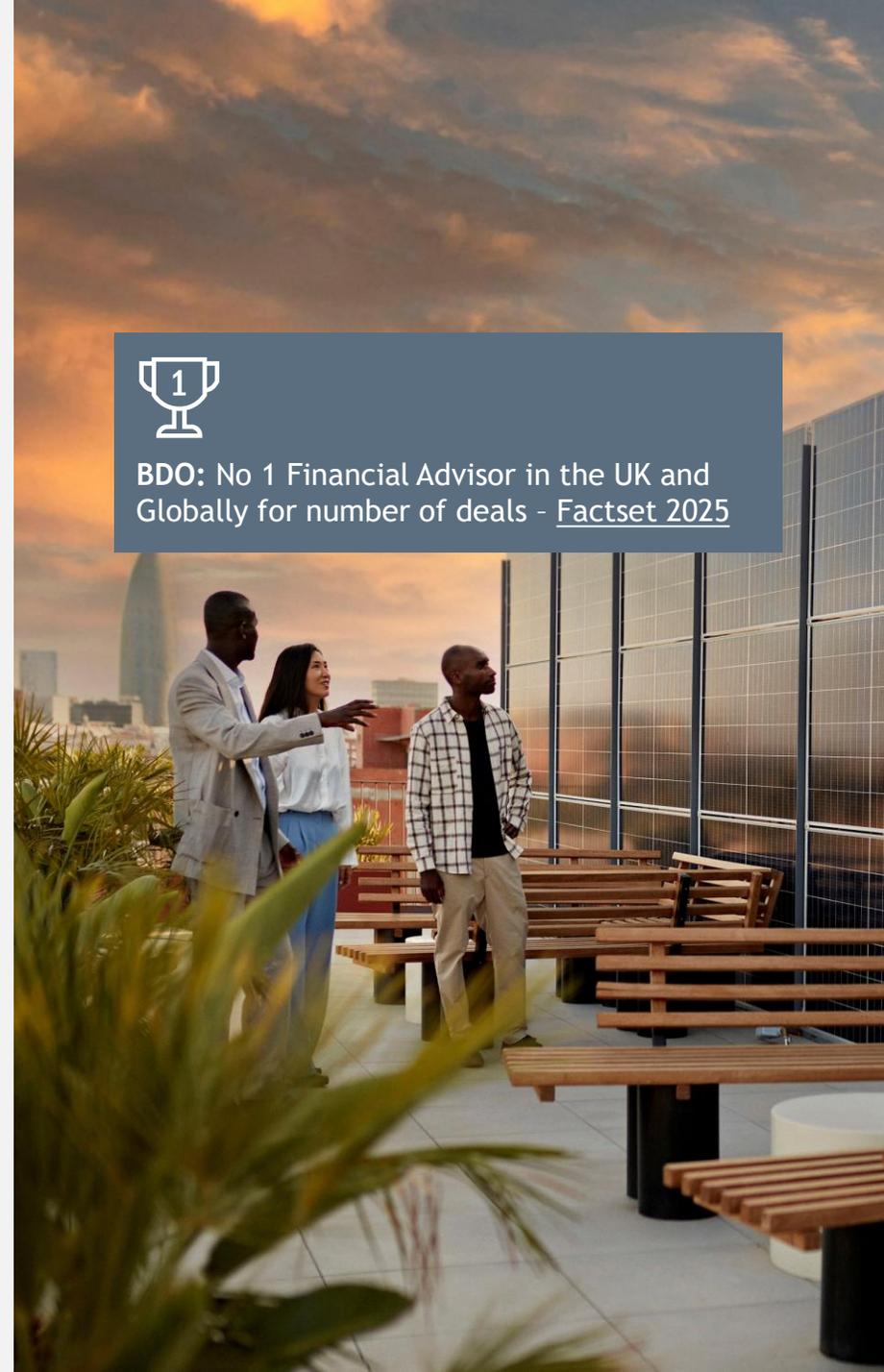
2,500 DEAL ADVISORY
PROFESSIONALS

115 COUNTRIES PROVIDING DEDICATED
DEAL ADVISORY SERVICES

*1st Financial Advisor globally – Factset league tables 2025
2nd leading Financial Due Diligence provider globally –
MergerMarket global accountant rankings 2025



BDO: No 1 Financial Advisor in the UK and
Globally for number of deals - [Factset 2025](#)



M&A transaction volumes highly robust in resilient UK FM sector

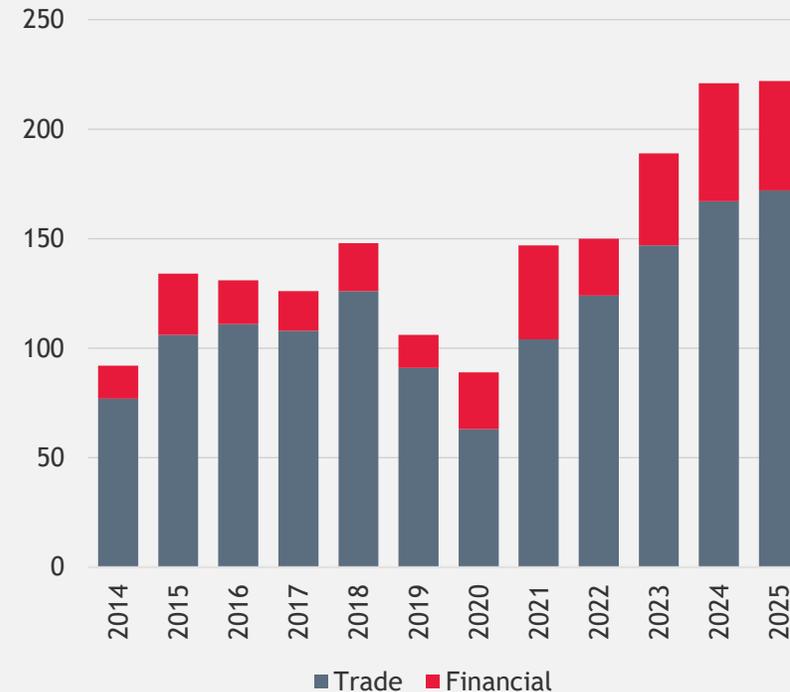
FM deals held firm in 2025, while overall market declined by 13%



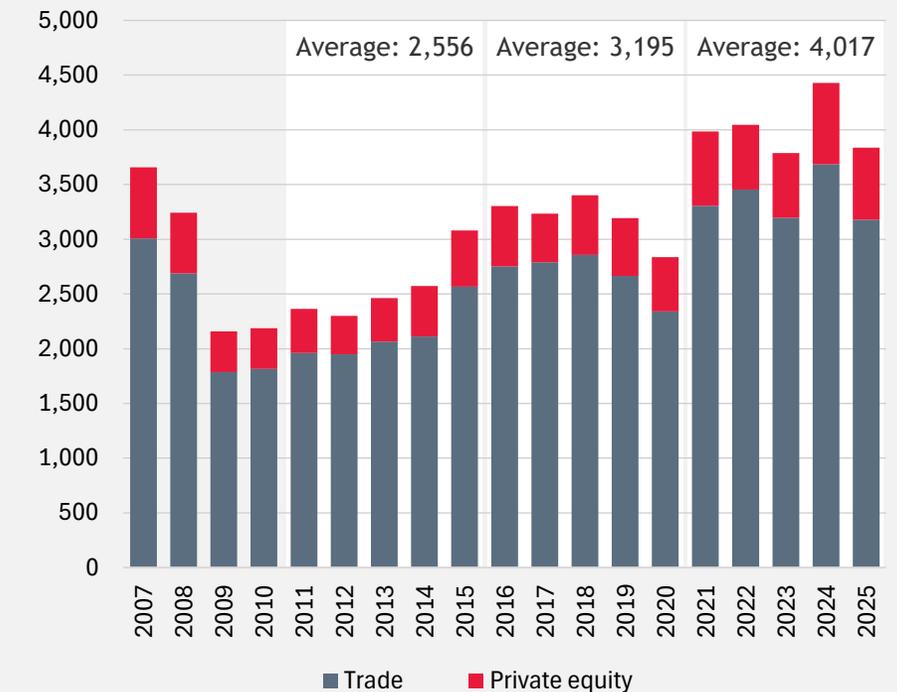
The UK market in figures

- ▶ More than 1,750 deals in the last 12 years
- ▶ 222 deals in 2025
- ▶ Robust market trends driving investment, outpacing wider UK market.

Number of FM sector transactions, 2014 - 2025



Annual UK deal volumes, 2007 - 2025 (PCPI)



FM services encompass a broad range of 'hard' and 'soft' services

Building maintenance, M&E and Compliance are the hot sectors attracting investor buy and build

Hard

Targets physical and structural aspects of buildings.

Building maintenance/M&E

Install, repair, replace and maintain building components (eg mechanical, electrical, plumbing) and ensure compliance).

Building management systems

Provide system integration and automation services to enable safety compliance, efficient R&M work and regulatory reporting.

Soft

Targets the experience of people in buildings.

Compliance

Test, inspect and carry out surveys to ensure compliance with regulations (fire, water, asbestos, electrical systems, etc).

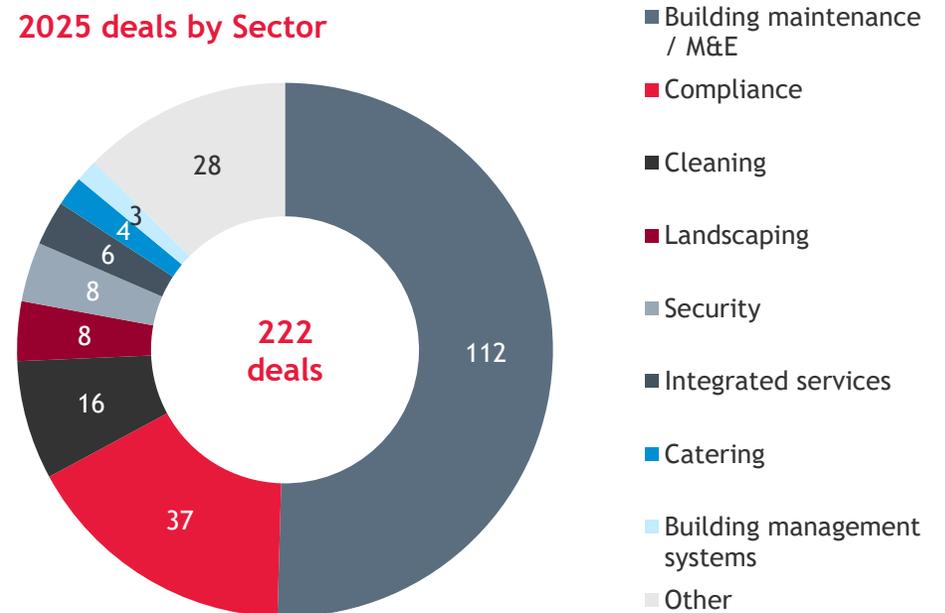
Security

CCTV reviews and manned guarding.

Cleaning

Catering

2025 deals by Sector



Landscaping

Other

Pest control, waste management, archiving, etc.

Hard services driving activity levels

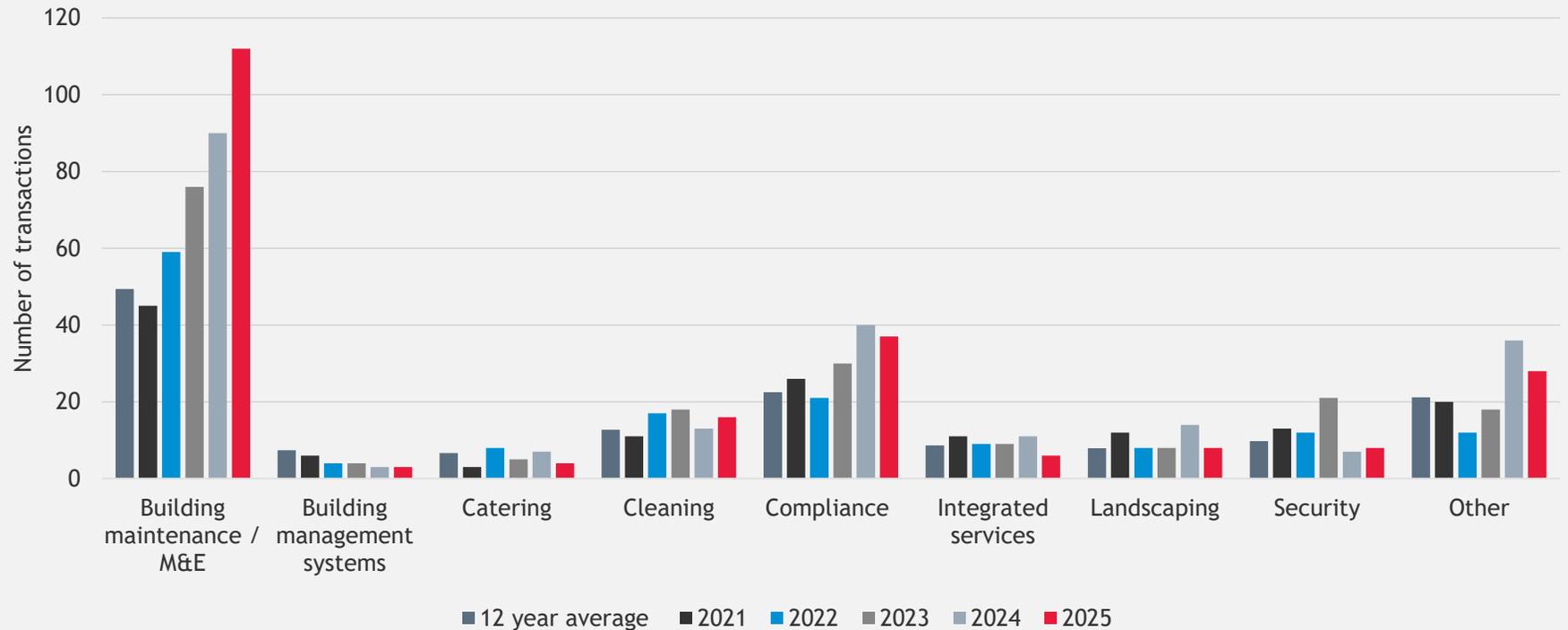
Attractive long-term contracts with recurring revenue streams are a key theme



Hard services dominate

- ▶ Consistently representing **two-thirds** of all deals over past three years
- ▶ Building safety, regulatory compliance and technical services requirements are key drivers of the focus on these markets
- ▶ Building maintenance/M&E represented **50%** of deals in 2025, a 24% uplift on 2024
- ▶ Volumes well ahead of 12 year average.

FM transaction volumes by sub-sector

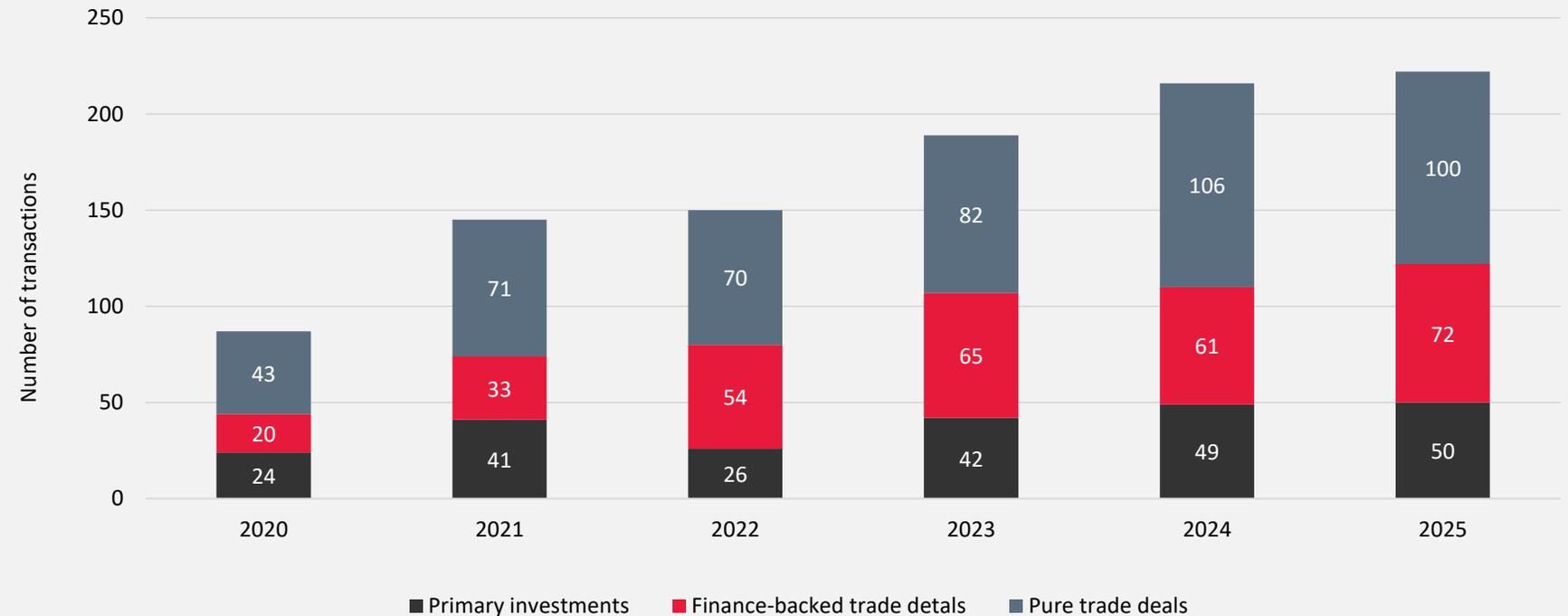


Financial investors back over half of deals in the sector



- ▶ 55% of UK deals in 2025 were backed by financial investors
- ▶ Private equity represent the bulk of financial investment
- ▶ Record primary investments in 2025 with 50 deals
- ▶ Adverse market sentiment driving investors to 'safe' sectors
- ▶ Consolidation plays by financial investors have substantially increased.

Acquirers of FM businesses



M&E and compliance services are a strong draw for investors

These are the hot sectors attracting private equity investment buy and build



Market features attracting PE

- ▶ Predictable revenue due to long-term contracts and high switching barriers
- ▶ Regulatory drivers with compliance requirements
- ▶ Fragmented markets - both geographically and by service line
- ▶ Ability to cross-sell services
- ▶ Low capital intensity in most segments
- ▶ Underlying market demand - Grade A offices and retrofit
- ▶ Decarbonisation a commercial opportunity not just a compliance task

Critical services with expanding scope of regulation and strengthening compliance culture

Fire safety

Regulation is tightening with growth to be driven by mid-rise residential buildings.

Water

Regular compliance reviews mandated, impacting all buildings.

Asbestos

Asbestos must be removed or managed appropriately.

Electrical

Installation reports and regular inspections are regulated.

Sustainability

ESG reporting is standard, with Scope 3 emissions gaining attention.

Rising demand for smart buildings and BEMS systems.

PE activity

The most active sector for M&A buy and build.

Multiple platform businesses, including Obsequio Group, Senseco Systems, Churches Fire Security, Ranger Services etc.

HSL Compliance Andwis have built water and broader environmental compliance services via M&A.

Environmental Essentials has completed M&A deals to strengthen core proposition and develop routes into untapped, adjacent markets.

Fragmented lift repair and maintenance market - consolidation play by LDC via Deltron Lifts.

FM providers are spearheading transformation.

PE-backed businesses expanding services including Sureserve Group, Pareto FM and MCR Group

Live mission-critical platforms backed by Private Equity

HIG Capital		Triton Partners		Buckthorn Partners		Sun Capital	
Andwis CLC		Tendra Technical Services		Cardo Group		Bellrock	



IK Partners		Synova		New US Investor	
Checkmate Fire Ipsum Group HSL Compliance		Mecsia Orbis Protect		Hard Services	

Key	Platform	Bolt-ons	EM	Cleaning	Security	Compliance	M&E, HVAC, Water, Fire	Integrated FM
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Key market themes driving activity and value

With inflation falling to 3% and interest rate cuts on the horizon this will provide further certainty which is crucial in getting deals done

Greater focus on decarbonisation given high built environment emissions

Technical services with in-house delivery models

Social housing seen as 'blue chip' earnings

Long term contracts

Resilient business models outweigh current political landscape

Fire safety as non-negotiable safety

Health and safety

Debt pricing

Recurring revenues (PPM and Reactive)

ESG and sustainability 'red flags' noticeable

Bundled services to build partnerships

Data analytics and digital transformation provides clear competitive advantage

Training to elevate workforce capabilities

Serial acquirers with buy and build successes

High EBITDA/cash conversion

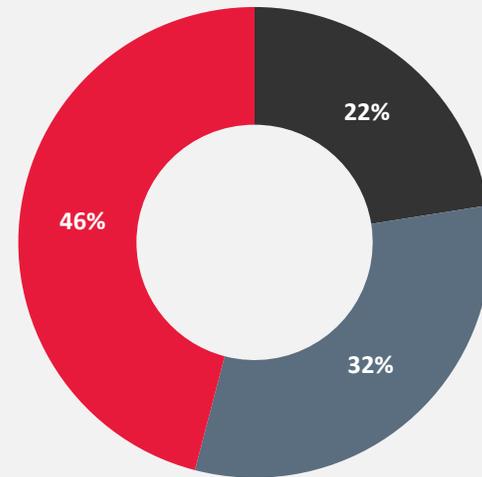
Trade buyers continue to be the preferred exit route



Corporates

- ▶ Trade buyers (including finance-backed buyers) represent **78%** of all deals
- ▶ International buyers remain active
- ▶ EOTs on the up

Acquirers of FM businesses, 2023-2025



- Primary investments
- Finance-backed trade deals
- Pure trade deals

Key trade deals 2025

- ▶ Acquisition of Marlowe by MITIE Group (£350m)
- ▶ Acquisition of Emcor Group (UK) by OCS Group (£190m)
- ▶ Strategic acquisition of Saltire Facilities Management by Daikin Global (U/D)



Deal considerations

Many mature assets looking to exit have experienced failed sale processes

Not articulating
business clearly

Directly employed
vs subcontractor
delivery models

Poor financial
information

Absence of
contracts

Customer mix
and fit with
trade acquirers

Growth difficult
to articulate

Unrealistic value
expectations

Leadership and
resource challenges

Contract mix

Poorly articulated
buy and build
storyboard

Hidden financial
and tax issues

Lack of
preparation



Market outlook and core deal considerations



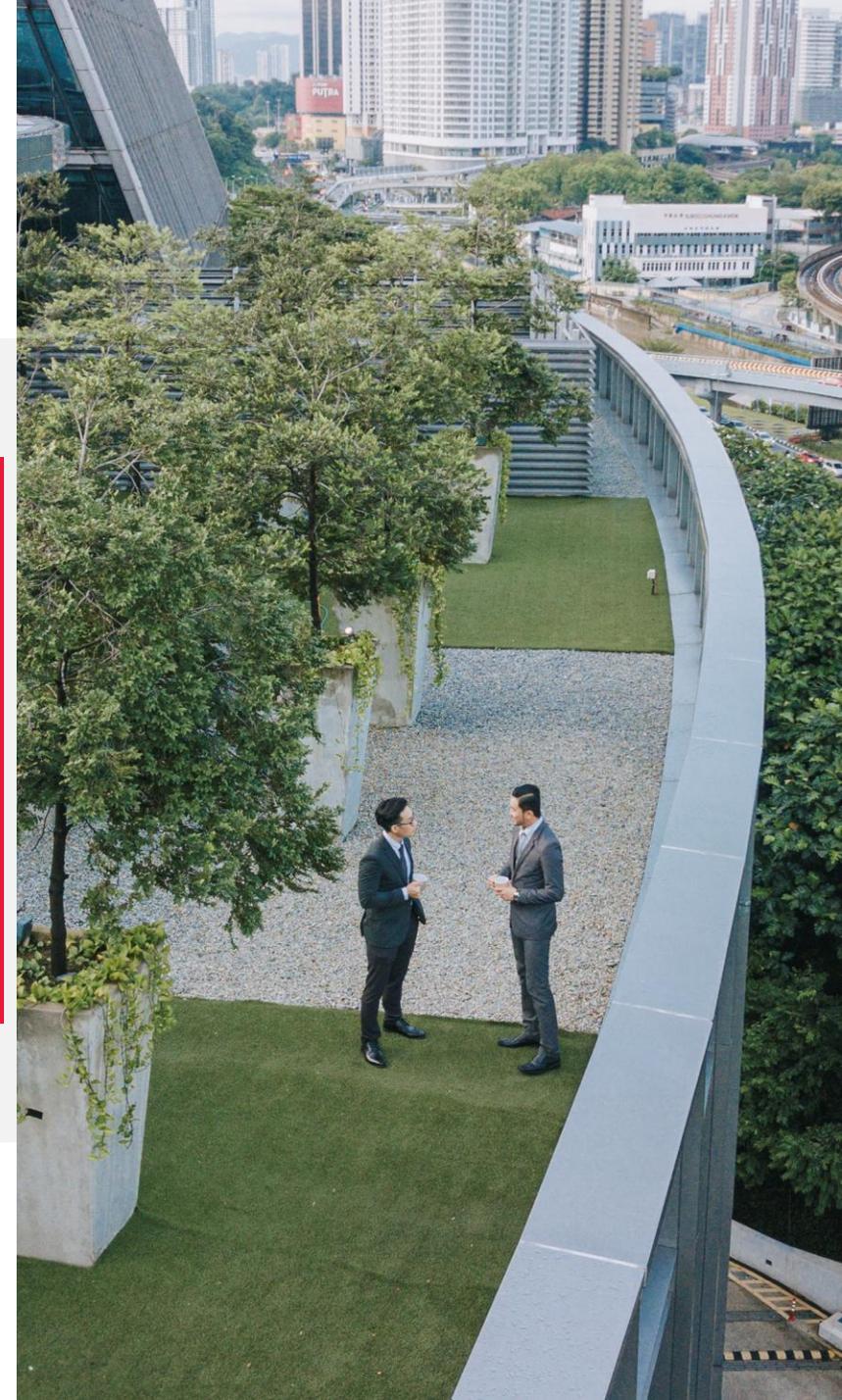
Market backdrop

- ▶ Strategic buyers are gradually returning and drives robust pricing
- ▶ Bolt on acquisitions are expected to dominate
- ▶ Operational challenges to continue
- ▶ Falling IR increases buying power for all acquirers
- ▶ PE will continue to play a central role through buy & build strategies
- ▶ Efficiency savings a must for many



Benefits of M&A

- ▶ Build scale and market position
- ▶ Access new technologies
- ▶ Gain a greater share of critical markets
- ▶ Diversify service offerings
- ▶ Enter new and growing end markets



Thank you for listening



It is so important to get expert advice related to your business and sector, especially in the current market.

Contact Satvir for a personalised view of M&A dynamics and business valuations relating to your business.

Facilities
Management
Sector
Insights 2026

Available
soon



Contact the author

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of deals - [Factset 2025](#)**



Thank you!