Heligan CORPORATE FINANCE

2025 review: UK Infrastructure Services M&A

A look back at key transactions and trends

We see things differently.

Contents

Executive summary 01

Looking ahead 04

Key disciplines 05

Multi-disciplinary 07

2025 statistics 09

UK infrastructure projects in focus 11

Autumn budget 13

Notable deals - Q1 2025 15

Ofgem's £28 billion energy-infrastructure programme 18

Thought piece: When buyers call first, how should you respond? 19

Notable deals - Q2 2025 21

Southern Water recapitalisation 24

Thought piece: Succession planning in a first- and second-generation sector 25

Notable deals - Q3 2025 27

Reallocated HS2 funding 31

Thought piece: Protecting wealth in a changing tax landscape 33

Notable deals - Q4 2025 35

Grid-connection overhaul 39

Thought piece: Planning for a successful exit starts before the sale - not after 41

What a coffee can unlock 44

Infrastructure Services team 45

Glossary 46

2025 review: UK Infrastructure Services M&A

Executive summary

UK Infrastructure Services M&A delivered its strongest year in more than five years in 2025 with 278 transactions completed, an outlier in contrast to broader volumes across the lower mid-market in the UK, which is generally down. Public funding announcements are starting to translate into demand for many service providers, whereas some business owners await this shift change; a reminder than intent demonstrated by government policy is important, but it is the mobilisation of capital and resources which has the impact in the market.

The pickup in deal volume and the messaging from acquirers is indicative of increasing demand for capability ahead of a period of sustained investment across the Infrastructure Services sector. The sector's strength is structural. It sits at the intersection of public investment, regulated funding, and essential national priorities. Decarbonisation, housing delivery, grid resilience, water quality, defence readiness, and digital infrastructure are no longer optional, they are mandated. These commitments are fundamental to UK strategic priorities and will be central to the UK's uses of capital for the next decade and beyond.

The availability of capital remained a defining feature in 2025; private equity, infrastructure funds, and international trade acquirers continued to view the UK as a core market, drawn by regulatory certainty, transparent funding cycles, and depth of opportunity. At Heligan, we see this clarity creating a predictable runway for investors, reinforcing confidence in long-term returns.

2025 marked another year of platform-led consolidation. In a fragmented market, diversified groups expanded through bolt-ons. Demand is highest for assets with regulatory exposure and recurring revenue, while competition is intensifying for businesses embedded in funded projects and long-term delivery frameworks.

Budgetary announcements were part of a basket of factors influencing vendor decision making. Owner managers found themselves weighing up strong buyer demand, compelling pipelines and earnings projections against tax changes, managing inheritance risk and overall succession planning within their organisation.

Well-prepared sellers have moved quickly, driving premiums for assets aligned to committed capital and delivery frameworks, resulting in several large, strategically significant transactions across the sector.

With a £500 billion national infrastructure pipeline, faster mobilisation, and continued consolidation, Infrastructure Services has evolved from a defensive allocation into a core growth opportunity in UK M&A. For investors and operators, 2026 represents a pivotal moment to act and capture value in one of the market's most resilient and strategically critical sectors.

> Infrastructure has become a defining national priority. With public and political pressure converging, long-term funding commitments are now in place to get the UK back on track and that stability is already translating into renewed confidence and rising M&A activity across Infrastructure Services
>
> **Andrew Dickinson**
> Head of Infrastructure Services

Heligan deal data methodology

S&P Capital IQ
Used as the primary data source for company and transaction screening

Layer 1
S&P Capital IQ Industry & Activity Filtering
Extensive keywords
Industry categories
SIC codes

Layer 2
S&P Capital IQ Geographical Filtering
Target company must be in the UK

Layer 3
S&P Capital IQ Transaction Types

Included	Excluded
M&A Trade sales	Debt transactions
Management Buyouts	Recapitalisations
Growth Capital	Pure Asset Sales
PE Transactions	IPOs
Trade and Asset combinations	Venture Capital/ROF (Round of Funding)

Layer 4
Heligan Deal Data
Companies profiled into subcategories

2025 review: UK Infrastructure Services M&A

Looking ahead

1 Funding translating into orderbooks

2025 marked a clear shift from policy commitments to programme mobilisation. Frameworks are activating, procurement cycles are shortening, and major public investment programmes are entering delivery. Measures such as the removal of stalled “zombie” energy projects and accelerated grid-connection activity are improving revenue visibility for contractors and specialist service providers. As funded programmes mobilise, orderbooks are strengthening, reinforcing confidence in forward M&A activity.

2 Consolidation will continue to intensify

Competition for specialist capability remains high.
Diversified Groups and PE-backed platforms continue to scale, with many now entering second and third-generation ownership as they build multi-service propositions across compliance, energy, water, technical FM and the wider built environment.
As delivery expectations rise, scale, service breadth and technical credibility are becoming critical differentiators, supporting deeper consolidation into 2026.

3 Sellers are returning to the market

The elevated deal volumes seen in 2025 reflect a release of supply built up over earlier periods, when policy uncertainty, tax changes and limited contract visibility delayed sale processes. As funding commitments convert into live projects and trading visibility improves, confidence has returned, and more owners are actively re-engaging with strategic options. Strategic buyers and private equity remain highly active in approaching mid-market operators, signalling sustained capital availability and appetite for specialist capability. With conditions supportive, seller participation is expected to remain strong into 2026.

Infrastructure Services - Key disciplines

Built Environment Professionals

Design & Advisory

Technical and commercial services supporting the planning and co-ordination of infrastructure projects, principally Architecture, Quantity Surveying, Engineering Consultancy and Project Management Consultancy Services.

Risk, Safety & Compliance

Consultancy services focused on keeping UK infrastructure legal, safe and effective, notably Accreditation Certification, Regulatory Testing, and Specialist Consultancy Services.

Surveying & Geotechnical

Technical services providing precision measurement or subsurface expertise to guide safe, cost-effective development, including Land, Building & Topographical Surveying, Materials Testing Services and Ground Investigation.

Environmental Specialists

Drainage & Wastewater

Businesses maintaining and enhancing wastewater and drainage infrastructure, including CCTV Drain & Sewer Inspection, Sewer & Drain Repair, Flow Monitoring & Mapping, Tank Drainage, Cleaning and Maintenance.

Waste Management & Recycling

Including waste disposal, resource recovery and associated environmental compliance such as Asbestos Survey & Removal, Management of Hazardous Materials, Maintenance of Waste Management Systems and Recycling Services.

Environmental Services

Companies with offerings specifically addressing environmental requirements, including (but not limited to) Training, Impact Assessments, Audits, Due Diligence, Sustainability, Net Zero, Carbon Footprint Management, Ecological & Bio-Diversity Surveys, Air Quality, Noise Pollution and Vibration Testing.

Engineering & Contracting Services

MEP Services

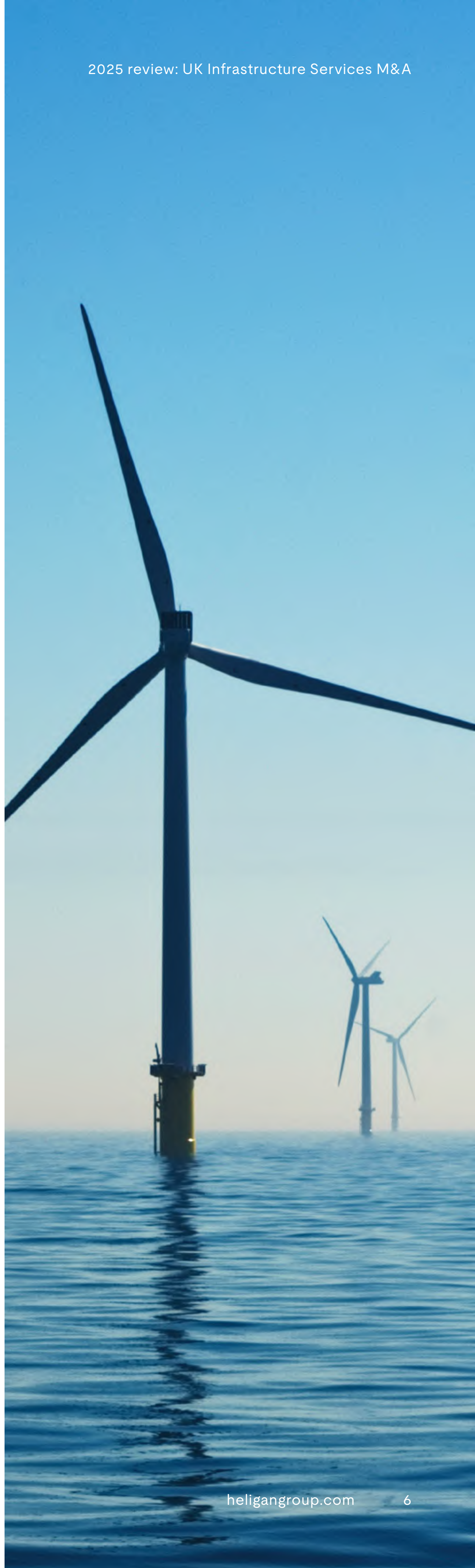
Engineering services supporting the design, implementation or maintenance of Mechanical Systems (Escalators, Elevators, HVAC etc.), Electrical Systems (Lighting, Fire Alarm & Detection, Power Distribution, etc.) or Plumbing Systems (Fire Suppression Sprinklers, Pipework & Pressure Management etc.).

Construction & Civil Engineering

Traditional construction and engineering services enabling the development and maintenance of Commercial, Industrial and Residential Infrastructure.

Specialist Construction Services

Engineering and construction services focused on specific aspects of a project, such as Roofing, Flooring and Glazing. Also includes support services such as Plant Hire and Scaffolding and niche methods such as Modular Construction Services.



Infrastructure Services - Multi-disciplinary

Industry Specialists

Maritime & Offshore

Services dedicated to the development, maintenance and, where relevant, decommissioning of coastal and marine assets, including Reclaimed Land, Ports, Harbours, Oil & Gas Sea Platforms and Offshore Wind Farms.

Energy & Utilities

Services focused on the development and maintenance of onshore UK utilities infrastructure including Solar, Wind and Nuclear, Electricity Distribution, EV Charging, Telecoms and Broadband.

Transport

Businesses with services dedicated towards supporting Transport Infrastructure, principally Roads, Rail and Aviation.

Diversified Groups

Facilities Management

Multi-service provision dedicated to the management of physical assets including Cleaning, Janitorial, Security Services, Grounds Maintenance, Site Repairs and Systems Maintenance.

Multi-disciplinary Groups

Acquisitive groups providing multiple services, often addressing a range of types of infrastructure, either through integrated offerings or a portfolio of separately run companies.

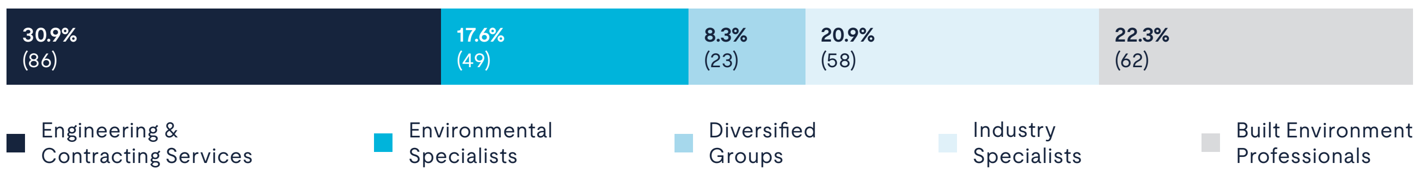
> Buy-and-build strategies are accelerating as capital follows committed funding. Diversified groups are pushing into wider verticals, energy, utilities, water, data centres, design services, and environmental solutions are now prime acquisition targets.

2025 statistics

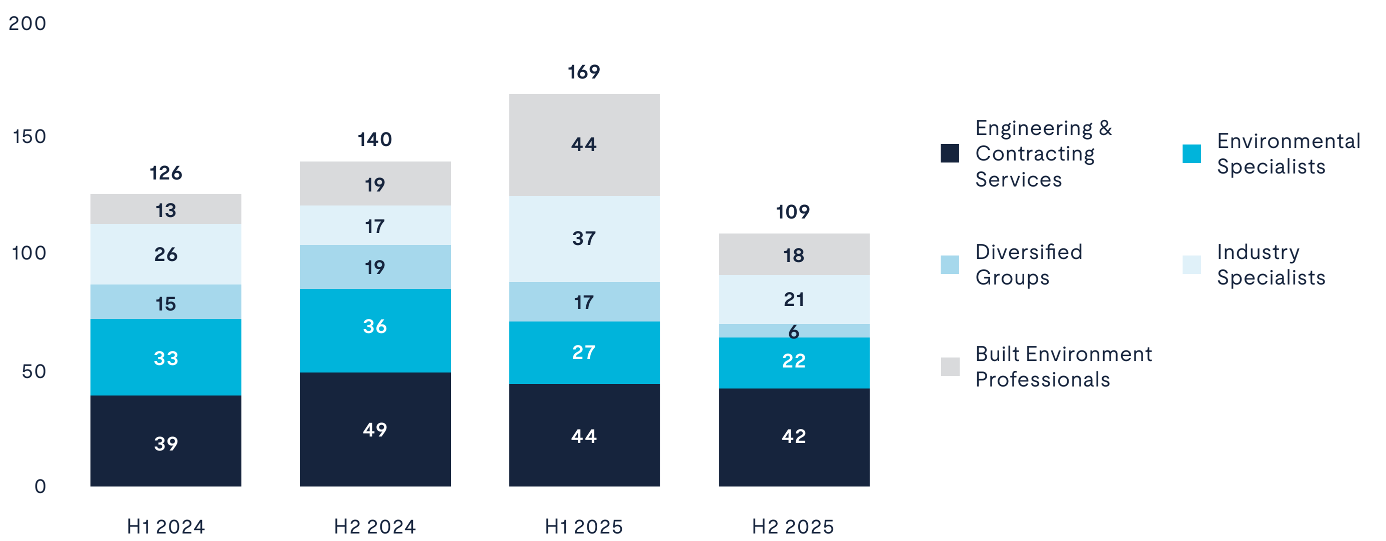
Deal volumes reached 278 transactions, the highest level in more than five years. Growth was concentrated in areas aligned to infrastructure-investment priorities, while construction-led categories continued to face mobilisation delays. Other parts of the industry benefited from greater certainty, resulting in a more clustered pattern of performance across the market.

- **Engineering & Contracting Services** remains the largest segment, recording 86 deals, compared to 88 in 2024. Momentum in 2025 came primarily from MEP, while construction and civil engineering deal flow softened from last year.
- **Built Environment Professionals** saw the largest proportional increase, with deal volumes rising from 32 in 2024 to 62 in 2025 as buyers targeted high-value expertise across advisory and professional services.
- **Industry Specialists** completed 58 transactions, supported by sustained demand for advanced technical skillsets. Energy and utilities platforms dominated as grid-modernisation programmes progressed.
- **Private equity** remained highly active, contributing 40% of transactions through both direct investments and PE-backed platforms.
- **Inbound investment** also increased, with overseas acquirers expanding their presence and reinforcing the UK's standing as a stable, long-term growth market for infrastructure services.

Deal volumes by subsector



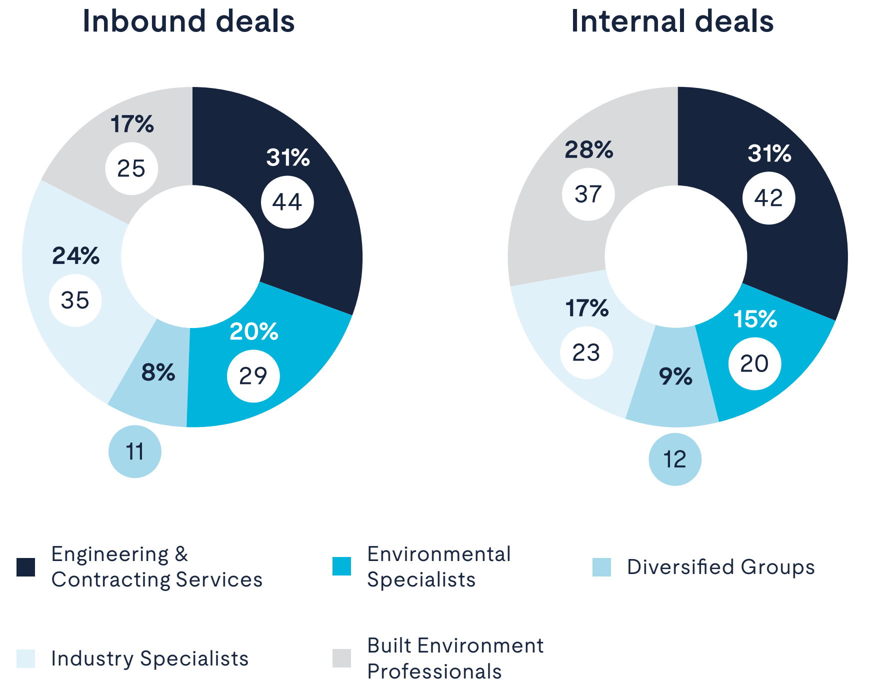
H1 vs H2 deals



Deal volume - Inbound vs Internal

52% Inbound deals 144

48% Internal deals 134

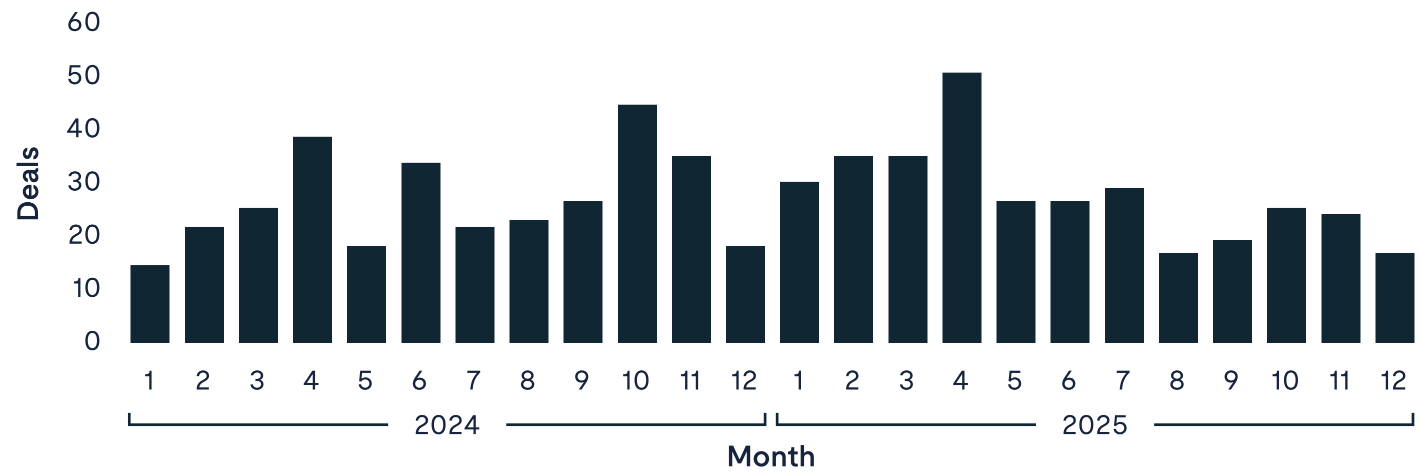


Deal volume ranking

1. **USA** No. of deals: 16
2. **Australia** No. of deals: 4
3. **Sweden, France, Ireland & Netherlands** No. of deals: 3

Trade vs. private equity

Monthly deal flow



2025 review: UK Infrastructure Services M&A

UK infrastructure projects in focus

1.5 million new homes

The UK government has committed to delivering around 1.5 million new homes in the UK, an opportunity for construction and a wider value chain, enabling works, utilities connections, civils, MEP, compliance, building safety, and long-term maintenance. The scale and duration of this programme create a predictable pipeline for contractors and service providers, replacing short-cycle housebuilding peaks with long-term visibility.

The 10-year national infrastructure pipeline

Beyond housing, the UK's national infrastructure strategy sets out a pipeline worth more than £500 billion over the next decade, spanning energy, transport, water, public buildings, and digital infrastructure. The breadth and longevity of this programme provide unusually clear visibility. Crucially, it is not dominated by a single flagship project but by a diverse mix of regulated, policy driven programmes, supporting long-term investment, recurring revenue models, and the continued consolidation of multiple subsectors.

Energy transition and grid modernisation

The shift to clean energy and electrification is driving major investment in grid reinforcement, transmission upgrades and power infrastructure. Offshore wind, nuclear, and heat decarbonisation create sustained demand for specialist electrical, civil, and compliance services. Recent reforms to clear the grid-connection backlog, unlocking around £40 billion for shovel-ready projects. This signals a faster, more predictable pipeline for renewables and storage is on the cards and underpins one of the UK's most significant multi-decade investment cycles.

Defence and security infrastructure

The UK's defence estate is undergoing significant modernisation, driven by rising geopolitical risk and commitments under the Defence Command Paper. The Ministry of Defence plans to invest £5 billion in nuclear deterrence and £2 billion in cyber and digital defence capabilities over the next few years. This translates into demand for secure facilities, data bunkers, surveillance systems, and resilient energy and communications infrastructure. For specialist infrastructure services businesses, this is a high barrier, long-duration opportunity requiring technical compliance and security credentials.

Regional transport and connectivity replacing megaproject concentration

With HS2's northern leg scaled back, government transport investment is shifting toward multiple regional and local projects: highways upgrades, local rail, multi-modal connectivity, tunnels, and local transport infrastructure. Much of the capital freed from HS2 is being reallocated across a broader set of regional needs, creating more widespread, evenly distributed demand for civils, utilities, maintenance, electrification, and transport-related technical services.

HS2 remains a major infrastructure programme with a long tail of opportunity

Even with scope changes, HS2 continues to be one of the largest infrastructure programmes in the UK. The value chains supporting HS2 activities across civils, utilities, groundworks, rail systems, stations, environmental services, and land development continues to be active. Years of planning, procurement, and land assembly mean there is a considerable legacy pipeline to deliver, alongside new phases and regional interfaces still to be completed.

Social and public-estate infrastructure renewal

Investment in public buildings and social infrastructure provides a substantial and resilient demand base for retrofit, refurbishment, and building safety services. Given the scale of the UK's ageing public estate, much of the spend is focused on modernisation and compliance rather than purely new build. There is a question mark for the public sector regarding how assets previously maintained under Private Finance Initiative (PFI) contracts will be maintained going forward, particularly in terms of funding. None the less, we expect this will ultimately represent an opportunity for the private sector, favouring businesses with building-services capability, lifecycle maintenance, and technical compliance expertise.

Autumn budget

A decade-defining investment signal for infrastructure services

Headlines focused on personal tax hikes, but for Infrastructure Services, the Autumn Budget's real story is investment. Reeves positioned these tax changes as a way to "protect public spending" and enable the UK to "invest, invest, invest", a clear signal for a sector driven by government and regulated capital.

The Government has committed over £120 billion of direct public investment during this Parliament, targeting transport, housing, energy, and digital infrastructure. This commitment sits within the broader £500 billion National Infrastructure Pipeline, combining public, regulated, and private-sector capital. For service providers, it represents one of the strongest multi-year outlooks in a decade, with improved visibility on project mobilisation and delivery.

A major focus of the Budget is energy and decarbonisation, including clean-energy deployment and grid-connection reform. Reforms to capital allowances and targeted tax incentives are designed to stimulate investment in plant, technology, and digital tools.

Delivery is also being shaped regionally. Devolved and place-based funding frameworks give combined authorities and regional delivery bodies clearer long-term mandates across housing, transport, utilities upgrades, and civic infrastructure. In parallel, planning and regulatory reform remains focused on streamlining approvals, particularly for nationally significant infrastructure, reducing programme risk and unlocking earlier capital deployment.

While the Budget is overwhelmingly supportive, higher employer taxes and tighter compliance requirements raise cost pressure for labour-intensive operators. This reinforces the strategic case for scale, shared overheads, multi-disciplinary capability, and technology adoption, themes already evident in 2025's deal activity.

Politically contentious or not, the impact on UK infrastructure is transformative. For service providers, this marks a decade-defining opportunity; unprecedented investment coupled with rising compliance and delivery expectations.

Major allocations

- **Housing & schools:** £39 billion for social and affordable homes over 10 years, plus £20 billion for school rebuilding through 2035, boosting construction and building-services activity.
- **National Wealth Fund:** £27.8 billion for clean energy, advanced manufacturing, and transport, already mobilising £5.3 billion of private investment.
- **City-region transport:** £15.6 billion for buses, trams, and local rail, driving demand for civils, maintenance and transport-linked technical services.
- **Roads & local transport:** Annual council funding for road repairs surpassing £2 billion by 2029-30, part of a £7.3 billion multi-year boost, creating predictable highways workstreams.
- **Digital & AI infrastructure:** Up to £2 billion by 2030 for Public Compute, including £1 billion for AI research and £750 million for a national supercomputer, opening opportunities for specialist engineering and data services.
- **Flood defences & water resilience:** £7.9 billion committed, including £4.2 billion between 2026-29 to strengthen flood protection and water-infrastructure resilience.
- **Lower Thames Crossing:** Nearly £900 million for completion of publicly funded works.
- **EV transition:** £600 million for charging infrastructure and 10-year business-rates relief for chargepoints, supporting growth in electrical and compliance services.
- **Regional growth:** £500 million Mayoral Revolving Growth Fund to accelerate integrated settlements in the North and Midlands.
- **Nuclear power:** Wylfa confirmed as the UK's first small modular reactor site, with further large-scale projects planned.

Notable deals

Q1 2025

January

VINCI Construction acquired **FM Conway**, a leading UK **transport** infrastructure services provider. The deal strengthens VINCI's position in the UK transport and infrastructure market and adds significant expertise in highways maintenance, civil engineering, and materials production. The acquisition supports VINCI's strategy to grow its footprint in the UK and deliver integrated solutions across major infrastructure projects.

OCS Group acquired **Maxim Facilities Management**, one of the fastest-growing independent FM providers in the North-East of England. Following OCS's recent acquisitions in technical FM and compliance, Maxim adds volume, client relationships and regional resilience, supporting OCS's aim to create a national, integrated FM platform capable of competing with Tier 1 providers.

RSK acquired **N-Able Group**, a property consultancy providing architecture, surveying, project management and BIM services. The transaction reflects growing demand across the market for professional and advisory-led infrastructure services.

February

Phenna Group expanded its Built Environment and Infrastructure divisions through the acquisitions of **Calibre Environmental** and **STM Environmental Consultants**. Calibre, based in Surrey, specialises in water hygiene and treatment services, while STM, headquartered in Twickenham, provides geo-environmental, flood risk, and drainage consultancy alongside environmental data management systems for local authorities. Together, these additions deepen technical capability and diversify Phenna's service offering.

Cardo Group acquired **Rodgers & Johnston Ltd**, a Holytown-based property maintenance specialist serving housing associations, local authorities, and public sector clients across Scotland. As a bolt-on, it complements Cardo's previous acquisitions, including Osborne Property Services and Jefferies Contractors, by expanding Scottish coverage and adding further capability across M&E, renewables and retrofit programmes.

March

United Infrastructure (previously United Living) acquired **Jones**, a Lancashire-based power distribution and street lighting contractor serving UK distribution network operators and local authorities. Jones strengthens United Infrastructure's energy and utilities division by adding specialist capabilities in network connections, street lighting and DNO services. The deal complements a strategic drive into power infrastructure, following regulatory pressure for grid resilience and electrification. It also aligns with a broader transition to becoming United Infrastructure, focusing on energy, water and infrastructure modernisation.

Obsequio Group, backed by **Beech Tree Private Equity** (now **Warren Equity**) acquired **Environtec Ltd**, a UKAS-accredited specialist in asbestos compliance and water hygiene. Environtec is a targeted bolt-on expanding Obsequio's compliance offering into UKAS-accredited asbestos and water hygiene services. Obsequio has been building a multi-disciplinary compliance platform, and Environtec adds scale, accreditation and a northern footprint, strengthening the group's defensive, regulation-led revenue model.

Amcomri Group plc acquired **EMC Elite Engineering Services**. EMC provides mechanical and electrical engineering services to the power generation, process, and aggregate industries. With strong overlap with previous Amcomri acquisitions, EMC Elite supports growth in rotating equipment maintenance, increasing long-term service revenue and strengthening relationships with energy-sector clients.

Ofgem's £28 billion energy-infrastructure programme

What it means for UK infrastructure services

Ofgem has approved an initial £28 billion investment package over the next five years to upgrade and expand the UK's electricity and gas network, forming part of a broader £90 billion programme expected to be delivered by 2031. This is the largest grid-modernisation commitment in a generation, aimed at reinforcing transmission capacity and preparing networks for electrification, renewables, EV charging, data centres, and low-carbon heating.

The programme covers high-voltage transmission upgrades, subsea cables, substation modernisation, and resilience works across gas networks. More than 80 major projects will move forward under this plan, creating significant demand for engineering, civil, electrical, and specialist contractors.

Ofgem has already fast-tracked consent for three "electricity superhighways" to ease grid constraints, signalling regulatory clarity and accelerating delivery schedules. Network operators are preparing to award multi-year frameworks for high-voltage cable installation, substation electrification, and grid-resilience upgrades, contracts that favour providers with technical depth and compliance capability.

This is a capital-intensive programme with long-term visibility, positioning platforms with electrical engineering and civils expertise at the centre of one of the UK's most significant infrastructure investment cycles.

Thought piece

When buyers call first, how should you respond?

In 2025, unsolicited approaches from trade buyers and private equity have surged, often long before owners actively consider a sale. With buyers highly active, well-capitalised and competing for specialist capability, it's no surprise that more owners are being contacted directly. But when that email or phone call lands, most founders ask the same question: What should I do next?

The first offer is rarely the best

A direct offer means your business has qualities buyers value. However, it also creates pressure to respond quickly, often before you've explored your options. The first offer is rarely the best. In many cases, the buyer knows your business well – perhaps a customer or supplier – but familiarity doesn't guarantee they're the right long-term partner, and the opening price is almost never the final price. You wouldn't sell your house to the first person through the door; why treat your business any differently?

Bilateral vs Full Sale

Unsolicited approaches often lead to a bilateral process, a one-to-one negotiation with the buyer who made the first move. This can feel faster and less disruptive, but exclusivity shifts power to the buyer. With no competition, leverage erodes, and terms can tighten late in diligence. Bilateral deals aren't always wrong; they can work when speed and confidentiality matter. The key is understanding the trade-offs before committing.

By contrast, a structured sale process creates competitive tension and keeps control with the seller. Multiple bidders don't just drive price, they give owners choice, protect value, and reduce risk if one party changes terms. Selling your business should never feel like a one-horse race. A well-run process ensures clarity, leverage, and the ability to compare not just price, but deal structure, timing, and cultural fit. In fact, over 50% of Heligan transactions are completed with a buyer previously unknown to the seller.

2025 review: UK Infrastructure Services M&A

Why you need an advisor

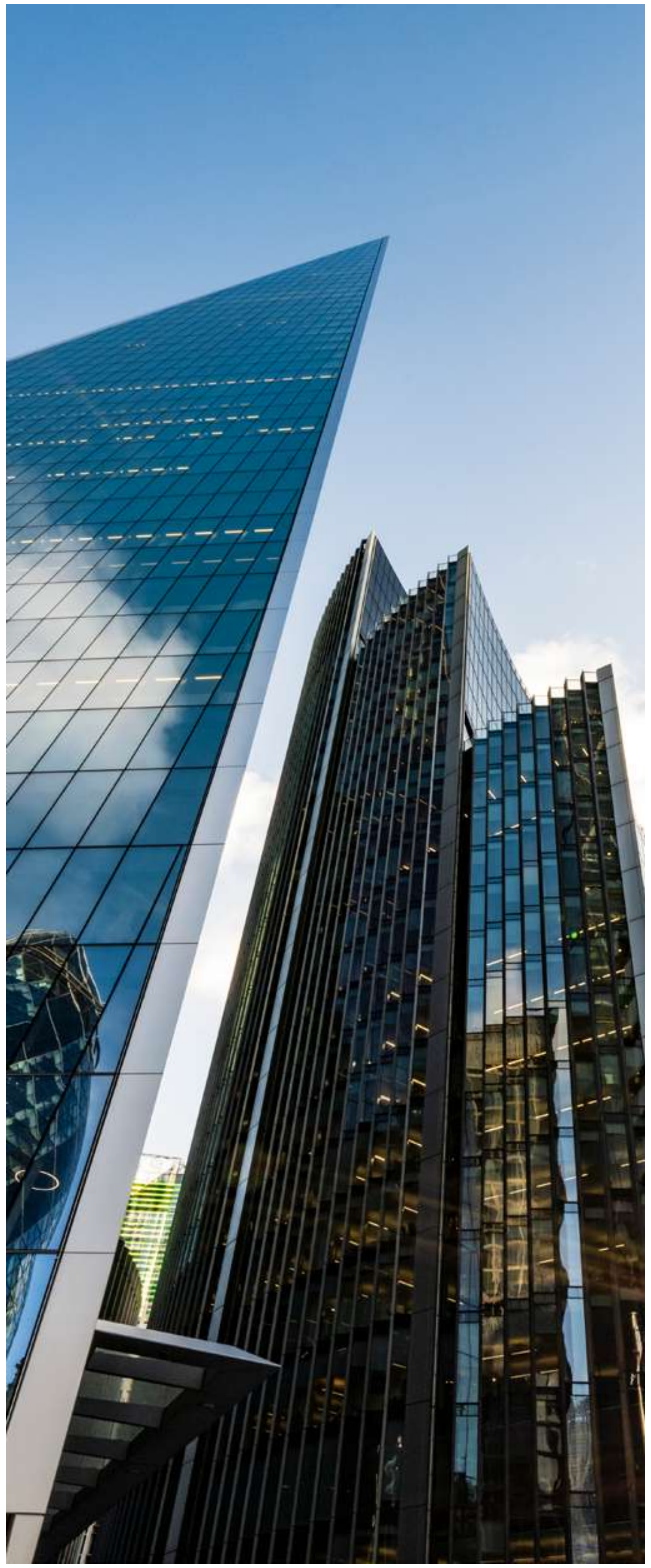
Running a sales process is a specialist full-time job, and most founders already have one. Preparing financials, managing diligence, negotiating commercial terms, and keeping the business performing can be overwhelming. Our role is to ensure you retain options and negotiating leverage. Once exclusivity is granted, power shifts to the buyer, so before that point, we work to secure the best terms and keep other bidders engaged to maintain competitive tension.

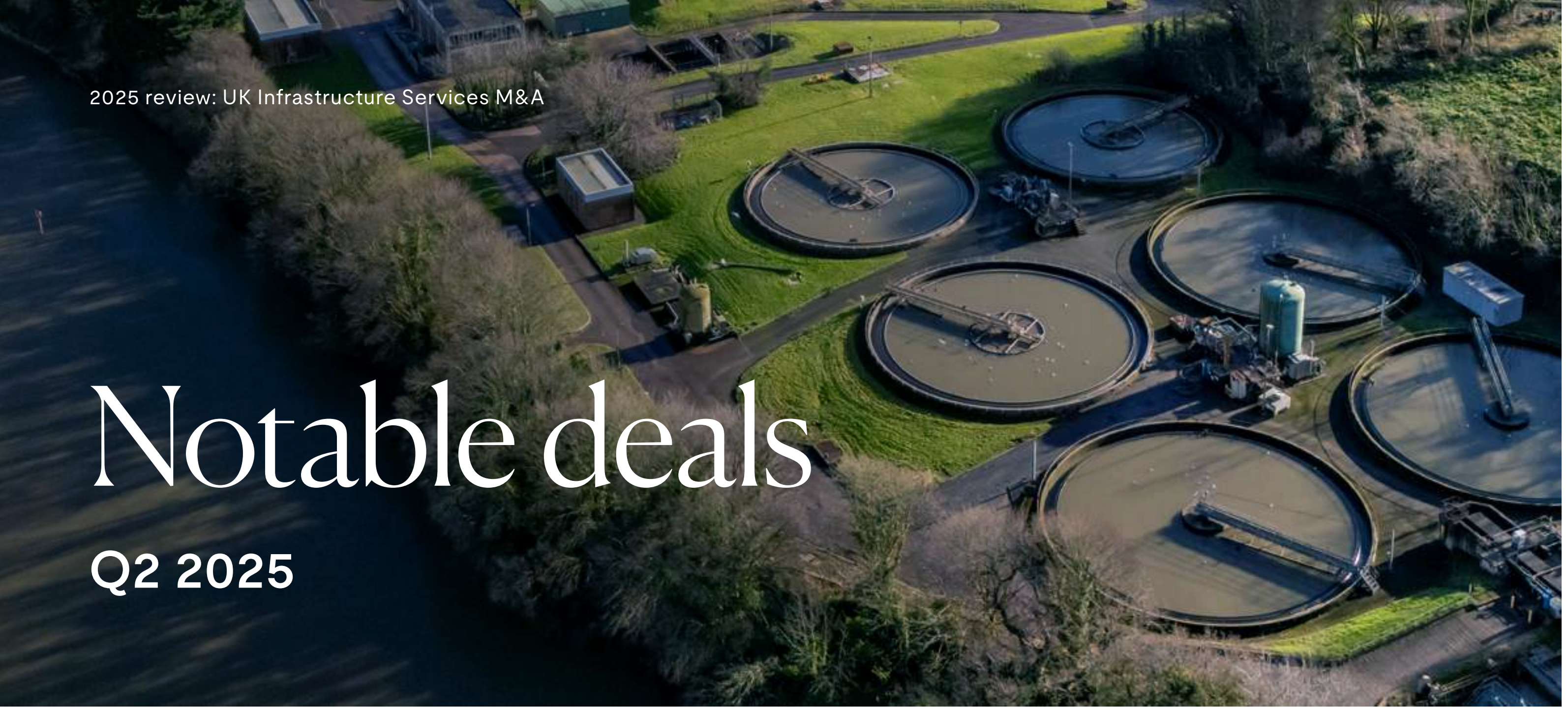
Many owners underestimate the emotional toll of selling a business. A transaction process inevitably brings highs and lows, and having an experienced advisor to guide you and act as a bridge between buyer and seller is critical. Negotiations often involve difficult conversations that can trigger emotional or reactive responses. An advisor helps maintain objectivity, ensures relationships remain constructive throughout, and protects goodwill for relationships post-transaction.

Straightforward advice

Many first and second-generation owners started on the tools and built businesses through entrepreneurial drive. Our job is to make a complicated process feel simple, no jargon, no unnecessary formality, just clear advice.

The moment you receive an approach is an opportunity, not a commitment. It's a chance to pause, reflect, and decide whether now is the right time, whether the buyer is the right partner, and what your exit could look like with a structured process. The right advice at the right moment can turn an unsolicited email into a great outcome.





Notable deals

Q2 2025

April

Cenos, the floating offshore wind joint venture between **Flotation Energy** and **Vårgrønn**, acquired **NorthConnect Ltd**, the developer of the proposed 1.4GW NorthConnect interconnector between Scotland and Norway. The project comprises a subsea high-voltage direct current (HVDC) link to enable bi-directional power flows and cross-border balancing between the UK and Norwegian grids. The acquisition gives Cenos control of a strategically advanced interconnector scheme, creating future optionality around export capacity and system flexibility alongside offshore wind development. Despite earlier regulatory setbacks in Norway, the project benefits from extensive route planning and UK consents, strengthening Cenos' position in integrated offshore energy infrastructure.

AECOM acquired Scottish water and energy consultancy **Allen Gordon**. The acquisition enhances AECOM's technical capability across regulated water frameworks and strengthens its position in wastewater and energy-transition services ahead of the AMP8 investment cycle. This reflects growing demand for specialist consulting and delivery capability as UK water companies expand capital programmes across environmental compliance, resilience and infrastructure upgrade work.

E.ON Energy UK acquired **Eco2Solar**, a leading provider of residential solar installations for property developers and new-build housing. Eco2Solar provides E.ON with market-leading access to the UK new-build residential solar market. The deal accelerates E.ON's consumer-scale decarbonisation strategy, enabling integration of solar, battery and smart-home solutions. It also supports E.ON's ambition to deliver decentralised, low-carbon energy systems aligned with its broader transition strategy.

May

Adler & Allan (backed by **Goldman Sachs**) acquired **Glanville Environmental**, a drainage focused company specialising in geospatial surveys, CCTV surveying as well as drainage management. Glanville adds geospatial and drainage surveying capability, aligning with Adler & Allan's strategy of building a technology-enabled environmental infrastructure platform. Following acquisitions in environmental response, asset integrity and monitoring, this deal improves technical accuracy, expands digital surveying and supports clients across utilities and infrastructure where data-led asset management is a key strategic priority.

BUUK Infrastructure acquired **Persimmon's** full fibre broadband service, **FibreNest** for £100 million. BUUK is a leading provider of utility networks, and this deal enhances this offering in the context of the new build housing sector. Persimmon complements BUUK's multi-utility networks – gas, electricity & water – and aligns with the shift towards developer-installed fibre infrastructure.

June

Inflexion backed **Celnor Group**, acquired **Airey Miller**, strengthening its Risk Management division with expertise in building safety and fire engineering. The group also completed several other acquisitions during the year, including **Envance**, **Concept Environmental**, **Urban Green**, **Arbtech**, **Brownfield Solutions**, **MSS** and **APEC Environmental**, reinforcing its position as a leading TICC services provider.

Mitie Group acquired **Marlowe plc** in a strategic move to expand its compliance, fire, and security services. The transaction values Marlowe at approximately £366 million and marks a major strategic milestone for Mitie, expanding its footprint in compliance, fire protection, security and risk management. It positions Mitie as one of the UK's largest compliance platforms and deepens cross-selling synergies within FM, technical services and property management.

United Infrastructure acquired **Glenelly Infrastructure Solutions**, a specialist in power distribution and energy transition services, including EV charging and heat pump installations. Following its transition to United Infrastructure, Glenelly is another targeted bolt-on which deepens capability in power distribution, EV charging and heat transition technologies. Combined with earlier acquisitions, **Jones** & **Peter Duffy**, the deal strengthens United Infrastructure's position across regulated energy networks and supports its long-term strategy to become a market leader in energy transition services.

Southern Water recapitalisation

A turning point for UK water infrastructure

In July 2025, Southern Water secured a £1.2 billion equity injection led by Macquarie Asset Management, part of a wider £1.6 billion recapitalisation. The move stabilises the balance sheet and gives the company the capacity to deliver its largest investment plan to date. It will invest between £8 billion and £8.5 billion over the 2025 to 2030 regulatory period, including £3.3 billion for environmental projects such as improving river quality, reducing storm overflows and upgrading wastewater-treatment assets.

Since the deal, momentum has returned. New capital-delivery frameworks have been awarded, including a Costain/MWH joint venture, and local schemes like the Wickham Wastewater upgrade are progressing. Credit markets have responded positively, with Moody's shifting Southern Water's outlook to "stable."

The recapitalisation does more than stabilise Southern Water's balance sheet, it signals investor confidence in regulatory reform and Ofwat's framework for long-term, regulated returns. For Macquarie, this was about sustaining operational improvements since its 2021 takeover, with all profits reinvested during AMP8. Where financial resilience and regulatory clarity align, the sector can unlock multi-year investment programmes that generate substantial, defensive demand across environmental services, civils, MEP, and advisory segments.

2025 review: UK Infrastructure Services M&A

Thought piece

Succession planning in a first- and second-generation sector

After a record year for transactions in 2025, momentum is building, and buyer appetite is expected to remain strong into 2026. In a market where demand for specialist capability is high and competition for quality businesses is intensifying, preparation becomes an advantage. Owners who take time to strengthen leadership, systems and succession planning now will be best positioned to capture value when they decide to explore an exit.

The risk to valuation

Many Infrastructure Services businesses are still first- or second-generation, built by founders whose expertise, relationships, and decision-making have shaped the business for decades. That hands-on approach drives success early on, but it also creates a concentration of risk. This is known as key man risk, and it's one of the most overlooked threats to valuation.

One of the most common questions in diligence?

"What happens if you get hit by a bus tomorrow? What would happen to your business?"

It's blunt, but it matters. If the answer is unclear, the consequences are predictable: lower valuation, tougher deal terms, and in some cases, buyers walking away.

Why it hurts value

When a business depends on one individual for client relationships, technical expertise, or decision-making, buyers see risk. They will discount that risk heavily, often through earn-outs, deferred consideration, or reduced appetite altogether. Selling a business should never hinge on one person.

What you can do now

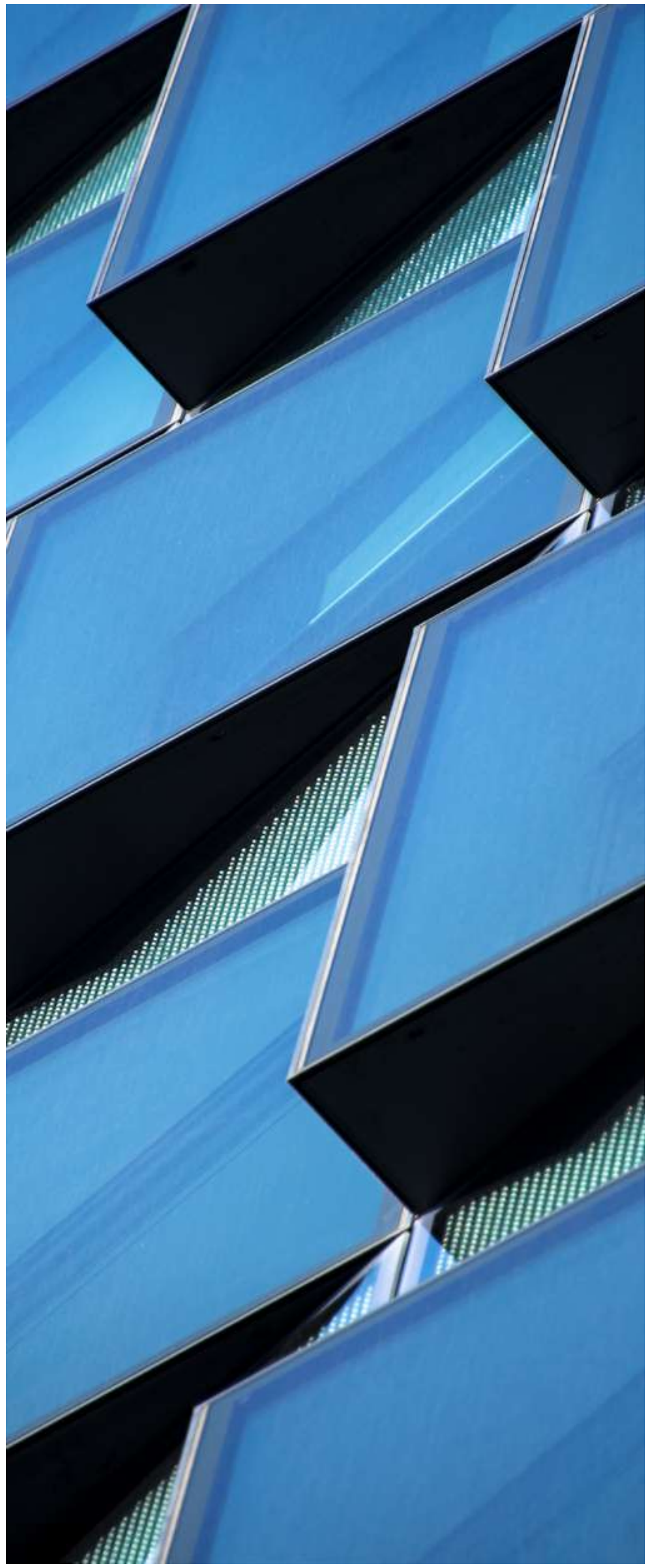
Mitigating key man risk isn't about removing the founder; it's about proving the business can stand on its own two feet without the owner manager. That means building a leadership bench, delegating and documenting processes, and broadening client relationships. Succession planning can't stop at surface-level promotions or quick hires; future leaders must demonstrate proven competence and experience.

If you are indispensable

For some founders, stepping back isn't realistic, and that's OK. Many buyers, especially private equity, will invest in you as part of the growth story. That can mean ongoing equity participation, operational support, and a second liquidity event in the future. The key is to plan for this structure early, not under pressure.

Planning for a sale

Over-reliance on a single individual can dilute valuation and slow the deal process. If these risks sound familiar, now is the time to act. Heightened deal activity shows buyers are ready. If you're considering a sale, make sure you are too.



Notable deals

Q3 2025

July

Cura Terrae acquired **EnviroCentre**, an environmental consultancy with strong capabilities in ecology, water, land quality and sustainability advisory. The acquisition expands Cura Terrae's national reach and technical strength across planning-led infrastructure, utilities and the built environment. EnviroCentre's expertise in water environment, flood risk, land quality and environmental assessment complements Cura Terrae's existing ecology and planning offering, creating a broader end-to-end service for public and private clients.

Adler & Allan acquired **E&E Group**, a nationwide provider of engineering and environmental services. The deal strengthens Adler & Allan's integrated offering and broadens its reach across industrial sectors. In 2025, the group also added RES Environmental (urban drainage), Thomson Environmental Consultants, and Atmos Consulting (ecology and permitting), reinforcing its position as a leading end-to-end environmental solutions provider. These acquisitions support Adler & Allan's shift from incident response to full lifecycle environmental infrastructure management for utilities, infrastructure owners, and public-sector clients.

2025 review: UK Infrastructure Services M&A

Daikin UK acquired **Saltire Facilities Management** for £25 million, a leading Glasgow-based heating services provider. The move strengthens Daikin's residential heat pump service network in Scotland, a region with strong growth potential for low-carbon heating. This follows Daikin's 2024 acquisition of **Robert Heath Heating**. Saltire strengthens Daikin's Scottish footprint and supports direct installation, maintenance and service partnerships as heat decarbonisation accelerates.

August

SOCOTEC UK and Ireland acquired **Lloyds Datum Group**, experts in foundation testing, structural monitoring, and geotechnical services, complementing the Group's existing materials testing and infrastructure monitoring portfolio and supports its strategy to become the UK's most comprehensive provider of testing, inspection and compliance services within major infrastructure.

Renew Holdings, through its subsidiary **Excalon**, acquired **Emerald Power**, a specialist in overhead line services. The deal is valued at up to £12.3 million and enhances service offering within overhead line construction and maintenance, supporting growth in electricity network upgrades. It complements Excalon's LV/HV capabilities and positions Renew to benefit from sustained DNO investment, RIIO funding cycles and grid resilience programmes.

2025 review: UK Infrastructure Services M&A

August (continued)

Apleona GmbH acquired **Corrigenda**, a Hampshire-based technical facilities management provider specialising in mechanical, electrical, and HVAC services, as well as energy management and building decarbonisation. It enhances Apleona's decarbonisation, digitalisation and building optimisation capabilities, allowing the group to provide a fuller suite of technical services to corporate and public-sector estates.

Sureserve Group, backed by **Cap10 Partners**, acquired **CLP Group FS**, a specialist in fire safety and compliance services for housing associations and local authorities. Earlier, in July 2025, Sureserve announced the £56.4 million acquisition of **Kinovo plc**, a compliance and sustainability-focused property services provider. Together, these transactions reinforce Sureserve's strategy to deliver comprehensive compliance and energy transition solutions across the UK housing sector.

September

Cardo Group acquired **CTS Projects**, a Newry-based property maintenance specialist serving over 65,000 public sector homes across Northern Ireland and the Republic of Ireland. CTS Projects is Cardo's first acquisition in Ireland, expanding its footprint beyond Great Britain and strengthening its presence across public-sector housing maintenance. It complements Cardo's acquisition of **Rodgers & Johnston** earlier in the year and reinforces its strategy to become a dominant social housing maintenance platform in the UK and Ireland.

John Sisk & Son completed the acquisition of **Farrans Construction** from **CRH**, following regulatory clearance by Ireland's Competition and Consumer Protection Commission. The acquisition reunites Sisk and Farrans under common ownership, creating a construction group with over £1 billion of revenue and strengthened delivery capacity across water, energy, aviation and infrastructure. The deal broadens Sisk's capability base and expands access to major frameworks, enhancing its competitiveness for large-scale civil engineering projects.

Reallocated HS2 funding

An opportunity for regional infrastructure delivery

The cancellation of HS2's northern leg in 2023 was a defining moment for UK transport policy. However, 2025 is when the redirected capital began to shape real projects. Instead of one national megaproject dominating the agenda, the Government has committed to dispersing investment across a broader mix of local and regional schemes, a rebalancing that unlocks a more distributed pipeline for Infrastructure Services.

The Local Transport Fund alone allocates £4.7 billion to the North and Midlands in 2025 and 2026, alongside commitments for road resurfacing, active travel, and highway maintenance. This shift converts a single high-speed rail spine into hundreds of smaller interventions - local rail upgrades, junction improvements, transport infrastructure, and regional connectivity projects entering planning and procurement.

For service providers, the nature of work changes dramatically. Gone are vast tunnelling packages, in their place are mid-scale schemes requiring civils, utilities, drainage, M&E, and transport-linked technical capability. For many mid-sized operators, this creates a more accessible and diversified work bank than HS2 offered.

Crucially, reallocated funding brings visibility and therefore certainty. These regional programmes span multiple budget cycles and align with housing and local development priorities, creating a stable, multi-year pipeline. For Infrastructure Services businesses, this marks the moment political decisions translate into tangible opportunities, broader, more resilient, and regionally distributed demand replacing the volatility of megaproject cycles.

Thought piece

Protecting wealth in a changing tax landscape

Kieran Duffy, Client Director at Heligan Wealth Management, has spent years guiding entrepreneurs through the complexities of preserving wealth after a business sale. In this piece, he reveals practical steps every owner should take to prepare for a successful exit.

> The period of passive wealth accumulation is over. For infrastructure entrepreneurs, proactive and early planning is now a competitive advantage, and a critical component of securing the long-term legacy of the business.
>
> **Kieran Duffy**
> Heligan Wealth

A Sector Built by First- and Second-Generation Entrepreneurs

Infrastructure Services in the UK remains dominated by first- and second-generation owners. Many founders are nearing retirement, and the UK faces a historic wealth transfer, an estimated £5.5–£7 trillion over the next 30 years.

A Structurally Different Tax Environment

All eyes were on the 2025 Budget, but entrepreneurs are yet to feel the true impact of the 2024 Budget. From April 2026, the current system of unlimited 100% relief under Business Property Relief (BPR) and Agricultural Property Relief (APR) will be replaced by a combined £2.5 million lifetime allowance for 100% relief.

Any qualifying business or agricultural assets above £2.5 million – or £5 million for a married couple or civil partnership – will be subject to Inheritance Tax at an effective rate of 20% on death.

The position tightens further from April 2027, when unused pension funds and most death benefits will be brought within the estate for Inheritance Tax purposes, fundamentally altering long-established estate-planning assumptions for business owners and entrepreneurial families.

For owner-managed businesses, much of their wealth is locked in the company. Converting business value into family wealth is complex, with founders often facing:

- Wealth concentrated in their own illiquid shares
- The next generation increasingly wanting to ‘forge their own path’ rather than enter the family business
- Limited diversification across asset class but also structures
- Exposure to changing tax rules and increasing difficult to plan ahead

Historically, generous inheritance reliefs helped preserve value. Upcoming changes challenge those assumptions, making financial strategy as critical as leadership succession.

Succession Planning That Works

Kieran notes five principles that ensure successful transitions:

1. **Begin with financial clarity**
   Understand current business value, liquidity timelines and tax exposure
2. **Build a diversified wealth plan**
   Identify the right balance of income, growth and risk for life after exit
3. **Formalise governance**
   Documented structures avoid disputes and enforce discipline
4. **Prepare successors early**
   Capability must match control at the point of handover
5. **Review regularly**
   Succession planning is not a one-time project

Governance and Advisory

When wealth moves from business ownership to personal assets, risks shift:

- Market volatility replaces trading risk
- Tax efficiency becomes critical
- Income must replace salary and dividends
- Capital preservation takes priority

Strong governance, through investment committees, family councils, or shareholder frameworks, protects value. At Heligan, one of our founding principles is building long-term partnerships with clients. Our Corporate Finance and Wealth Management teams work together to ensure continuity before, during, and after a sale.

Families increasingly value advisors who can bridge the transition from corporate transaction to long-term wealth stewardship. A coordinated approach reduces friction, avoids duplication, and ensures a single strategy drives both commercial and personal outcomes.

The Great Wealth Transfer

This transition will reshape the Infrastructure Services sector. Some families will evolve into multi-generational investment groups; others risk losing value through tax, disputes, or poor timing.

Transition is inevitable, what matters is whether it’s strategic or reactive. Founders have the chance to turn success into a lasting legacy. Early, structured planning ensures wealth becomes a foundation for future prosperity, not an inherited challenge.

Notable deals

Q4 2025

October

Warren Equity Partners acquired **Obsequio Group** from **Beech Tree Private Equity** in a secondary transaction. The deal marks an exit for Beech Tree following significant growth at Obsequio, with revenues increasing from £17 million to over £70 million during its hold. Obsequio's integrated fire, water, air and safety services align well with Warren Equity's strategy of scaling regulated, mission-critical services through targeted bolt-ons and operational support.

Arriva UK acquired **RTS Infrastructure Services**, a Leeds-based rail infrastructure specialist providing depot servicing, train maintenance, and design & build works such as platform upgrades and track alterations. RTS holds a Network Rail Principal Contractor Licence and operates a depot near Leeds, supporting projects across the UK rail network. The deal strengthens Arriva's rail infrastructure capabilities and expands its portfolio of maintenance and construction services.

Premier Technical Services Group (PTSG) acquired **System Hygienics Holdings**, a specialist in ventilation, air quality, and fire safety services. As part of PTSG's ongoing consolidation strategy in compliance, safety and specialist access services, System Hygienics adds ventilation hygiene, air quality and fire safety capability. The deal expands PTSG's recurring compliance-led revenue streams and strengthens relationships across commercial and public-sector estates.

HGGC's £183.6 million acquisition of **Inspired Plc** is a clear example of US inbound investment targeting high-quality UK assets. Inspired is a leading energy and sustainability consultancy, providing services that help businesses optimise energy consumption, reduce costs, and meet ESG objectives. This deal positions Inspired to accelerate its integrated offering across energy procurement, efficiency, and ESG services, capitalising on rising demand for net-zero and sustainability expertise, an area where UK policy stability continues to attract global capital.

November

RSK Group acquired **Octavius Infrastructure** from **Sullivan Street Partners**. Octavius is a civil engineering and electrification specialist with 700+ employees and frameworks with Network Rail, National Highways, and Transport for London. The deal rounds off a busy year for RSK, which also added **AJ Engineering** and **NEWCo** (engineering and fabrication), **Elsym Installations** (water sector electrical services), and N-Able Group (architectural and building consultancy). The deal enhances RSK's ability to self-deliver at scale and supports its ambition to become a global leader in environmental, engineering and technical services, reinforcing its end-to-end environmental and engineering capabilities.

Project Better Energy completed acquisitions of **Photon Energy** and **EG Solar** as part of its expansion in commercial solar and battery solutions. Both acquisitions deepen PBE's capability in commercial solar, battery systems and decentralised energy solutions. They provide greater installation capacity, technical expertise and a nationwide customer base, accelerating PBE's strategy to become a leading provider of renewable energy systems for commercial and industrial clients.

Adler & Allan continued acquisitions in November acquiring **Thomson Environmental Consultants** and **Atmos Consulting**, adding over 200 specialists and strengthening its environmental advisory and permitting capabilities. The acquisitions enhance Adler & Allan's integrated services offering across sustainability, compliance, and infrastructure lifecycle management.

US firm **NPK International** acquired **Grassform Plant Hire**, a specialist in plant hire with niches in renewable energy and modular construction. The Autumn Budget introduced a new 40% First Year Allowance, including tax relief on leased assets, which is expected to boost demand for plant hire services and drive further deal activity in the sector.

December

OCS Group UK acquired **EMCOR Group UK plc** for approximately £190 million. The acquisition of EMCOR UK is transformational, creating one of the UK's largest integrated technical FM platforms. EMCOR brings strong capabilities in engineering services, mission-critical estates and energy solutions, complementing OCS's broader FM service lines. The deal significantly increases scale, strengthens access to major public and private-sector clients, and positions OCS as a top-tier competitor in technical FM and compliance services.

Triton Partners formed **Tendra Technical Services**, a new UK technical services platform, marking the first UK investment by its Triton Smaller Mid-Cap Fund II. The platform combines **The James Mercer Group**, **Fletchers Engineering** and **Coat Facilities Group**, creating a scaled operator across building services and technical maintenance. The transaction reflects continued private equity appetite for fragmented technical services markets, where platform formation and follow-on acquisitions are being used to build national capability and drive consolidation.

Grid-connection overhaul

Clearing the “zombie project” backlog

The UK’s power grid has been clogged for years with speculative projects that never progressed, so-called “zombie projects” occupying queue positions and blocking shovel-ready schemes. In December 2025, the National Energy System Operator announced a radical overhaul: scrapping more than half of the 700 GW of stalled projects, four times the capacity needed by 2030, and replacing the broken first-come, first-served system with a curated pipeline of viable connections.

The reform unlocks roughly £40 billion of investment for solar, wind, and battery storage aligned with zero-carbon goals. It accelerates delivery by prioritising projects with planning consent and financial backing, giving developers and contractors far greater certainty over timelines. The new approach splits the pipeline into two tranches, connections by 2030 and by 2035, creating a structured roadmap for the next decade.

For Infrastructure Services, this removes a major bottleneck in the energy transition, paving the way for high-voltage civils, electrical contracting, and compliance services linked to renewable integration. It signals regulatory confidence and a shift toward proactive delivery, reducing risk for investors and strengthening the case for multi-year frameworks.

2025 review: UK Infrastructure Services M&A

Thought piece

Planning for a successful exit starts before the sale – not after

For many owners, your business is the outcome of decades of risk, work and investment. It also represents the majority of family wealth. Yet one of the most common mistakes owners make is waiting until after receiving an offer to start thinking about how that value will be protected and passed on.

Recent changes to reliefs and proposals affecting business succession mean traditional assumptions around inheritance and tax efficiency are becoming less reliable. The steps taken before a sale are increasingly determining how much value passes to family, how efficiently capital is managed, and how future generations will benefit from it.

In other words, a sale creates liquidity, but not protection. Protection must be planned.

1. Understand how Business Relief may change your planning

Business Relief has historically been central to preserving family wealth on death. Proposed changes are likely to limit how much of a business qualifies, meaning that structures which were tax-efficient five years ago may not be optimal today.

This matters particularly when owners are contemplating a sale:

- What qualifies for relief today may not qualify after a transaction
- Delaying planning could reduce flexibility
- Once value becomes liquid, the rules change

Planning early preserves optionality; reacting late often removes it.

2. Transfer value while it is still 'business value', not liquid wealth

Once the proceeds of a sale land personally, they are exposed to different tax treatments than shares held in a trading business. Early planning can allow owners to transfer and structure value inside the corporate entity, where favourable conditions may still apply, rather than dealing with reduced options post-completion.

Proactive restructuring or phased gifting before liquidity can meaningfully reduce exposure later and provide clearer long-term flexibility.

3. Decide where the money will sit, not just how much arrives

A sale moves wealth from a controlled trading environment into personal or family ownership, where it can be subject to investment volatility, tax drag and unstructured distribution. The goal shouldn't simply be to realise value; it should be to retain control of it in a way that preserves optionality and avoids unnecessary erosion.

Family Investment Companies and trust structures can provide long-term stewardship, enabling wealth to be retained, invested and passed on in a controlled and tax-efficient way.

4. Treat succession as a strategic priority, not an administrative one

In many families, succession happens through circumstance rather than design. Without a clear plan, valuable assets can end up fragmented or transferred in ways that create additional tax liabilities. Documenting a succession strategy ahead of time ensures the transfer takes place on the family's terms, not HMRC's.

In essence: inheritance shouldn't be accidental. It should reflect intention and planning.

5. Take advantage of the current planning window

The coming years present an unusually important period where owners still have time to act under current rules. Waiting for legislation to be finalised typically leaves less room to manoeuvre, and in many cases, owners find that opportunities available today simply no longer exist after reform.

The most effective planning happens during regulatory transition, not after it.

Why effective planning matters

Many owners think the main risk sits inside the business. The reality is different: the risk increases once the value becomes personal. Wealth planning is not a post-sale exercise; it is a key element of exit strategy, and the timing of it is just as critical as the transaction itself.

What a coffee can unlock

Many owners are so focused on running their business day-to-day that planning for a future exit rarely gets attention. That's normal, but in a year where buyer activity has reached its highest level in over five years, early conversations can make a meaningful difference. They help clarify your ambitions, whether immediate or long-term, and outline options with actionable steps to prepare your business for maximum value when the time is right.

Our starting point is simple: an informal strategic review. No rigid agenda, just a chance to listen, understand how your business operates, your goals, timelines, and priorities for the wider team. From there, we apply deep sector experience to share honest, actionable advice on next steps. Even a short conversation can shape your thinking, whether you're considering an exit soon, in a few years, or just exploring options.

We've advised clients across the infrastructure services sector, consistently achieving **EBITDA multiples above industry averages** by helping owners prepare thoroughly and managing competitive bid processes to drive value. Given the strength of current buyer demand and the depth of capital targeting the sector, many owners are finding that now is an opportune moment to explore what the market might offer.

At Heligan, we focus on supporting clients throughout their journey. Alongside business planning, personal wealth planning matters too. With tax changes and political uncertainty, timing is critical. Even straightforward steps can make a big difference, from reviewing ownership structures and considering trusts, to exploring Family Investment Companies (FICs) and planning the timing of Capital Gains Tax.

If further discussion would be helpful, we would be happy to arrange an introductory meeting.

Infrastructure Services Team

Andrew Dickinson
Head of Infrastructure Services

Simon Heath
Managing Partner

Joe Carbery
Associate Director

Ben Robinson
Associate Director

Azam Iqbal
Associate Director

Mike Howell
Manager

Max Jae
Senior Analyst

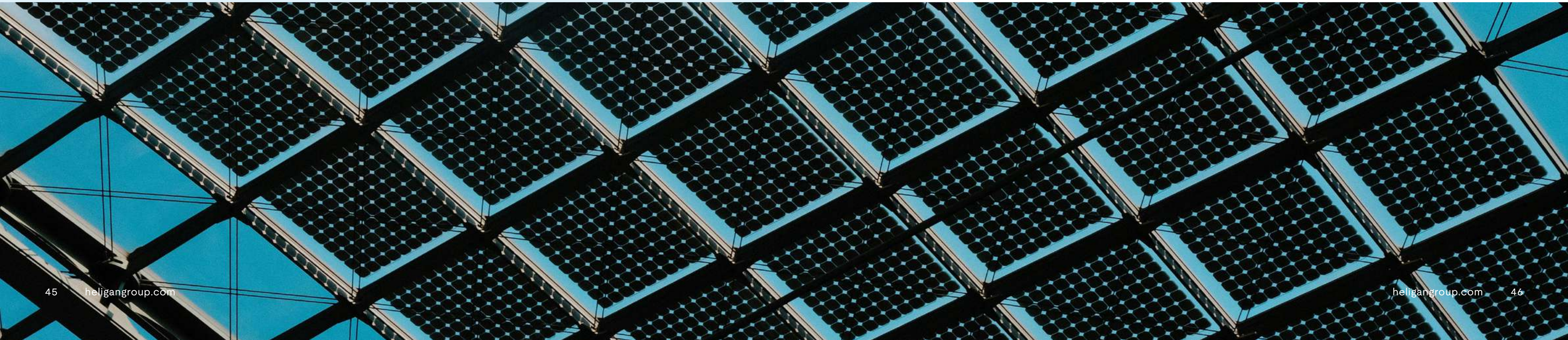
Dan Burgum
Analyst

Kieran Duffy
Wealth Management

2025 review: UK Infrastructure Services M&A

Glossary

AMP	Asset Management Plan
AI	Artificial Intelligence
BIM	Building Information Modelling
BN	Billion (currency value).
CGT	Capital Gains Tax
C&I	Commercial and Industrial
CCTV	Closed-Circuit Television
Civils	Civil engineering works
DNO	Distribution Network Operator
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EV	Electric Vehicle
FIC	Family Investment Company
FM	Facilities Management
GW	Gigawatts
HV / LV	High Voltage / Low Voltage
IHT	Inheritance Tax
K	Thousand
M&A	Mergers and Acquisitions
MEP	Mechanical, Electrical and Plumbing
MW	Megawatts
NESC / ESO	National Energy System Operator
NICP	National Infrastructure and Construction Pipeline
Ofgem	Office of Gas and Electricity Markets
Ofwat	Water Services Regulation Authority
PE	Private Equity
RIIO	Revenue = Incentives + Innovation + Outputs
SME	Small and Medium-sized Enterprise
SPV	Special Purpose Vehicle
TICC	Testing, Inspection, Certification and Compliance
TN	Trillion
T&M	Term Maintenance
UKAS	United Kingdom Accreditation Service
$	US Dollars
£	British Pound Sterling



Andrew Dickinson
Head of Infrastructure Services
andrew.dickinson@heligangroup.com

Heligan Group
24 Upper Brook Street
London
W1K 7QB

St Philip's House
4 St Philip's Place
Birmingham
B3 2PP