BUILT BY REGULATION, BOUGHT BY EVERYONE

The New M&A Playbook for UK Compliance Businesses

A UK focussed case study: Testing, Inspection, Certification & Compliance in M&A

In brief:

- The cleanest proof of "regulation drives deals" isn't European or global - it's happening inside one UK company's ownership chain over the past 14 months.
- Marlowe plc, a UK fire-safety and compliance specialist, was bought by Mitie for £366m in August 2025. Mitie explicitly cited "growing legislation around Fire, Security and Water & Air Quality" as the reason. Eleven months later, Mitie itself was bought by OCS Group for £3.1bn.
- The UK's own TICC market is worth roughly £7.6bn a year by Mitie's own estimate, and deal volumes in the sector rose about 30% between 2024 and 2025.
- Nottingham-based Phenna Group, backed by Oakley Capital made 25 acquisitions in 2025 alone and was already into its teens for 2026 by mid-year.
- EQT's £9.4bn take-private of Intertek (June 2026) is the UK's largest private-equity buyout since Alliance Boots in 2007 and Intertek is a testing and certification company.

The Chain: Marlowe – Mitie – OCS

Marlowe plc was a UK-listed (AIM) provider of testing, inspection and certification services in fire safety, security, water and air hygiene, and asbestos compliance, roughly 27,000 customers, 2,800 employees. On 5 June 2025, Mitie Group announced it was buying Marlowe for £366m (11.2x FY25 EBITDA), completing the deal that August. Mitie's chief executive was explicit about why: "growing legislation around Fire, Security and Water & Air Quality" meant Mitie's clients needed a partner who could handle facilities compliance, not just facilities management and he sized the UK TIC market Marlowe competed in at roughly £7.6bn a year.

Eleven months later, in July 2026, Mitie itself agreed to be bought by OCS Group International, a rival facilities business owned by private equity firm Clayton, Dubilier & Rice for £3.1bn (about $4.17bn), a premium of nearly 47%. Mitie's own first-quarter results, released alongside the takeover announcement, credited part of its organic growth to "contributions from the Marlowe acquisition." The OCS deal still needs clearance from the CMA, the European Commission and under the UK's National Security and Investment Act before it can close, expected in Q1 2027.

Three deals, one company, fourteen months: a UK compliance specialist gets bought because of tightening regulation, gets folded into a bigger UK facilities group, and that bigger group immediately becomes attractive enough to get bought itself.

Why UK regulation keeps minting new demand

This isn't one law. It's a stack of them, most tracing back to the Grenfell Tower fire:

- **The Building Safety Act 2022** created the Building Safety Regulator, mandatory registration for "higher-risk" buildings (18m+/seven storeys+), and a "golden thread" of digital safety information that has to be independently verifiable work that goes straight to TIC providers.
- **The Fire Safety (England) Regulations 2022** made quarterly and annual fire-door inspections a legal requirement in residential blocks, not a discretionary good practice.
- **Martyn's Law** (the Terrorism (Protection of Premises) Bill) adds a new public-premises security duty on top of fire safety.
- A slower-moving but real driver: the UK is phasing out the old BS 476 fire-testing classification in favour of the European BS EN 13501 standard, with full removal by September 2029 meaning products and materials need re-testing against the new standard.
- Product certification is more targeted than blanket: most consumer goods now get simplified because the UK grants indefinite recognition of CE marking. But construction products and medical devices are still running genuine dual-certification processes (UKCA alongside CE) with live 2026-28 deadlines which is exactly where the Building Safety Act pressure and TIC demand overlap.

None of this is close to finished phasing in. The consultation on mandatory competence verification for fire risk assessors which would require sign-off by UKAS-accredited certification bodies only opens in early 2026, with legislation expected 2027-2029.

The UK's own roll-up machine

While Mitie was buying its way into compliance, Phenna Group was doing the same thing at a much higher frequency. Founded in 2018-19 out of a management buyout of Hansen Aerospace and First Scottish Group, the Nottingham-based, Oakley Capital-backed group has built itself almost entirely through acquisition: 25 deals in 2025 alone, and already well into double digits again by mid-2026, including UK-specific bolt-ons like Ventilate (kitchen ventilation and grease-management compliance) folded into its Certification & Compliance division. Phenna's own investor materials put the global TICC market at over £200bn, with the top ten groups holding only around 12% of it, the same fragmentation story driving Eurofins, SGS and Bureau Veritas's roll-ups on the continent, playing out at UK-platform scale.

The mega-deal: EQT and Intertek

Not every UK TICC deal is a bolt-on. In June 2026, Swedish private equity firm EQT agreed to take London-listed Intertek, one of the world's five biggest testing and certification groups, private for £9.4bn ($12.7bn), the UK's largest private-equity buyout since the 2007 acquisition of Alliance Boots. It's a reminder that the UK isn't just a source of bolt-on targets for European and American consolidators; a UK-headquartered TICC business is itself one of the global industry's anchor names, and cheap UK public-market valuations relative to Europe and the US made it a buyable one.

The regulator’s role

None of this is happening despite UK merger control - it's happening inside a merger-control environment that's been explicitly recalibrated to let it happen. The CMA didn't block a single merger in 2025, and its "4Ps" reform programme (pace, predictability, proportionality, process) has been running since the government's pro-growth steer in May 2025. Even so, scale still gets scrutinised: the OCS-Mitie deal which creates an £8.5bn-revenue, 219,000-employee combined group needs sign-off from the CMA, the European Commission and the UK's National Security and Investment Act regime before it closes. Regulation is building the demand and clearing the deals at the same time.

Selected UK deal roster

Announced	Deal	What it is	Value	Regulatory/policy link
Jun 2025 (closed Aug 2025)	Mitie → Marlowe plc	UK fire safety, security, water/air hygiene, asbestos TIC	£366m (11.2x EBITDA)	Explicitly cited rising fire/security/water legislation
Jul 2026	OCS Group → Mitie Group	UK facilities management & compliance	£3.1bn (~$4.17bn)	CMA, European Commission and NSIA clearance required
Jun 2026	EQT → Intertek	UK-headquartered global TIC group, take-private	£9.4bn ($12.7bn)	UK's largest PE take-private since 2007
2025-26	Phenna Group → Ventilate (VCC/VGC)	UK kitchen ventilation & grease-management compliance	Undisclosed	Bolt-on to Certification & Compliance division
2025	Phenna Group → various UK targets	Testing/inspection bolt-ons across food, water, construction	Undisclosed	Part of 25 acquisitions in 2025 alone

Buyer’s perspective

Why consolidate the sector

Every acquirer in this roster is making a version of the same bet. TICC revenue is largely non-discretionary — inspections and certifications are legal obligations, not optional spend, so income holds up through a downturn in a way discretionary consulting spend doesn't. The market is still fragmented enough (no global player above roughly 5% share) that there's a long runway of small, owner-managed labs and inspection firms left to buy before it saturates. And the multiple arbitrage is real: Mitie paid around 11x EBITDA for Marlowe, while listed TICC operators and premium platforms trade at 12-18x or higher, the re-rating on consolidation can be worth as much as any operational improvement.

Two more UK-specific forces are at work. Buyers are increasingly citing data, not just labour, as the asset — compliance histories, inspection records and the Building Safety Act's "golden thread" documentation are becoming valuable in their own right. And UK-listed targets have traded at a persistent discount to US and European peers, which is part of why Reuters described the wave of 2026 UK takeovers as buyers targeting undervalued UK companies.

Why these specific targets

At the individual deal level, the logic is narrower. Buyers want businesses with long-tenured, often statutory service contracts that renew automatically rather than getting re-tendered every year; accreditation status (UKAS and equivalent bodies) that took years to earn and can't be bought quickly; and founder- or family-owned structures reaching a natural succession point, which tends to mean realistic asking prices rather than an auction. Fit matters as much as any of that - Marlowe's fire, water and asbestos capability slotted directly into Mitie's existing facilities-management client base, and Phenna's bolt-ons (like Ventilate, added to its Certification & Compliance division) are chosen specifically to extend an existing service line rather than start a new one.

Industry voices

We have collaborated with Langcliffe International Limited (Langcliffe) to provide insight into the key acquirers shaping the sector.

Langcliffe is a specialist M&A origination and buyer research firm, with expertise in identifying and connecting businesses with relevant strategic and financial buyers. Their strength lies in market intelligence, buyer mapping, targeted outreach and cross-border M&A, supporting advisors and businesses throughout the deal origination process.

Active acquirers are targeting highly regulated, technically specialized service businesses with £250k to over £1m EBITDA, prioritizing fire safety, environmental monitoring, and infrastructure niches.

Strongest demand centres on companies with recurring testing and compliance revenues, regional density, and established, non-owner-reliant management teams.

Financially, buyers seek margins from 5% to over 20% and use smaller firms as bolt-ons while scaling £1m+ EBITDA businesses into platform investments.

UK businesses remain highly attractive globally, evidenced by a steady increase in cross-border interest from our newly engaged European and US buyers.

- **Helen Postlethwaite, Managing Director, Langcliffe**

"After more than twenty-five years in M&A, I've seen several periods of intense deal activity driven by consolidation, but the level of interest in the Testing, Inspection, Certification and Compliance sector is particularly notable.

While transaction volumes across the wider M&A market have fluctuated, TICC has remained remarkably resilient. Regulatory requirements create recurring, largely non-discretionary demand, while the fragmented nature of the market continues to provide attractive consolidation opportunities for both strategic acquirers and private equity investors.

Buyers are particularly interested in well-managed businesses with strong technical capabilities, recurring revenues and exposure to attractive end markets such as infrastructure, energy, utilities and transport. They are also looking for opportunities to broaden their capabilities and geographic reach.

For owners considering a sale, investment or succession, these characteristics are translating into strong buyer appetite and an active market for high-quality TICC businesses."

- **Geoff Pinder, Partner, Partner, The MGroup Corporate Finance**

What it means for UK sellers

If you run a UK business built around compliance - whether that's fire safety, water hygiene, asbestos, food safety, or product certification - the past 14 months offer a real-world blueprint rather than a hypothetical example. We've seen specialist firms acquired by larger UK platforms because of their regulatory expertise. Within a year, those acquisitions have been credited with driving growth, making the platforms themselves more attractive to investors. In one case, that culminated in a private equity takeover at a 47% premium. With Building Safety Act requirements continuing to roll out over the rest of the decade, and the CMA taking its most permissive approach to mergers in years, the opportunity appears to be opening rather than closing.

The MGroup Corporate Finance

If you own a business in fire safety, water hygiene, asbestos, testing or certification, talk to us about what current buyer appetite could mean for your business. Please contact Partner Geoff Pinder by email g.pinder@themgroup.co.uk or call 07717 874357.

Figures are the latest publicly reported as of late July 2026. The OCS-Mitie deal is agreed but not yet completed, subject to shareholder and regulatory approval.