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Sector insights

Building Products & Services

Positive signs in an uncertain world

2025/26 | BDO Mergers & Acquisitions | In association with the CPA



Market looks up

A popular urban myth claims bumblebees defy the laws of aerodynamics and the only reason they stay aloft is because they know nothing of physics. It is an idea that comes to mind when surveying the Building Products & Services market in 2025.

Uncertainty around global trade is arguably higher than it has been for decades, with the threat of tariff wars adding to recent stresses arising from the cost-of-living crisis, supply chain shortages, COVID and Brexit. But you would not know it from looking at the Building Products & Services sector.

The UK market saw a record number of transactions in 2024, and many players are poised for growth in 2025 thanks to favourable tailwinds. Last year's general election ushered in a government that is keen to show it means business across a range of areas relevant to the sector, from housebuilding to energy infrastructure.

As well as this, Building Products & Services companies look set to benefit from activities that cannot be put off for much longer. Take UK water and wastewater infrastructure, where lack of investment is close to creating a national emergency.

There are similar dynamics at play regarding investments, with private equity players for instance facing an increasingly overriding need to either exit long-held assets or invest dry powder. Finally, Building Products & Services could also continue to gain from several underlying trends.

Fire safety regulation is an obvious example, with the buzz around products and services providers that we have seen in recent years still undiminished in 2025. This is one of several areas boosting the value of compliance services providers.

Similarly, digitisation and sustainability continue to create opportunities for innovative players and smart investors.

Alongside net zero-driven growth areas, such as solar panel and heat pump installation, Building Products & Services providers are increasingly focused on the circular economy, for instance investing in recycling and reusing materials.

Assuming the economy holds up, all these factors bode well for Building Products & Services this year. But if the 2020s have taught us anything so far, it's to not take things for granted.

In May 2025, 17 independent forecasts reviewed by the UK Treasury predicted an average gross domestic product growth rate of 1.0% for the year, rising to 1.1% in 2026 – and the geopolitical climate remains volatile.

However, the industry track record and vast opportunities being harnessed across so many segments of the market lead us to be optimistic. With that in mind, we hope you find this year's analysis of interest.

John Stephan

Partner

BDO Building Products & Services M&A

MORE THAN **6,000**
TRANSACTIONS
ACROSS THE GLOBE
IN THE LAST **5** YEARS

DEAL VOLUMES UP
13% IN 2024, WITH
1,481 TRANSACTIONS
WORLDWIDE

19% BUYOUTS

23%
CROSS-BORDER DEALS

US DEALS UP **15%**,
42% SHARE OF
GLOBAL ACTIVITY

MAINLAND EUROPE
DOWN **2%**

30% RISE IN UK,
WITH PRIVATE EQUITY
INCREASING SHARE

ACTIVITY IN
AUSTRALIA UP **24%**

Key market themes and mergers & acquisitions (M&A) analysis

Featuring contributions from leading sector participants, this report looks at the key themes that are shaping the Building Products & Services sector and what they mean for M&A globally and in the UK.

Key

- Key market themes
- M&A analysis
- BDO in the sector

Acknowledgements

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The view from the Construction Products Association

Tariffs aside, UK looks up

Excluding US tariff disruption, construction output is expected to grow in 2025 and 2026.

However, weaker UK growth prospects and a slow start to activity in 2025 point towards subdued construction growth rates.

CONSTRUCTION OUTPUT

▲ 0.4%	IN 2024
▲ 1.9%	IN 2025
▲ 3.7%	IN 2026

Gradual recovery in private housing new build and repair, maintenance and improvement (RM&I) is expected to be supplemented by less uncertain growth in other construction sectors. Overall, total construction output is forecast to grow by 1.9% in 2025 and 3.7% in 2026.

Construction had a relatively slow start to the year, with activity in January being affected by weather. While activity in February was slightly better than in January, it remained subdued.

It was substantially better than a year earlier, but it is worth noting that this was compared with a low base of housing new build and RM&I in winter 2023/24. Activity in March and April 2025 proved to be an improvement on levels in January and February.

Housebuilders and contractors alike are slightly more cautious than they were six months ago regarding prospects for this year.

This is especially the case as we have yet to see the full impact on margins of the rise in wage costs for the whole supply chain due to the lower thresholds and rise in the National Living Wage and employers' National Insurance Contributions.

Housebuilders were expecting between 3% and 8% growth in new home completions this year, although this was prior to US tariff disruptions. Developers working on high-rise apartments are having to factor in six-to-nine-month delays due to the Building Safety Regulator.

Medium-term prospects remain strong, however, given the importance that government has placed on housing, and housebuilders are expecting gradual increases in demand—and government's easing of planning—to lead to consistent 5% to 10% growth per year over time.

Smaller contractors working in private housing RM&I are expecting slight growth in home improvement activity towards the end of the year.

This will be heavily dependent on whether homeowners, some of whom are now benefitting from consistent real wage growth and interest rate cuts, feel confident enough to spend—so consumer confidence will be critical.

Private housing RM&I will, however, benefit from the continued strength of energy-efficiency retrofits as well as cladding remediation and general fire safety issues, which government is helping to partly fund.

Infrastructure activity points towards growth over the forecasts, with strong activity on major projects such as Hinkley Point C and HS2, and the Lower Thames Crossing project finally being given the go ahead. Energy infrastructure activity continues to grow as wind farm activity ramps up again.

Increases in capital expenditure in the water sub-sector to deal with high-profile water quality issues will lead to a ramping up of activity from 2026.

There are also other areas of opportunity in construction—in data centres, gigafactories, biotech facilities, commercial refurb and fit out—which point towards growth, not only in the next 12 to 18 months but well beyond. However, it is impossible to ignore the potential impacts of US tariff disruption.

At the very least, the level of uncertainty has risen significantly. Directly, it is likely to result in higher uncertainty and more volatile prices for globally traded products, but 75% of products used in UK construction are sourced domestically. Even where the UK imports, two-thirds come from the EU.

Outside the EU, the UK imports the most construction products from China. It is possible US tariffs on Chinese imports may skew supply to places such as the EU, which could ease price inflation for goods such as electrical products.

Higher uncertainty is likely to mean there will be more risk and volatility in prices if contractors are not sourcing locally made products.

This may be an issue for firms on fixed-price contracts signed up to 24 months ago, when these risks wouldn't have been factored into bids.

However, the bigger near-term risk for construction is that greater uncertainty affects investors. This particularly affects larger projects, where the projects are large upfront investments for a long-term rate of return and where the uncertainty not only affects project costs but also investor confidence and financing.

As a result, the largest impacts could potentially mean a delay or hiatus in new tenders and contract awards for new, large commercial, industrial and build-to-rent developments, in addition to private investment in infrastructure.

As the US tariff interventions were announced in April, the CPA was forecasting construction output to rise by 1.9% in 2025 and 3.7% in 2026. Three-quarters of this growth (79%) was expected to be driven by private sector investment. Construction is pro-cyclical, meaning that activity goes in line with the economy.

But construction is three times more volatile than the UK economy. As a result, the impacts of US tariff disruptions on global and UK economic growth could be enough to tip the forecast of construction growth into negative.

PRIVATE HOUSING WORK

▼ 5.5%	IN 2024
▲ 4.0%	IN 2025
▲ 7.0%	IN 2026

PRIVATE HOUSING RM&I

▲ 7.0%	IN 2024
▲ 2.0%	IN 2025
▲ 3.0%	IN 2026

INFRASTRUCTURE WORK

▼ 9.3%	IN 2024
▲ 1.8%	IN 2025
▲ 4.5%	IN 2026



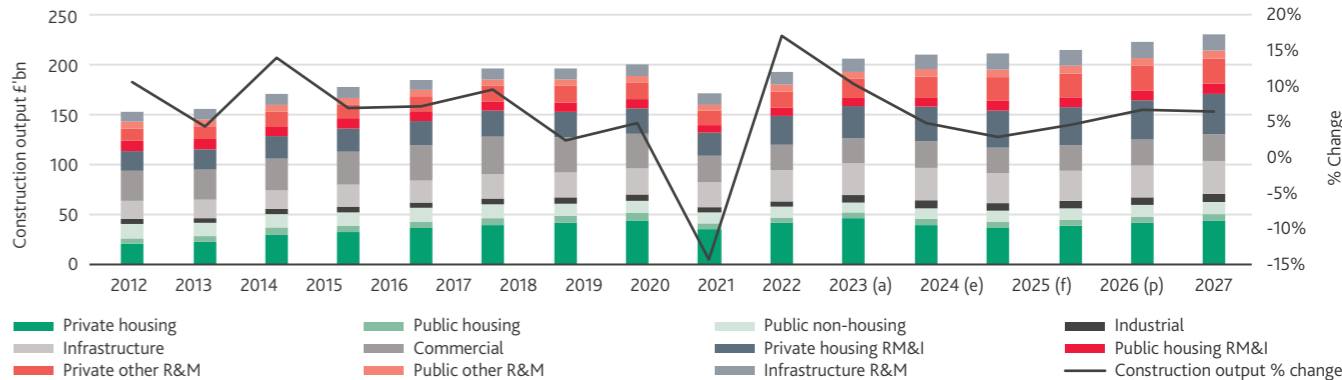
As this report went to press the ongoing uncertainty over global tariffs continued to impact on the value and accuracy of market forecasts. And it is impossible to know how long this uncertainty might last, given the seemingly reactive nature of policy under the current US administration.

The hope is that some measure of certainty could be regained soon, but until that happens all firm bets are off.

According to BDO's latest Economic Engine survey all businesses in the Construction sector expect to be affected by US tariffs, with nearly half affected to a significant extent. Businesses however are working to tackle the challenges they face and remain optimistic, with over half expecting government reforms in the pipeline to improve growth prospects.

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Total construction output by sector



Source: CPA

Political outlook

Labour's housebuilding bet

True to its word during the general election campaign, Labour in government has not shied away from tackling the bottlenecks in the planning system head on.

A core milestone in the government's Plan for Change (the Prime Minister's primary framework of government delivery), is the commitment to build 1.5 million new homes over this parliament—it has featured prominently and consistently.

The rhetoric is backed up by action: in the first month in office, Housing Secretary and Deputy Prime Minister Angela Rayner set out the government's commitment to publish a ten-year housing strategy.

Due for publication in the spring, this strategy will complement the early changes already made, including the prioritisation of 'grey belt' land within the Green Belt and the reintroduction of mandatory housing targets for councils.

However, tinkering around the edges isn't enough—and the government is thinking carefully about how to be more radical in building homes at the scale required.

The New Towns Taskforce is working on the next tranche of new towns in over 70 years, while the Corry Review has presented recommendations to unpick the environmental regulations and arm's length bodies that have put the brakes on housing previously.

Combined with wider thoughts about devolution, this will all be fleshed out in the Housing Strategy. Against a background of struggling public finances, what is more central to this government, however, is growth. And this government sees planning reform and housebuilding as the pivotal lever—which is cost free.

The Government's growth lever

So much so, that Chancellor Rachel Reeves has been stepping on Angela Rayner's toes in claiming responsibility for some of these decisions.

In turn, the Chancellor has been rewarded with a 0.8% boost to her GDP figures over the course of the next parliament in an Office for Budget Responsibility forecast, suggesting the bet is working.

The government is also spurred on by a powerful new backbench caucus of MPs, the Labour Growth Group, which is advocating strongly for structural planning reforms to unlock investment across the UK and their constituencies.

Rayner is going further and recently introduced a flagship Planning and Infrastructure Bill, which aims to expediate the development of infrastructure vital in facilitating the government's growth, housing and clean energy missions.

What of the blockers?

While the policy landscape for the sector is positive, with much more due in the Spring—such as the Government's Warm Homes Plan—there are still some concerns in the sector about the deliverability of these construction targets. First, who is going to build these homes?

There is a huge skills shortage in the construction industry. The Chancellor recently announced £600m to train 60,000 more construction workers through colleges, apprenticeships and bootcamps. However, there is still a significant shortfall and a time lag in seeing these workers in the market.

Second, what are we going to build with? Construction materials shortages and consequent higher prices are also likely to stymie the government's building plans. If tariffs are applied to construction materials on US imports, then this could see a further increase in prices.

Third, the government will face challenges about how this tallies up with its green and environmental agenda. Rayner and Environment Secretary Steve Reed will need to demonstrate protection of natural capital while justifying the decision to introduce a nature restoration levy to offset new homes.

There are also Labour backbenchers representing leafy constituencies on thin margins who might be tempted to take a more resistant approach to development, to win local support. In response, No.10 says its huge majority is already the mandate it needs to 'back the builders, not the blockers.'

Will the bet pay off?

The government will be judged at the next election on whether growth has been achieved. With the two most powerful cabinet members driving the housing mission, and the government's economic thesis hinging on it, there is clear impetus that is not going to be disrupted by local environmental opposition.

Space is therefore open for businesses to present themselves as solution-oriented partners in overcoming these policy and political challenges, and this pro-housebuilding government will be receptive to hearing from them... if they are cost free.

Sam Tankard

Senior Political Consultant
GK Strategy



BDO viewpoint

It's not just homes that this government needs to build. As mentioned in a January 2025 policy paper, there is a big need for infrastructure but in the UK this 'is often too costly and not planned and delivered in a way that meets the country's strategic needs.'

Following the results of May by-elections, the government has recognised the need to speed up the delivery of its promises, which should in theory see faster progress on the infrastructure strategy as well as housing.

How this can be achieved against a backdrop of continued global economic uncertainty and limited public finances remains to be seen... but is an issue that needs to be resolved soon.

Daniel Guttman

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Housebuilding

Built-in defects

Housebuilding is on the up, with the Labour government’s planning reforms set to create more than 305,000 homes a year by 2029.

While this remains below long-term housing targets, it would mark the highest rate in decades—potentially adding 1.3 million homes over the course of the parliament.

However, questions around UK housebuilding are not just limited to ‘how many?’ But also ‘what kind?’ The Property Institute, which represents residential managing agents, notes that average UK service charges have risen 41% since 2019, well above the cumulative inflation rate of 23% over the same period. Part of this is due to the cost of building insurance, energy, on site staff and more— but another factor is the cost of implementing the Building Safety Act, introduced in 2022.

‘Unlike cladding remediation, there has been very limited government commitment to cover these costs,’ says the Institute, ‘which means leaseholders are often left to shoulder the financial burden directly.’

However, there are concerns that service charges may continue to go up because of low build quality. In the rush to erect new homes with short ownership and investment horizons, the thinking goes, longevity has suffered, and higher maintenance and repair bills will feed into service rates.

The current expected lifespan of components of new-build homes in the UK can be as little as 60 years. Initial research carried out by one leading housing association points to a peak in building maintenance costs at around 65 years of age, with some buildings potentially being beyond economic repair. Consider the life expectancy of lifts, pumps and tanks, double glazed units, seals, flat and membrane roofs, cladding panels and fixings, and so on.

This can make upkeep more complex—particularly under the England and Wales leasehold system, where leaseholders may be reluctant to invest in major works. In any given building there will be some leaseholders unable, or unwilling, to pay for the cost of substantial repairs over and above the day-to-day running costs of a building.

But things will not necessarily change with government moves to replace the leasehold system with a commonhold scheme that could be in force by the end of this parliament.

The experience from Scotland is that the condition of multi-flat developments can deteriorate over time even in communities that do not have leaseholds. It might be different in commonhold, which in draft contains provisions for mandatory reserve funds.

The devil will be in the detail of how those reserves are set, but if done well, funds will be ready to meet those big future bills. However, to accrue funds, service charges between now and then will be higher.

Given the adverse coverage of rising service charges due to simple inflation, bringing forward measures that will further increase charges will be a courageous move, however logical and sensible the policy may be.

If the carrot of commonhold ownership does not work, what about the stick of regulation? In theory, minimum energy efficiency standards could encourage investments to improve the quality of the housing stock. However, unintended consequences are possible.

For instance, there is a danger that government efforts to impose higher energy efficiency ratings on leased flats could simply result in lower-rated properties being taken off the private rental market, further tightening supply and increasing rental prices—to the detriment of the poorest members of society.

It is important to note that these problems might not become evident for some time. But given the need to provide a safe, sturdy and sustainable building stock for generations to come, the issues need to be considered and ironed out as soon as possible.

Business voices

At the current rate of replacement of our housing stock, property built today could theoretically have to last about 2,000 years—which isn’t realistic. But with so many other urgent pressures on the sector, conversations around life expectancy of the building tend to not make headlines.

Andrew Bulmer
Chief Executive Officer,
The Property Institute

CPA view

Private housing remains the largest and most high-profile construction sector. The slow start to activity in 2025 and weaker UK economic growth prospects, combined with higher inflation for longer and potentially fewer interest rate cuts, have led to a degree of caution.

Given all the uncertainties, it is unsurprising that housebuilders are more cautious than six months ago. But excluding the impacts of US tariff disruptions on the global and UK economies, housebuilders are still expecting between 3% and 8% growth in housebuilding completions this year.

Medium-term fundamentals in housebuilding remain solid, with interest rates expected to fall slightly, affordability likely to improve and government’s easing of planning through the new National Planning Policy Framework likely to gradually lead to consistent growth in the sector.

BDO viewpoint

Efforts to boost housebuilding, for example through planning simplification, should create opportunities for Building Products & Services providers—and some are already positioning for growth.

In a vertical integration move, Kent housebuilder Chartway Partnerships Group acquired Sandwich-based OFP Timber Frames and Discovery Stairs & Joinery in October 2024 as part of expansion plans hatched following private equity backing from Cabot Square Capital in 2022.

Private equity has been behind other deals in the sector, too, such as Apollo Global-backed Miller Homes’ acquisition of St Modwen Properties from Blackstone and the acquisition of Scottish housebuilder Cala Group by Sixth Street Partners and Patron Capital.

The Redrow-Barratt merger was a further high-profile deal to take place in 2024.

While this kind of consolidation could help the industry scale to meet demand, the bigger question will be how to maintain construction momentum while improving quality and meeting increasingly stringent safety and sustainability standards. Companies that can address this challenge will be particularly attractive.

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Regulation

Fire safety gets real

The derelict Grenfell Tower in London stands as a tragic reminder of the need for better fire safety.

Yet while those affected by the tower's 2017 blaze are still awaiting prosecutions eight years later, fire safety regulations, at least, have moved on.

The government has committed to taking on all the 58 recommendations from the Grenfell Tower inquiry phase two report, including the creation a single regulator for construction, with powers including the regulation of building products related to fire safety. Testing and certification will be carried out separately.

The upshot is a significant and ongoing tightening of fire safety rules that the Building Products & Services sector must adapt to.

Crucially, the new regulatory regime comes with real bite—including the threat not just of fines but even imprisonment of duty holders in case of non-compliance—and an unprecedented push for enforcement. This is forcing product and service providers right across the fire safety value chain to up their game.

Companies such as London-based Tetra Consulting are benefiting from a focus on workforce competence, with experts who can help duty holders adapt to the new rules, and the provision of software tools that allow clients to manage the so-called 'golden thread' of building information that is increasingly key for compliance.

This kind of value will only increase as further changes to regulation emerge.

Implementation of the phase two report recommendations will not begin until 2028 and already in the pipeline are new building regulations, a code of practice for fire risk assessors and a requirement for personal emergency evacuation plans in residential buildings.

This regulatory zeal seems likely to extend beyond fire safety. Take asbestos, which still claims more than 5,000 lives a year in the UK. While asbestos removals companies and testing laboratories must be accredited by the United Kingdom Accreditation Service (UKAS), no such requirement exists for survey providers.

Tetra Consulting expects this to change—and has already got UKAS accreditation for asbestos surveys. It is a move that could position the company favourably as regulations evolve. But more importantly, it could also ensure higher standards and, ultimately, save lives.



Business voices

We've seen changes to both general building safety legislation but also, very importantly, fire legislation, which has seen a huge growth in the requirements around things like fire risk assessment, compartmentation surveys and fire engineering. Duty holders are having to wrestle with this.

Shaun Lundy
Quality Assurance and Strategy
Director, Tetra Consulting



CPA view

The Building Safety Act—gateway 2 specifically—and the Building Safety Regulator appear to be leading to significant delays on construction project starts for higher-risk buildings.

According to the Building Safety Act, higher-risk buildings are at least 18 metres high, have at least seven storeys, and are residential buildings where people sleep, including student accommodation, hospitals and care homes.

The Act involves three gateways: before planning permission is granted, before work can start and before the building can be occupied. There are responsibilities for the client, main contractor and the supply chain, with specific information and data requirements to establish a clear audit trail.

The indications from the construction industry are that increasing uncertainty around the Building Safety Act and the responsibilities, data and information required throughout the construction supply chain appears to be delaying the approval of some projects classified as higher risk.

Some of the delays may be due to increased scrutiny and additional administration, documentation and checks, with others more due to uncertainty over what data and information are required by each part of the supply chain and what responsibilities each part of the supply chain has under the Act.

These delays have been exacerbated by additional processes required in the planning and pre-construction gateway 2 for high-rise buildings, which provide more detailed inspections of building regulation requirements to ensure that building safety is considered during each stage of design and construction.

Also, a lack of capacity at the Building Safety Regulator may be an issue. According to a freedom of information request in February 2025, only 266 (15.8%) of the 1,682 applications to the regulator up to the end of January 2025 had been approved.

This disproportionately affects new build housing in cities—and particularly London, where more than half of new housing is in apartments.



BDO viewpoint

Investors should stay tuned to the fire safety segment, which shows no sign of calming down after accounting for more than half of the record 74 deals that made Security & Access the busiest Building Products & Services sub-sector for M&A last year.

The lion's share involved providers of installation and compliance services, with many of these being rolled into private equity-backed platforms such as Churches Fire Security (Horizon), Ranger Fire (Hyperion) and New Path Fire & Security (Duke Capital). Tetra Consulting received backing from CBPE, with BDO as adviser.

Deals in passive fire safety were also highly sought after, with LDC acquiring IDSL, a manufacturer of performance door sets, Maperton acquiring Solidcor and Tandy Group buying Sheen Doors.

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Infrastructure

A road to certainty

Hinkley Point C, High Speed 2, Heathrow's third runway: an expanding list of projects should spell growth for infrastructure-focused UK Building Products & Services companies.

But the reality is quite different.

After a burst of optimism following Labour's election victory last year, infrastructure spending was largely put on hold as the new government first grappled with the UK's fiscal reality and then rushed to reassign spending priorities in the face of growing US protectionism.

While the government remains committed to major spending plans on paper, pledging in March to 'get Britain building again' with an estimated 305,000 new homes a year by the end of the decade, industry sources claim uncertainty is hampering the release of budgets.

Thus, infrastructure providers such as road planing specialist Jet report that 'Mad March', a traditionally busy period as local authorities look to empty their infrastructure budgets, was quieter in 2025 than in previous years—continuing a trend seen since November 2024.

Underpinning the unease is a sense that the UK's massive infrastructure commitments may be hard to maintain as Chancellor Rachel Reeves boosts defence spending and seeks to balance the national budget and cut net financial debt by 2029-30.

Some infrastructure schemes have already been cancelled, with Reeves taking the axe to a £320m Arundel bypass and a controversial £1.7bn road tunnel under Stonehenge within weeks of taking office.

Elsewhere, the government may hope to get more bang for its infrastructure buck with a return to private finance initiative-style contracts. But this is essentially the model being used to fund the Hinkley Point C nuclear station, which is hardly a model of financial efficiency.

Developer EDF Energy is footing the bill for the project in exchange for a guaranteed fixed tariff for the energy it will produce. The tariff is already high by today's standards, and with Hinkley Point C on track to be the most expensive nuclear plant ever built the chances of further public spending cannot be ruled out.

Another option to safeguard infrastructure spending is to make the process more cost effective. In theory, it should not be hard to do this—in October 2024, the National Infrastructure Commission said UK infrastructure project delivery had systemic weaknesses that could inflate costs by up to 25%.

The weaknesses include poor strategic direction, challenges with clients and sponsors, inefficient consenting and compliance and issues with the supply chain.

Some UK infrastructure work practices are also inherently inefficient: major roadworks, for example, are carried out at night with new sections being reopened for use every day. This can limit progress to around a kilometre a night, only about a third of what could be achieved with continuous lane closures.

Additionally, industry insiders bemoan the many layers of contractors involved in projects, often capped by a delivery body that adds cost rather than value.

The government has shown it may be willing to tackle such spurious entities, with the scrapping of NHS England in healthcare perhaps providing a blueprint for improving efficiency in infrastructure. Clearly, there are several levers that government could pull to ensure its big infrastructure promises can be met.

But perhaps the biggest confidence booster infrastructure contractors could get is one the government itself identified in a ten-year infrastructure strategy published in January 2025.

'Infrastructure costs have also been driven up by government failing to provide a stable policy environment and a clear strategic direction,' it said. 'This reduced industry confidence in the government's infrastructure policy, constraining investment and pushing up costs.'

A stable policy and clear strategic direction are what infrastructure providers have been demanding for years. Now government needs to show it not only understands the problem but also has the wherewithal to solve it.



Business voices

A huge chunk of money disappears before it gets to something being built on the ground. There are efficiencies to be had, and people are constantly looking for them, and innovating and using new technology. But we're into the marginal gains-type of stuff, rather than anything that's world changing.

Sean Witheford
Managing Director, Jet



CPA view

It is estimated that over 70% of the National Highways' network of roads and bridges will be over 45 years old by 2025—and headlines from government suggest record levels of investment in roads in the near-term. In March the government made a £4.8bn interim settlement available for investment in the UK's Strategic Road Network in 2025-26, of which £3.4bn will support capital investment.

This is a reduction compared with the estimated spend of £5.1bn by National Highways in 2024-25, which included £1.7bn for enhancements, £1.2bn for renewals and £363m in operational and maintenance capex. Only two large road projects are expected to start this year before the third road investment strategy is set out in the government's spending review in June.

On the positive side, the Lower Thames Crossing has been given the go-ahead as expected, although government will first need to find private finance for the project—in a similar vein to the Silvertown Tunnel project, which opened in April 2025.

All eyes will be on the third Road Investment Strategy (RIS3) to be set out in the June Spending Review, which is likely to focus on renewals and maintenance, and provide a spur to deferred projects. This is expected to drive a return to growth in road infrastructure output in 2026 and 2027.



BDO viewpoint

Infrastructure-related M&A activity has been dominated by multinationals such as Heidelberg, which bought Giant Cement Holding and its subsidiaries for \$600m in November 2024, and Holcim, which continued a three-year spending bonanza with seven acquisitions last year.

Hill & Smith too has continued to make strategic buys to position for opportunities in the US infrastructure market, adding Capital Steel, FM Stainless, Trident Industries and Whitlow Electric in 2024.

As in other parts of the Building Products & Services industry, sustainability is an important factor in many deals. Low-carbon concrete producers now claim to be competitive with traditional suppliers and funds such as CRH Ventures are pumping money into sustainable options for activities for roadbuilding and similar activities.

Although cost is still the biggest deciding factor in most bids, the ability to deliver value in areas such as sustainability or smart infrastructure is a bonus that cannot be ignored where major tenders are concerned—hence multinationals' healthy appetite for acquisitions, and opportunities for private equity to back scale-ups.

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Water

Liquid assets

It may seem hard to believe in a country where it rains almost every other day — but the UK is running short of water.

Increasing demand, mostly due to unsustainable abstraction rates, is worsening an already severe water deficit.

By 2050, England and Wales are expected to face a shortfall of 4.9 billion litres of water per day, up from 1.5 billion in 2030. 'This is more than a third of the 14 billion litres of water currently put into public water supply,' says the Environment Agency. 'Some customers are already facing issues.'

To deal with this problem, the government aims to cut per-capita water use by around a fifth by 2037, and almost a quarter by 2050, compared to 2019 levels. This will be achieved through policies such as a mandatory water efficiency label slated for launch in 2025.

The government also foresees halving leakage by 2050, compared to 2017, and over the next 25 years hopes to build seven new reservoirs, four new desalination plants and various groundwater and water treatment schemes.

As these and other initiatives get underway, water system investment is set to hit record levels in the five-year Asset Management Plan (AMP) period that kicks in from the next financial year.

The spend represents a big opportunity for the Building Products & Services sector, with BDO research suggesting five market segments—distribution, consultancy, smart meters, remote monitoring and control and water and wastewater treatment—may have particularly strong outlooks.

The UK water treatment segment, for instance, is worth around £4bn and could see a compound annual growth rate of 10% to 15% between 2024 and 2029. Water distribution, a market worth £3.5bn, could grow by a similar amount, while the £200m smart meter segment is set to grow by a fifth.

Such forecasts should be attractive for private equity investors such as Epiris, which acquired Stuart Turner in a secondary buy-out from LDC in 2022.

Epiris is supporting the next stage of the company's growth journey as it looks to transform the business into a broad water pressure boosting solutions provider, offering a complete range of residential and commercial products and maintenance services in the UK and select international markets.

The company has added market-leading brands—Mikrofill, AGM and most recently Dutypoint—to create a scale player in water pumps and pump-associated systems and services.

Another buyer positioning for market opportunity was US-corporate Badger Meter, which acquired UK intelligent water monitoring solutions provider Syrinix for £15m, in a deal advised by BDO.

Also set to benefit from the outlook are specialists such as SDS Infrastructure, which specialises in engineering novel, cost-effective water management systems. The company was shortlisted for its impact in water and the environment in the 2025 New Civil Engineer awards.

'SDS has implemented technologies developed in-house... which combine live weather data with IoT (Internet of Things) technology to optimise rainwater collection and usage,' says the company. 'These systems help reduce flooding risks, conserve water and provide smarter solutions for communities and businesses.'

SDS is well placed to take advantage of an uptick in UK water sector spending in the forthcoming AMP after a series of recent acquisitions. In 2019, SDS bought Waterscan's water recycling division and a Newport-based plastic pipe manufacturer called Asset International.

And in 2022 it acquired Albion Water, the first company in England to compete against regulated water utilities. Private equity and venture capital are also attracted to the segment, participating in more than 85 deals since 2019. Expect interest to grow as the government increases the flow of funding from next year.



Business voices

The realities of a climate change emergency and a growing population demand a committed and determined response to build flood resilience and reduce water consumption. Greater sophistication in the capability and deployment of our smart technology-enabled devices means these seemingly diametrically opposed challenges can actually be resolved simultaneously.

However, to maximise the effectiveness and impact of this technology and encourage its activation, it is essential that government policy on water management is aligned accordingly. We are in a unique position to deliver a truly integrated approach to the management of this precious resource.

Patrick Cullen
Managing Director, SDS Infrastructure



CPA view

Investment by water companies through the five-year AMP is the primary driver of activity in water and sewerage. AMP8 is funded by a 36% increase in household water bills before allowing for inflation.

It includes £12bn to reduce harm from storm overflows, £6bn of upgrades to combat nutrient pollution, £5bn to boost water supply, £3bn to develop nature-based solutions and increase biodiversity on water company land and a tripling in the replacement rate of water mains pipes.

This AMP is now underway, and indications suggest water companies are ready to mobilise investment plans more swiftly than in previous AMPs if the skills and capacity are available. Output is forecast to stabilise in 2025 as programmes gear up before growing by 12% in 2026 and 10% in 2027.



BDO viewpoint

Private equity and venture capital activity has tended to focus on the engineering services end of the water industry, with players such as LDC-owned Stanbury, OMERS' Network Plus and Triton's OCU Group among those expected to be involved in deals in the next three years.

Among the segments to watch for M&A, water and wastewater companies look set to up spending by around two thirds to address quality issues. This could add value to manufacturers and engineering providers able to treat heterogeneous industrial wastewater, an area with relatively high margins.

Water distribution companies, meanwhile, could boost investment by around 70% in the next AMP, creating growth opportunities for engineering services businesses with end-to-end capabilities, direct relationships, network density and high asset utilisation.

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Data centres

Benefiting from AI's data centre boom

The world is abuzz with how industries might be transformed by artificial intelligence (AI).

In Building Products & Services, the technology's value as a tool has yet to be established. But there is one area where AI presents a clear opportunity.

You cannot have AI without data centres. And those data centres need building, fast. In the next five years, 44% of all new data centres in the UK will be devoted to AI, according to a survey of 1,300 IT network infrastructure planners in March 2025.

The research follows a 41% increase in data centre planning applications in England and Wales during 2024. Last November the government proposed creating AI growth zones for up to £14bn of data centre development.

The first is slated for Culham, Oxfordshire, as part of plans for twentyfold increase in UK-based computing capacity by 2030. The UK government also classified data centres as Critical National Infrastructure assets in September last year. The designation puts data centres in the same bracket as energy and water systems.

It came after the news that Europe's largest data centre would be taking shape in Hertfordshire, with a £3.75bn investment from developer DC01UK.

'Critical national infrastructure refers to assets essential for the functioning of a society and economy, including energy, water, transportation and now data centres,' says building services specialist andwis.

'This classification underscores the vital role data centres play in supporting digital services, economic stability and national security.'

Providing everything from compliance and assurance to mechanical and electrical services, andwis is one of many Building Products & Services players that stand to gain from the UK's massive push for AI.

Data centre construction has quite specific requirements—window suppliers need not apply, for instance—but sub-sectors such as electrics, HVAC and security and access could see significant demand. And it is not just the data centres themselves that will create opportunities, but also the power infrastructure supporting them.

An average data centre today is said to consume as much electricity as 100,000 households, but some of those being planned around the world could require 20 times as much. Globally, data centre power demand by the end of the decade is expected to be equivalent to what the whole of Japan uses today.

In the UK, soaring data centre power demand will take place against a policy objective of achieving a 100% clean electricity supply by 2030. This means new data centres will require commensurate increases in low-carbon power infrastructure, from solar plants and wind farms to transmission lines and battery parks.

It is notable that the best regions for renewable energy production may not be ones well served by the Building Products & Services sector today. Wales and the North East were the regions that experienced the fastest growth in data centre planning applications last year, for example.

This fact, along with the specialised nature of data centre design, could favour relatively large concerns that can demonstrate experience in delivering projects on a turnkey basis. It doesn't take a lot of intelligence—artificial or otherwise—to see why it would make sense to gain such experience as quickly as possible.

Business voices

Data centre developer Polar sits in our infrastructure fund. In essence, it's a startup. They have a system for building modular, AI-oriented data centres. We were able to get comfortable with this as an investor as all the capacity has been underwritten by prospective customers.

Alastair Mills
Managing Director, H.I.G. European Capital Partners LLP

CPA view

Data centre demand remains strong and is only likely to grow further in the near and medium term. Furthermore, investor demand means that the finance is available.

The government is consulting on data centres being classed as nationally significant infrastructure projects in the planning system, which, in the medium-term, should help to get projects through the arduous planning system far more quickly.

The previous Secretary of State refused planning permission for a 163,000-square-metre data centre in Buckinghamshire and an 84,000-square-metre data centre in Hertfordshire over concerns about protecting green belt land, but the current government called in planning appeals for both projects.

In December, the scheme in Iver, Buckinghamshire was subsequently approved. The pipeline elsewhere has grown in the last 18 months, with an £800m Google data centre in Hertfordshire and a £200m Echelon LCY20 project in Buckinghamshire beginning last year.

Microsoft has three data centres underway and has purchased the former Skelton Grange power station near Leeds with the intention of converting it into a data centre, logistics space, energy-from-waste facility and battery storage plant.

Also, Segro has submitted outline plans for schemes in Slough and Park Royal, and has plans approved for a £524m data centre and communications campus in Redcar. In addition, it has what aims to be Europe's largest data centre, the £1.7bn London Data Freeport in Havering, with 330,000 square metres of floorspace.

Plans for DC01UK, a £3.75bn, 87,000-square-metre project in Hertfordshire, were also approved in January, while Amazon has announced an £8bn five-year investment plan for hyperscale data centres.

Whether the UK has enough energy capacity for all the data centres to be hooked up to the grid in the next decade may become a key question, however.

BDO viewpoint

As Building Products & Services companies support the data centre buildout there is also a question of how the sector can use AI tools itself. The technology promises major strides in operational efficiency across a range of business processes, from sales and marketing to research and development.

BDO's latest Economic Engine survey revealed that businesses in the sector are turning to AI to improve productivity, with 39% of companies planning investments.

However, it can create significant risks if deployed without the right governance. AI's tendency to make things up is well known, but it can also lead to issues in less publicised areas such as cybersecurity and data protection.

A further consideration is that AI tools need to work seamlessly with structured and unstructured data. Inconsistent data standards can lead to fragmented workflows, so these need addressing before deployment.

Adding to the challenge of adoption is the fact that AI experts are hard to come by, particularly in a traditionally low-tech sector such as Building Products & Services. None of this is a reason not to engage with AI—but companies are advised to seek expert help before embracing the technology.

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Home energy

Household net zero chases a home run

A missed penalty by Chris Waddle famously knocked England out of the 1990 FIFA World Cup.

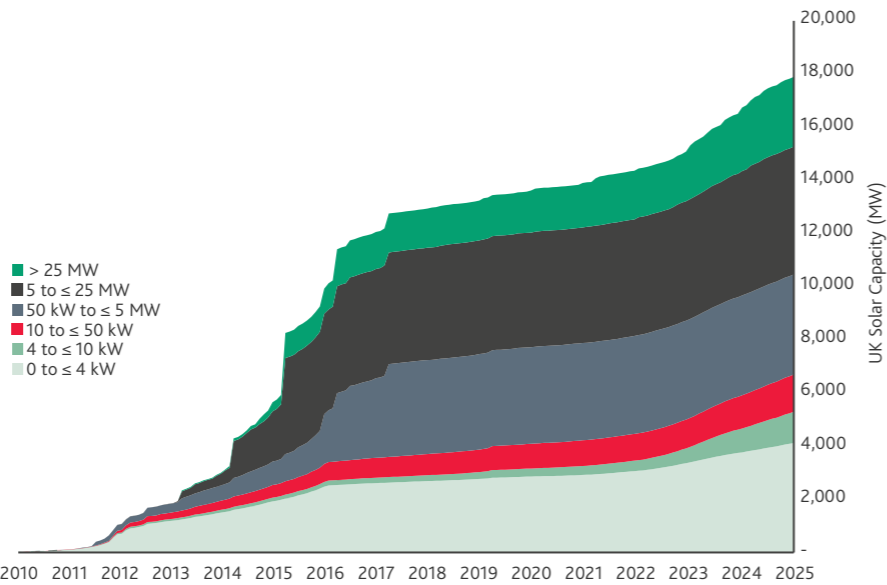
But it also smashed a little-known record as the millions of disappointed viewers that switched on the kettle as the game ended created the UK's biggest 'TV pickup'.

This is the name given to the power surge that happens as TV audiences take advantage of ad breaks and programme endings to make a cuppa. The 1990 World Cup TV pickup amounted to 2.8 gigawatts of demand, the equivalent of more than a million kettles being switched on at once.

Back then, such peaks were handled by ramping up the output from gas and coal plants. However, in the year to March 2025, almost 36% of UK electricity came from wind and solar power, which cannot be turned up or down. This is forcing the grid—and residential electric systems—to work in new, smarter ways.

Today, gas plants can still cope with TV pickups. But by 2030, when the government wants a fully decarbonised grid, peaks in demand may have to be handled largely by electricity imports, cutbacks on other parts of the system, and energy stored in residential, utility-scale and even electric vehicle-based batteries.

Cumulative UK solar capacity



Source: Department for Energy Security and Net Zero

The recent blackouts in Spain and Portugal highlight the importance of having resilient infrastructure that can handle peak demands.

Homes are expected to be part of this picture, with insulation to cut energy losses, solar panels and batteries to supplement residential electricity use and smart heat pumps and EV chargers operating flexibly in line with grid power availability and pricing. The need to supply all this kit should be good news for installers.

Residential solar is already booming, with around 4 gigawatts of capacity installed at the end of 2024. Heat pump installations also jumped in 2024, with almost 100,000 units installed—a record number. Growing EV adoption will further increase interest in home energy systems.

But more action is needed if the UK is to meet its climate targets. The government is aiming to have 600,000 heat pump installations a year by 2028 and research in 2024 found 340,000 houses would have to be upgraded annually to hit the UK's home energy performance certificate (EPC) targets.

To pick up the pace, in February the government unveiled plans to stop private landlords from renting properties that did not have a minimum EPC 'C' rating by 2030, up from an 'E' at present. And public policy is not the only factor driving home energy efficiency installation rates.

Government research published in October 2024 showed there is broad consumer support for energy efficiency measures, with around one in ten households undertaking large projects—such as installing insulation or heat pumps—in the last two years.

Taking advantage of this interest are companies such as InstaGroup, which started out as a cavity and loft insulation specialist in 1980 and has since grown into a diversified home energy services provider, working alongside a nationwide network of installers.

Policy initiatives have delivered significant gains for the company over the last two years, and much of its revenues are related to government-funded programmes such as the Energy Company Obligation (ECO), Great Britain Insulation Scheme and Social Housing Decarbonisation Fund.

Is this evidence that government spending is helping meet the decarbonisation challenge? Not quite: consumers are wary of government grants, InstaGroup Chief Executive David Robson says.

Without clear communication about why the government is pumping money into energy efficiency, it is easy to mistake grant programmes as scams or fakes, it seems. InstaGroup aims to circumvent this by helping its installation partners to understand the market and educate customers.

But it does not help that there are many government schemes and that they keep changing.

In March, the Financial Times said the Treasury was eyeing budget cuts to local-authority funded energy projects and the Warm Homes insulation and efficiency programme, which Robson expects could ultimately encompass the ECO scheme.

Also under threat are other measures to boost clean energy, which could stymie attempts to cut the cost of electricity—an important barrier to the take-up of technologies such as heat pumps. But even if support ends up being less than expected, it will still be higher than previously... which is good news all round.



Business voices

The outlook is positive because the government has to do more. Although we've done relatively well over the last few years, and solar has grown massively, if you look at insulation and heat pumps... they're nowhere at the run rate that they need to deliver clean heat or net zero by 2030 or 2050.

David Robson
Chief Executive, InstaGroup



BDO viewpoint

Government pledges are all well and good, but you cannot build a business on a promise. As deal data shows, there is intense interest in home energy from investors, but if the UK is to truly capitalise on this—and make real progress on climate targets—there needs to be detail and clarity on funding programmes.

Listed corporate groups were among the most active acquirers in 2024, with Wickes Group, Good Energy Group, Genuit, Lords Group, Kingspan, EDF and Certas (part of DCC) all buying renewables installation businesses. Hometree and Sureserve also made multiple acquisitions in the year.

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Sustainability

A green window of opportunity

The building materials group Epwin was the first company in the UK to operate a large-scale polyvinyl chloride (PVC) window profile recycling operation.

Did that help it gain the market-leading reputation it has for sustainability today? Not a bit.

The company closed the recycling unit 12 years ago, unable to find a market for its products. Prospective buyers reasoned the products should be cheap because they were made from waste. Epwin could not match the price point of virgin PVC—and walked away. But now it is back.

In 2022, Epwin, which has been a listed entity since 2014, paid £15m for PVC recycling specialist Poly-Pure. The acquisition made sense partly due to changing fundamentals. The price of virgin PVC had gone up, along with the cost of energy required for manufacturing. So recycled PVC is more competitive today.

There has also been a shift in attitudes to business resilience. After recent supply chain shocks, it makes more sense to have an upstream unit that can produce raw materials from UK waste. Plus, Poly-Pure helps diversify Epwin's revenue streams by selling PVC to other companies.

But perhaps the biggest transformation has been around sustainability. Epwin's customers—which are predominantly in the building repair, maintenance and improvement (RMI) space—are actively seeking green certifications and credentials.

Much of this demand is driven by government initiatives related to decarbonisation, such as a 2023 roadmap to increase timber in construction.

Consumer preferences are also playing a role. According to a May 2024 YouGov survey, 60% of Britons believe climate change is the biggest threat facing civilisation, and 21% are willing to spend more on sustainable products.

There is a rising appreciation of long life plastics, which after 30–40 years of life can be recycled repeatedly.

This trend could be particularly marked in RMI, which is relatively immune to cost-of-living pressures. Epwin, for example, has weathered recent inflationary challenges better than many others.

The company is looking to appeal to eco-consciousness with initiatives such as getting a Supply Chain Sustainability School gold status for its Swish Building Products Division or investing in energy-efficient manufacturing processes across its operations.

The quest for improved sustainability is a factor in business deals, with Epwin's Poly-Pure acquisition preceded in 2016 with the purchase of other businesses where products have a strong environmental focus.

Additionally, Epwin has worked hard to become the first in its sector to receive Environmental Product Declarations, (EPDs), the gold-standard for environmental transparency and accountability, on key products including the recycled PVC it both uses and sells.

Such bets will likely pay off given the increasing deterioration of the environment and the massive task left to do in terms of developing a fully sustainable building stock and construction industry. Against this backdrop, sustainability is no longer a trend—it's a fundamental feature of the Building Products & Services sector.



Business voices

The government aspires to 300,000 houses a year and we're nowhere near that, but we've already got more than 80% of the houses we'll have in 2050—that's 31 million dwellings, which are the oldest and worst-maintained housing stock in Europe—and we're nowhere near bringing them to the standard expected. That is a significant opportunity for business, employment and sustainability.

Jon Bednall
Chief Executive Officer, Epwin Group



BDO viewpoint

Private equity is also on the lookout for Building Products & Services targets with sustainable credentials, given that this is an area of rapid transition.

In February 2025, for instance, Star Capital Partnership bought Genair UK, the UK's largest specialist compressed air system rental company, which has electric and hybrid options for all its compressor ranges. Even the company's diesel units are Ultra Low Emission Zone-compliant.

Demand for such products is on the rise as companies look to meet emissions and air quality targets on industrial sites. Genair's rental-based business model would seem a good fit for private equity, giving Star Capital an asset that is ahead of the curve in the energy transition.

This may mean having a mix of low-carbon, hybrid and electric options for now, although market fundamentals will likely favour pure-electric products over time. Diesel is still useful due to the availability of power, but having optionality is important as the energy transition accelerates.

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Circular economy

Better than the original

The concept of a circular economy makes commercial, financial and ethical sense.

Designing, reusing and repurposing the same materials for circular rather than linear processes prevents unnecessary waste, thereby mimicking the efficiency of nature.

This saves money and reduces risks for businesses as well as stopping the extraction of the Earth's valuable natural resources at currently unsustainable rates.

But embracing circularity is not easy for Building Products & Services. Many of the prime materials used in construction, such as wood, steel and glass, have been manufactured from scratch for hundreds if not thousands of years. Supply chains are mature, consolidated—and cheap.

Recycling and reusing materials, on the other hand, are relatively novel activities in many building product categories. The supply chains are less mature, and the resulting products may be of poor quality with relatively high costs. Until recently, at least.

With growing commercial and regulatory drivers behind adopting circular practices and more effective environmental, social and governance (ESG) procedures, some companies are turning waste into new products that are at least as good as—and sometimes better than—the materials they are replacing.

Reclaimed bricks, steel and wood, for example, have lower carbon emissions than the originals, and in some cases are preferred for aesthetic reasons. Sustainable building materials such as straw, bamboo or rammed earth can offer benefits such as improved insulation and reduced environmental impact.

And while many of these materials still come with trade-offs—with scalability often being a concern—increasingly the market is seeing the emergence of innovators offering circular economy options that are better than traditional materials on most measures. Take Plastecowood of Rhyl, North Wales.

A winner of the Santander X Global Environmental Challenge, the company takes waste polyolefins—the plastic compounds used in everything from carrier bags to piping systems—and turns them into a product called Smartawood that can be used in place of wood, virgin plastic, steel and concrete.

Whereas traditional plastics recycling involves turning waste materials into granules before creating new products, Plastecowood's proprietary production process converts plastic to Smartawood in a single step, halving the energy, labour and capital expenditure required for manufacturing.

Smartawood products are cost competitive with steel and concrete equivalents because of its durability, waterproof nature and density. When compared to wood, Smartawood is significantly cheaper over its life cycle because outdoor wooden products, such as decking, benches and fencing, need replacing every six years or so as rot sets in.

The low-carbon, non-slip material has excellent thermal and acoustic properties and could be used to replace wood and other materials in products ranging from pallets to playground furniture. The source material is mixed plastic packaging waste materials—the plastic waste conventional mechanical recycling cannot process. Plastic waste remains a major environmental and health risk in the UK and globally; single-use plastic waste volumes on UK beaches leapt almost 10% in 2024.

Globally, the potential for Smartawood—and other better-than-the-original circular economy products like it—is immense.

Really the only problem for Plastecowood is that the company is competing with products that have been around since the dawn of time and dealing with buyers more focused on annual budgets than life-cycle costs.

It has transformed waste into a valuable material, but transforming customer mindsets might still take a while.



Business voices

You've got to marry the three Es: economy, engineering and ESG. Where those three are satisfied, you should see growth. So, I would expect—in our sector—to see growth. It's limited only by people's [lack of] awareness that they can be economically better off by going down this route.

On average, you get a three-to-six-year life out of softwood, so you have to replace it again and again. Smartawood has been tested by the BBA and they anticipate a lifetime in excess of 120 years.

I think we in the UK have historically been extremely poor at realising that you have to invest to save.

Henning von Spreckelsen
Director, Plastecowood

As circular economy M&A advisors, it is our job to bridge the gap between investors and entrepreneurs by ensuring business owners can turn circular ideas or concepts into an investment-ready opportunity.

If you'd like to discuss the circular economy with us—or gain more of an understanding as to how we can help your business—contact our circular economy experts [Chris Parsons](#) and [Todd Mills](#).

Read more about the circular economy in our latest [Circular Economy report](#).



BDO viewpoint

The manufacturing sector saw a surge of interest in circular economy investments in 2024, with a 35% increase in deals. This isn't surprising given that half of the 200-plus manufacturing small and medium-sized enterprises we surveyed recently confirmed their strategic intent to adopt circular business models.

Ongoing global political and economic challenges are underlining the strong commercial and financial business case for adopting circular business models.

Upcycling virgin material-quality components and materials from waste streams and end-of-life products available locally can reduce operating costs, generate new revenue streams and reduce companies' exposure to international tariffs or supply chain risks and constraints – especially in key sectors today like defence and electronics.

Encouragingly, the recent BDO-Make UK survey also revealed that 40% believe circular models are more profitable than linear ones, providing a strong financial incentive for change.

Seven in ten respondents consider that operating a sustainable business is important to customers—understandably so as corporate buyers face increasing regulatory and reputational pressure to meet carbon reporting targets, making sustainability a key factor in purchasing decisions.

BDO's M&A and Growth Advisory teams continue to play a crucial role in helping larger corporates move towards a more sustainable future by investing in or acquiring entrepreneurial, purpose-driven businesses delivering innovative, scalable and cost-effective circular solutions.

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Due diligence

ESG due diligence for competitive advantage

Environmental, social and governance (ESG) considerations have moved beyond mere compliance or reputation management in the UK Building Products & Services sector.

They are a core driver of financial performance, risk mitigation and competitive advantage.

Investors, major contractors and developers are increasingly favouring companies with strong ESG practices. This isn't just about meeting regulatory requirements. It's about reaping tangible commercial benefits. The business case for ESG is clearer than ever.

The commercial case for ESG

Companies that actively integrate ESG into their operations are finding financial advantages across multiple areas. Investing in local renewable energy, such as on-site solar or wind power, helps companies avoid the volatility of fossil fuel markets, stabilising costs and boosting energy security. Businesses with diversified energy sourcing have seen more stable energy costs compared to grid-dependent competitors.

Supply chain resilience is another key driver. Sustainable material sourcing reduces reliance on geopolitically sensitive markets, minimising risks associated with tariffs, transportation costs and supply chain disruptions. Meanwhile, regulatory readiness is becoming a competitive differentiator.

Meeting the UK's 2025 Future Homes Standard, which requires new homes to produce up to 80% less emissions compared to current standards, isn't just about compliance—it's about securing contracts and gaining premium pricing for innovative, low-carbon solutions. The financial risks of poor ESG performance are significant.

Reputational damage from ESG-related failures, such as greenwashing claims, can result in revenue losses. Investors and lenders are increasingly applying ESG criteria when evaluating businesses. Strong ESG performance lowers the cost of capital and enhances access to institutional investment.

Identifying risks and opportunities

ESG due diligence ensures that companies not only comply with evolving standards but also position themselves to thrive in a rapidly changing market. A robust ESG due diligence process evaluates environmental impact, workforce practices and governance structures.

On the environmental front, businesses should assess carbon emissions across their supply chain and operations, adopt low-carbon materials such as recycled steel, and integrate circular economy principles to improve material reuse and waste reduction.

Energy efficiency measures, including smart building technologies and electrification strategies, are key to long-term sustainability and cost savings.

Social considerations are equally important. Employee retention and workforce engagement are increasingly linked to ESG performance, with companies demonstrating strong sustainability commitments benefiting from lower recruitment costs and higher employee satisfaction.

Ethical sourcing and labour standards within the supply chain also play a crucial role in mitigating reputational and operational risks. And governance structures must ensure transparency and accountability.

Board-level ESG oversight, alignment with global reporting standards such as the Task Force on Climate-related Financial Disclosures, and anti-greenwashing measures are essential for credibility. Legal compliance and risk management strategies further strengthen business resilience and investor confidence.

The role of technology

Technology is rapidly transforming ESG implementation in the sector. Companies leveraging AI, generative design and digital twins are optimising carbon performance in building design, while advanced tracking tools enable real-time carbon accounting.

Life cycle assessment technology is making it easier to quantify the financial impact of sustainability initiatives, further strengthening the commercial case for ESG.

ESG as a differentiator

For decision makers in the Building Products & Services sector, ESG is not just an ethical obligation—it is an essential component of long-term profitability and market positioning.

Businesses that treat ESG as a strategic lever rather than a regulatory hurdle will gain an advantage in securing investment, winning contracts and reducing operational costs.



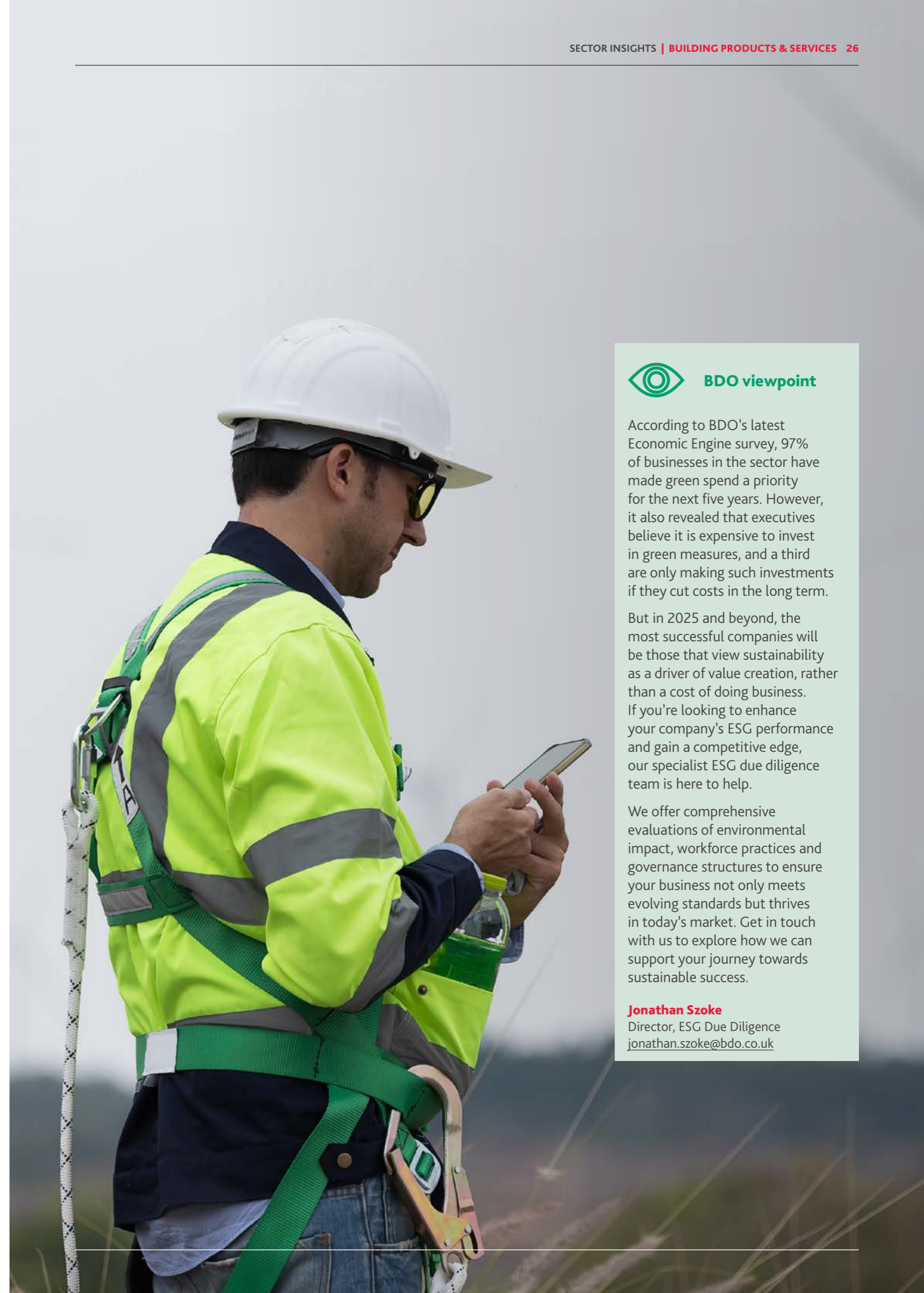
According to BDO's latest Economic Engine survey, 97% of businesses in the sector have made green spend a priority for the next five years. However, it also revealed that executives believe it is expensive to invest in green measures, and a third are only making such investments if they cut costs in the long term.

But in 2025 and beyond, the most successful companies will be those that view sustainability as a driver of value creation, rather than a cost of doing business. If you're looking to enhance your company's ESG performance and gain a competitive edge, our specialist ESG due diligence team is here to help.

We offer comprehensive evaluations of environmental impact, workforce practices and governance structures to ensure your business not only meets evolving standards but thrives in today's market. Get in touch with us to explore how we can support your journey towards sustainable success.

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Research & development

What you need to know about the new merged R&D scheme

As HRMC continues its compliance drive on R&D claims, it's essential to understand the new merged scheme and its impact across supply chains.

Government has overhauled the R&D tax credits rules to try to improve the effectiveness of the relief and reduce 'fraud and error' in claims.

HMRC's research on 2020/21 claims identified that Construction was the least-compliant sector, with only 38% of claims estimated to be compliant—compared to 44% for IT and 69% for manufacturing. Unsurprisingly, it's caught HRMC's attention.

This low compliance has led to increased scrutiny, with around one in five claims now subject to review and arrests at unregulated firms offering R&D tax advice. The overhaul has led to a merging of the old SME and RDEC (research and development expenditure credit) schemes.

While there are various technicalities associated with this merger, the major consideration for businesses in the Building Products & Services sector is around contracted-out R&D.

The old rules

Under the previous rules, companies claiming under RDEC could only claim for subcontracted R&D if it was contracted out by another large company or for outsourced R&D costs in very limited circumstances (generally involving individuals or partnerships and not-for-profit organisations such as universities).

SMEs, however, could claim 65% of the costs of all qualifying payments to subcontractors.

New merged scheme rules

Under the merged R&D regime, the new basic principle is that the company making the decision to undertake the R&D receives the relief. Consequently, any company can claim for qualifying R&D that is contracted out—if three conditions are met:

- ▶ There must be a contract (even if not specifically for R&D work)
- ▶ The contractor (or their subcontractor) undertakes the R&D work to meet the obligations under the contract
- ▶ 'It is reasonable to assume, having regard to the terms of the contract and any surrounding circumstances, that the person [principal/customer] intended or contemplated when entering into the contract that research and development of that sort would be undertaken in order to meet those obligations.'

To fulfil the third condition, the company must understand what scientific or technological uncertainty was required to fulfil the contract, which means that they have technical 'competent professionals' involved in contract negotiation who are able to articulate the required R&D.

In addition, HMRC will consider other factors, such as intellectual property ownership, financial risk and technical autonomy, when determining whether the principal can make an R&D claim for the contracted-out R&D.

Importantly, if the principal (for instance a Government body or overseas customer) is not carrying on a taxable trade in the UK then this will permit the contractor to claim. The changes also mean that a company can claim relief for R&D contracted out downstream within a supply chain.

For example, it could contract out its R&D activities to a company which in turn contracts out the R&D activities to another subcontractor (something that was previously disallowed).

Mapping your supply chain for compliance in such circumstances could be a challenge, but it will need to be considered to make a valid claim. Under the merged scheme rules, companies will need to reassess who claims the R&D credit—themselves, their supplier or their customer—as two parties cannot claim the same costs.

While this may allow large businesses to claim subcontracting costs for the first time, it also creates risks.

Contractors will be able to claim in contracts where the R&D was previously claimed at manufacturer, material supplier or lower levels, but an obligation to supply all the information to enable valid claims will need to be built into contracts.

Conversely, companies at manufacturing or material supply levels that used to claim R&D may now find themselves unable to claim—and may need to adjust their pricing accordingly.

Commercial consequences of the new rules

One side consequence of different companies making a claim for RDEC within a supply chain is that there is potential for the claim to 'flip' from a customer to a supplier, or vice-versa.

Given that RDEC contributes to earnings before interest and taxes calculations, any such flip could well reduce one company's claim or boost another's. Any shifting RDEC claims are relevant for company valuations, and it is critical for companies to review their upstream and downstream supply chains and assess their entitlement.

Preparing a valid claim

To enable a valid claim, contemporaneous evidence demonstrating how the above conditions are met must be gathered.

It is not enough to have a boilerplate clause in all contracts stating that you, as principal, will be entitled to claim the R&D relief: a considered, tailored clause based upon the fact pattern of your arrangements would be more persuasive.

In addition, it is vital to have a competent professional involved in defining the scope of work to be undertaken by the contractor and in the contract negotiations.

You may also wish to include a collaboration clause in the contract to ensure that you get access to all the data you need to make the R&D claim.

HMRC may retrospectively challenge any R&D claim as part of its ongoing compliance drive. If it deems the incorrect party made the claim, this could result in no claim being made at all for qualifying R&D activity.

To safeguard claims, companies should be reviewing their contracting and procurement processes and seeking regulated R&D claim advice now to ensure compliance requirements are met.



BDO viewpoint

HMRC recently introduced enhanced compliance and enforcement measures which created even more hoops for businesses to jump through when claiming R&D tax relief. Add in changes to qualifying costs and the new contracting out rules and it easy to see why claiming R&D relief is now such a complex process.

It is crucial that companies ensure their claims are robust, accurate and beyond reproach to ensure ongoing financial support from the government. Getting a reputable, regulated adviser is a sound investment to help you ensure best practice has been followed before claims are submitted.

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Dealmaking

Why data is king

In today's fast-paced business environment, the importance of data cannot be overstated.

Data plays a crucial role in M&A deals, serving as the backbone for informed decision making and strategic planning.

It provides a comprehensive view of a company's operations, financial health and market position. From a seller's perspective, accurate and detailed data enables parties involved in an M&A deal to present the equity story in a more convincing manner, enabling buyers to model and assess the opportunity in greater depth.

Due diligence scopes have evolved significantly, and the emphasis on data continues to increase. Advancements in technology make it easier to collect, analyse and interpret vast amounts of data efficiently—and this has become the expectation of buyers.

Traditionally, due diligence focused on financial statements and legal documents, but the digital age has ushered in a new era where data is king.

This data-centric diligence reflects the increasing complexity of businesses, which has necessitated a deeper understanding from customer behaviour to market trends and operational efficiency. Of course, financial data remains a priority, providing insights into revenue streams, profitability and cash flow.

But now there are a range of additional areas being delved into during diligence, which include:

- ▶ Operational data, offering a glimpse into the efficiency and effectiveness of business processes
- ▶ Market data, shedding light on competitive positioning and potential growth opportunities
- ▶ Customer data, vital for understanding the target company's customer base, retention rates and satisfaction levels
- ▶ Compliance and regulatory data, providing comfort that a target company adheres to relevant laws and regulations.

Preparing data is a key phase of an M&A process. It involves organising and presenting data in a manner that is accessible and understandable to all parties involved. Critically, it supports the equity story.

For an advisor, working with management to understand the extent of existing data, then identifying gaps and inconsistencies to be addressed, is essential. Clients often underestimate the quantity of data they have available—which can be extracted, analysed and used to underpin messaging.

Next, it's important to use data visualisation tools to present complex data in a clear and concise manner. Charts, graphs and dashboards can highlight key trends and insights, making it easier for decision makers to grasp the implications of the data.

Finally, there have been high profile instances of data leaks, and it is essential to establish protocols for data sharing and security. As confidentiality is paramount in M&A transactions, robust security measures must be in place to protect sensitive information.

Data analytics in our deal processes

At BDO, we integrate data analytics into our financial due diligence processes, whether on the buy side or sell side. This allows us to provide deeper insights and a more comprehensive understanding of financial drivers.

By enhancing the clarity of our reporting and reinforcing our opinions, we ensure that our clients have the information they need to make informed decisions. Additionally, this approach provides a competitive edge in negotiations, helping to achieve the best possible outcomes.

Our approach to data analytics means that our clients can count on BDO for thorough and insightful analysis throughout the transaction.

Dougal Baxter

Partner, Transaction Services
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BDO viewpoint

Data can enhance value for vendors by confirming sales messages and the equity story. For buyers, data enables due diligence to confirm financial robustness and performance, assess quality of information, test growth assumptions and support due diligence opinions.

Data serves as the foundation for informed decision making and strategic planning for buyers. We see the requirement for data in diligence and M&A processes will only intensify, underlining the need for thorough preparation and robust data management practices.

When handled correctly, data helps all parties involved in a deal to navigate the complexities of the transaction with confidence and clarity.

Alan Chan

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UK M&A landscape

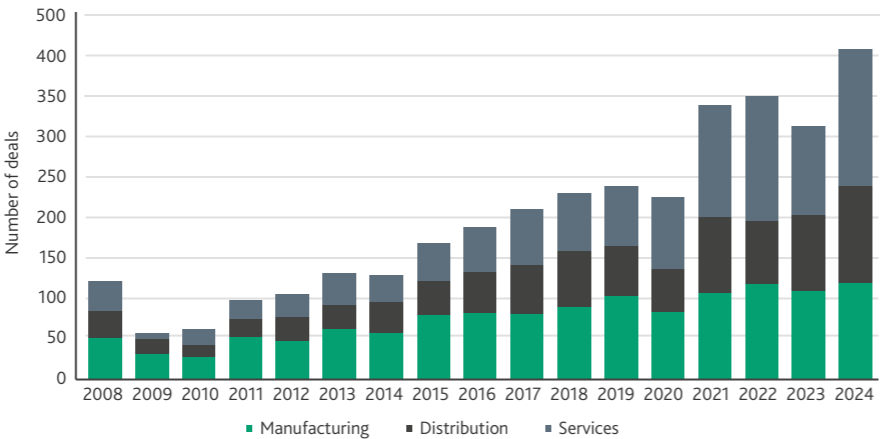
A record-breaking year for UK deals

The UK Building Products & Services sector saw a rush of deals in 2024, with volumes up by 30%.

With 451 transactions completing, it was a record-breaking year, with volumes even surpassing the post-COVID surge.

Not limited to the sector, the UK market overall saw a 25% rise in M&A as the government's approach to tax, as announced in the 2024 Autumn Budget, spurred business owners to complete deals ahead of changes to capital gains tax.

Number of transactions by activity



Source: Experian MarketIQ, BDO analysis

Trade deals increased by 15% in the year, but private equity activity stepped up significantly, with 42% of deals representing deals backed by an investor, up from 34% in 2023.

Primary investments were up by 50% and follow-on deals for existing portfolio platforms more than doubled as investors took advantage of opportunities to consolidate.

Manufacturing deals increased by 10% and distributor deals rose by 26%, but it was services deals that stole the show, with a 55% rise.

Compliance was the major driver underpinning the rise in services deals, reflecting increased demand in a strengthening regulatory environment, especially in areas such as fire safety and home energy.

Four sub-sectors dominated M&A in 2024, responsible for 58% of overall activity—companies offering Security & Access, Electrics & Lighting, Building materials and HVAC & Plumbing were the major deal-doers.

Security & Access and Electrics & Lighting were new entrants to the top of the pile, knocking HVAC & Plumbing from its long-held top spot—although only just. Deals activity in HVAC plateaued in 2024, following a busy few years of consolidation.

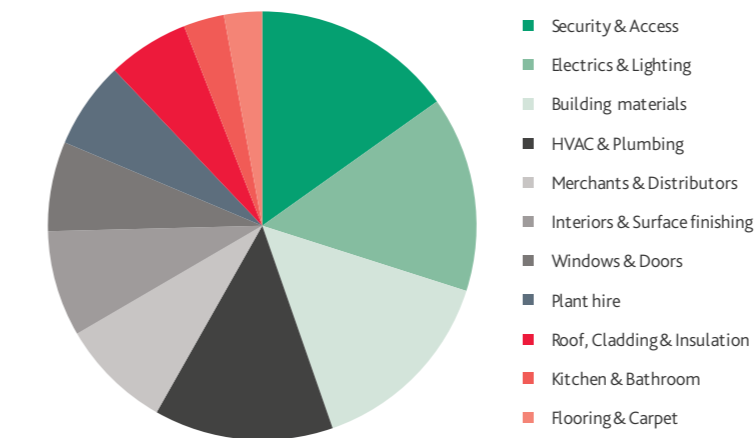
On the international front, cross-border deals rose to account for 19% of transactions in 2024, in line with the five-year average.

Overseas acquisitions of UK target businesses included Rockwool's acquisition of Wetherby Building Systems, Fasadgruppen's acquisition of building envelope specialist Clear Line, Saint-Gobain's acquisition of limestone materials business Kilwaughter and DiversiTech Corp's acquisition of HVAC supplier Arctic Hayes.

There was equally strong outbound activity, with regular UK acquirers including Breedon, Volution and Halma building their international presence.

Meanwhile, some made their first buys overseas: Aspen Pumps acquired Malco Tools in the US and Premier Technical Services Group bought Flame Control, a large fire solutions firm operating in the Netherlands.

Deals by sub-sector in 2024



Source: Experian MarketIQ, BDO analysis

The UK market in figures

MORE THAN **1,500** DEALS IN THE LAST **FIVE** YEARS
451 DEALS IN 2024

SERVICE DEALS INCREASE BY **55%**
UK SECTOR DEALS UP **30%** ON **2023** LEVELS



Last year was a busy one for M&A in the Building Products & Services sector. With some 30 deals completed by our team in the UK, and many more globally, we saw market sentiment improve during the year. Several key sectors are poised for continued momentum and new opportunities are emerging.

We see notable opportunities ahead in housebuilding, renewables, fire safety, security, windows and doors, and infrastructure services, to name a few.

BDO's latest Economic Engine survey reveals that over a quarter of businesses in the sector are looking to source new capital or engage in M&A to strengthen their position.

John Stephan
Partner,
Building Products & Services M&A
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Valuations outlook

Valuations edge up... slightly

Highs and lows in the capital markets seem to be the order of the day, but valuations of private businesses are holding firm, and even edging up a little.

AVERAGE SECTOR MULTIPLE FOR DEALS
7.0x EV/EBITDA
(6.9x IN 2023)

AVERAGE FOR TRADE
6.9x (6.8x IN 2023)

AVERAGE FOR PRIVATE EQUITY
7.4x (7.2x IN 2023)

AVERAGE LISTED SECTOR MULTIPLE
9.6x EV/EBITDA
(APRIL 2025)

Last year we saw more volatility in the stock market, with a backdrop of macro factors alternately driving or denting confidence. Average listed enterprise value to earnings before interest, taxes, depreciation and amortisation (EV/EBITDA) multiples rose to a high point of 13.6x and dipped to a low point of 7.8x in 2024.

In April 2025, quoted companies in the sector traded at an average of 9.6x, ahead of the 8.0x multiple reported last year. With Trump's tariffs impacting the capital markets severely, listed multiples will continue to be volatile.

The deals environment tends to be steadier, with multiples driven more by sub-sector dynamics, market potential and underlying quality of the target business. Valuations are in line with long-term norms and the gap between buyers' and sellers' expectations have closed somewhat.

Average private company multiples edged up slightly from 6.9x EV/EBITDA to 7.0x, with trade multiples seeing a comparable rise, from 6.8x to 6.9x. Multiples paid in private equity transactions were stronger, with an average of 7.4x EV/EBITDA, up from 7.2x.

Private equity investors tend to favour niche businesses with a strong proposition and clear advantage, so such businesses would naturally attract a premium. Meanwhile, valuations held up across the sub-sectors with no notable movements.

Security & Access continues to attract the highest multiples, closely followed by highly sought-after Building materials companies. Along with Electrics & Lighting, these sub-sectors were the most prolific for deals in 2024.



BDO viewpoint

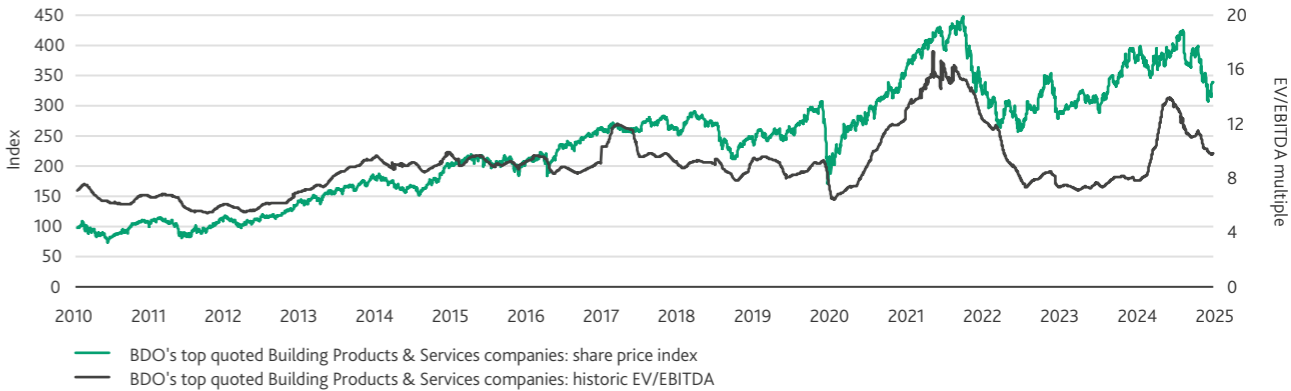
An advisor-led process can help build competitive tension, driving up valuations of private businesses. Many trade deals are sourced outside of formal auction processes, and without competitive bids, valuations can sometimes be at the lower end.

As well as positioning businesses to attract a premium, we specialise in finding the right fit from our vast international buyer contact base.

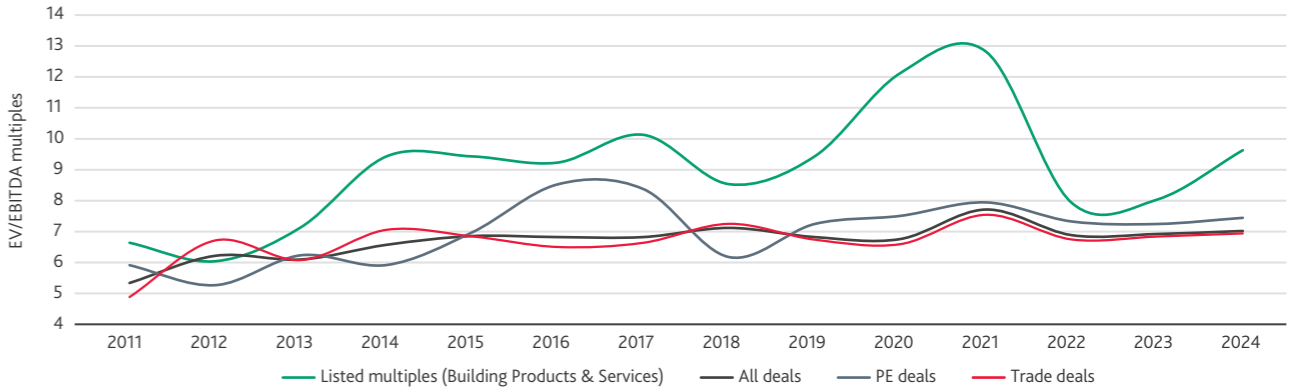
Matthew Goodliffe

Director,
Building Products & Services M&A
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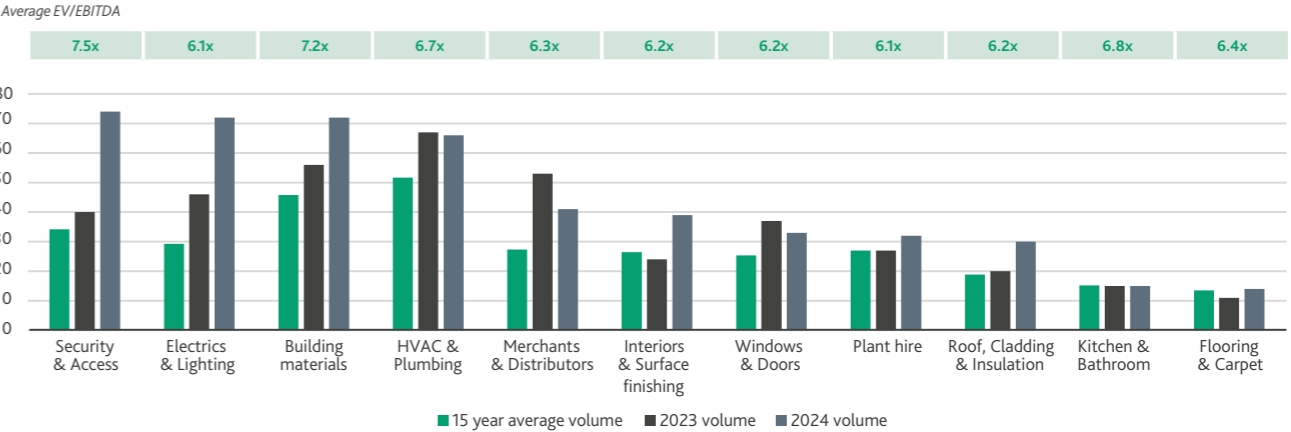
Share price performance and EV/EBITDA in the Building Products & Services sector



Sector EV/EBITDA multiples, 2011-2024



Transaction volumes and EV/EBITDA multiples by sub-sector



Source: S&P Capital IQ, Experian MarketIQ, BDO analysis

Private equity

Private equity is gearing up for growth

Building Products & Services has long been an attractive destination for private equity—and there are no signs of investment slowing up.

Over the last three years there have been 238 primary investments of businesses in the sector, with more than 100 of these deals funded by private equity (PE).

With new platforms in place, we can expect to see a ramping up of bolt-on activity as investors consolidate markets earmarked for growth.

New primary investments in 2024 included LDC's investment in Deltron Lifts and Longacre's carve-out of Petrel, a manufacturer of lighting and electrical installation products, from Chamberlin.

Follow-on investments also stepped up in the year, with 70 businesses added to existing PE platforms—more than double the level of activity seen in 2023.

H.I.G. Capital has been one of the most prolific investors in the sector, acquiring 20 businesses in the last three years to create andwis Group, a multi-faceted provider of technical building services.

On top of this, the firm has acquired new buy-and-build platforms in social housing repair and maintenance—formed by bringing together CLC Group and Axis Europe—and previously invested in Travis Perkins carve-out Highbourne Group, a distributor of plumbing, heating and bathroom products.

Private equity players are gaining good returns for their investments in the sector, with assets being snapped up by trade acquirers.

Having initially backed Aqualisa, a manufacturer of shower products, in 2015, LDC sold the business to Fortune Brands for £130m in 2022, generating a money multiple return of 4x.

In the same year, Inflexion sold Marley, a manufacturer of roof tiles, to Marshalls for £535m, representing an EV/EBITDA multiple of 10.7x. Elsewhere, BGF—a major investor in the sector—exited two businesses to trade buyers in 2024.

Paint Shed, a 20-store-strong retailer, was sold to decorator merchant Brewers after a hold period of three years, and infrastructure consultancy Hydrock Consultants went to US corporate Stantec after six years, during which time BGF had backed seven acquisitions.

Secondary buyouts by new private equity investors have also provided an attractive exit route: 15 businesses have changed hands in such deals during the last three years.

LDC sold Stuart Turner to Epiris in 2022, following a five-year tenure during which Stuart Turner grew revenues by 66% and acquired three businesses to target growth in the commercial pumps sector.


Elsewhere, the immense opportunities in the fire safety sector are spurring PE to offer competitive bids in secondary deals: in 2022, WestBridge acquired Alpine Fire Engineers from Soho Square Capital for £18.7m, and in 2024 YFM sold Checkmate Fire to IK Partners to drive the next phase of growth.

In the broader compliance market, Rockpool sold Mecsia to Synova Capital in 2024. The exit delivered a blended 7x equity return and 120% internal rate of return for Rockpool across four rounds of investment.

In the past, IPOs have been another attractive exit route, with the sector seeing eight UK listings back in 2021, including CMO Group, Stelrad Group, Likewise Group and Lords Group Trading. But for now, stock market volatility is less conducive to this route—de-listings seem more likely.

In March 2025, CMO Group ceased trading on AIM to re-register as a private limited company. The cancellation is expected to provide access to significant cost savings and potential additional funding which will support immediate requirements and fund growth going forward.

Given the vast quantity of investments held by private equity in the Building Products & Services sector, we can expect to see plenty more exits in coming years. And given the huge amount of dry powder looking for great opportunities, more private equity cash will be flowing in.



Business voices

We would prefer to look at carve-out opportunities versus secondary buy-outs.

Often such businesses have been non-core and unloved for a while, so with a re-energised or new management team, a fresh pair of eyes and absolute focus on the business as a standalone entity, the potential to grow EBITDA and reposition the company to achieve a better exit multiple in due course is quite high.

But the execution of the carve out and implementation thereafter is not without risk and private funds are not always keen on taking that risk.

Alastair Mills
Managing Director, H.I.G. European Capital Partners LLP

PRIVATE EQUITY BACKED
42% OF ALL UK DEALS IN 2024, UP FROM 34% IN 2023



BDO viewpoint

There are at least 600 active private equity investors in the UK Building Products & Services sector, with investments in more than 1,000 businesses. A good number hold several investments in the sector.

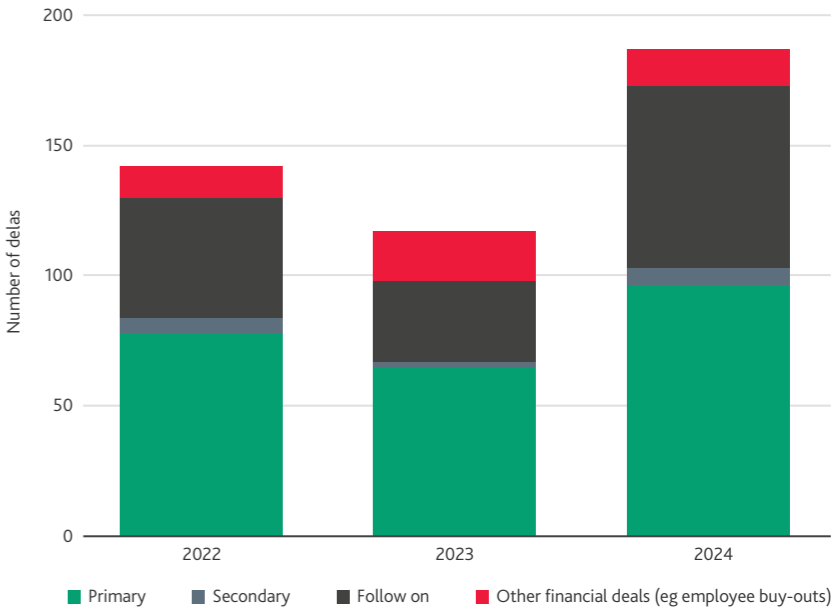
PE investors really like regulation-driven sub-sectors, those with recurring revenues, or businesses aligned with long-term trends such as sustainability. Market leaders with strong brands and unique intellectual property are compelling, especially when led by a strong management team.

There are a lot of private equity houses currently looking to acquire in Building Products & Services.

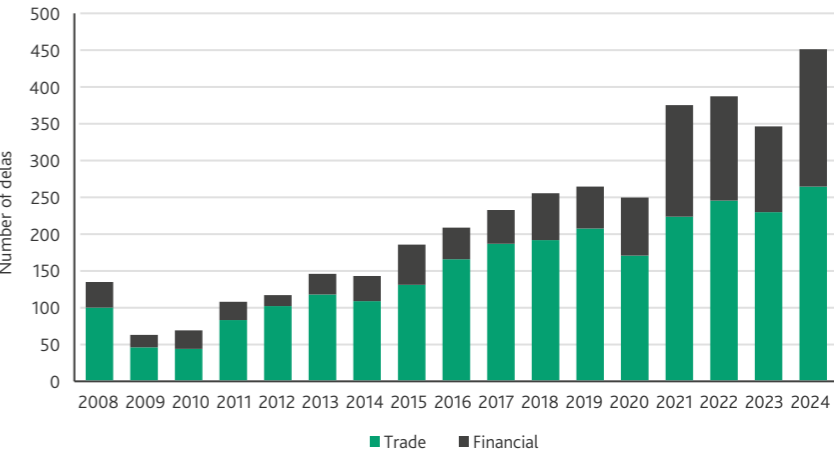
As well as advising private equity and owner-managed businesses, BDO has a good deal of experience advising on corporate carve-out transactions, with recent deals completed for Allegion, Volution and Hill & Smith.

Sarah Ziegler
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Financial transactions by type of investment



Trade and financial transactions



Source: Experian MarketIQ, BDO analysis

Top sub-sectors for private equity

What's catching the eye of private equity?

Having identified the hot sectors of 2024, the race was on for private equity to acquire new platforms and consolidate.

Responsible for over half of Building Services M&A in 2024, PE went after deals in fire safety, home energy and technical compliance.

Private equity interest was the major contributor to the surge in services deals which rose by 55% in 2024. Businesses operating in the services space have several attractive features drawing interest—much of the spend is non-discretionary and driven by regulatory requirements.

Take the lifts servicing market, for example. Lifts require maintenance irrespective of construction cycles, and while demand could be slower in a downturn, it is non-discretionary and is repeatable. Moreover, as a regulated market, these are not services that can be fulfilled by just any M&E service provider. High barriers to entry add to the attractiveness of such businesses, and tariff exposure is not a top concern.

The services market is highly fragmented, with a large population of local and regional players. Private equity is well placed to consolidate, scale and professionalise these businesses, while adding further service lines to offer cross-selling opportunity. And having built a bigger business, PE can look forward to a higher exit multiple.

Such drivers underpinned H.I.G.'s investment in Classic Lifts and LDC's investment in Deltron Lifts, with both platforms rapidly pursuing bolt-on deals.

Classic Lifts is one of five verticals in H.I.G.'s andwis Group, which encompasses lifts and entrance technology, mechanical and electrical project services, fire and security, and water hygiene and air quality.

H.I.G.'s strategy has been to establish an alpha business in each vertical, and to add regional businesses of £1m to £3m EBITDA to scale fast. Its recent acquisition, of Rock Compliance, marks a move into white collar compliance and assurance services, providing additional opportunities to cross-sell.

H.I.G. is also active in further pockets that could well become hotspots in future. Attracted by the dynamics of long-term demand and framework contracts offering good pipeline visibility, H.I.G. acquired CLC Group and Axis Europe to create a national property maintenance specialist with a focus on the social housing market.

Businesses in this sector have historically operated on thin margins, but in bringing H.I.G.'s experience to bear the business is now generating margins of more than 10%.



Fire safety

There was a glut of portfolio-build activity in fire safety, with Hyperion-backed Ranger Services and Horizon-backed Churches Fire Security buying almost 20 businesses between them.

ABCA Systems Group (owned by Trimountain Partners), New Path Fire & Security (Duke Capital), Compliance Group (Ansor), Obsequio (Beech Tree Private Equity), Senseco (Foundation Investment Partners) and Alpine Fire Engineers (WestBridge) were also active acquirers.

Meanwhile, YFM sold Checkmate Fire Solutions to a new generation of PE investors in the form of IK Partners. While much of this activity is focused on installation and servicing roll-ups, manufacturers are also hot property for investors.

For example, LDC invested last year in IDSL, which has since completed a bolt-on acquisition of Hartland Fire, a passive fire product and service business.



Home energy

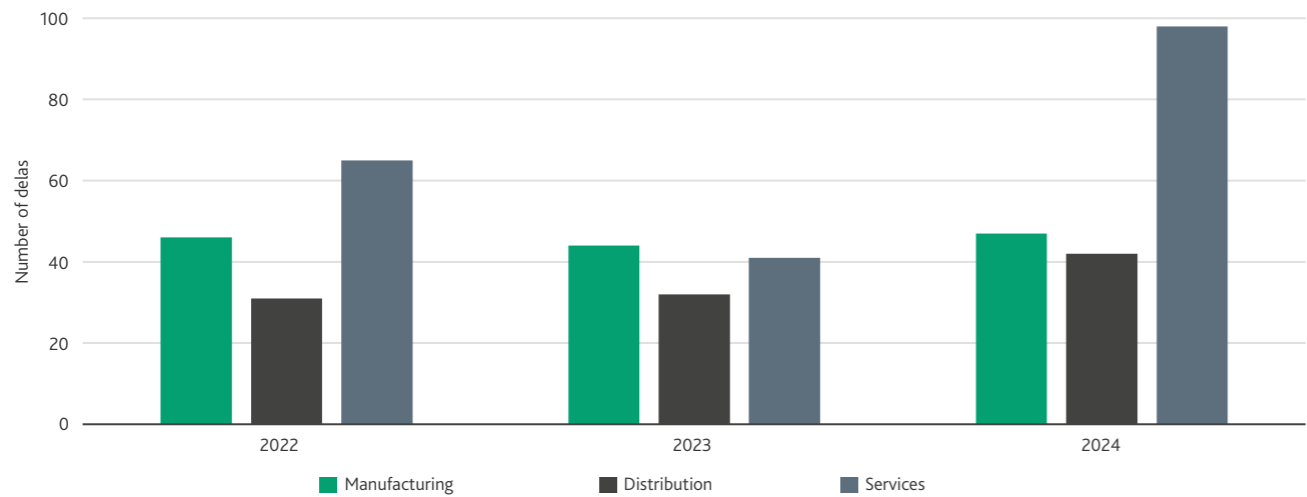
The trend towards the adoption of residential renewables spurred high numbers of deals in the HVAC and Electrics sub-sectors in 2024. Heat pump, solar panel and electric vehicle installation businesses were hot property, alongside providers of energy management and consultancy services.

Hometree emerged as a major player in the market, having raised substantial debt and equity facilities to back deals such as the acquisitions of regional installation businesses including The Little Green Energy Company, Geowarmth Heat Pumps, IMS Heat Pumps and GreenGenUK.

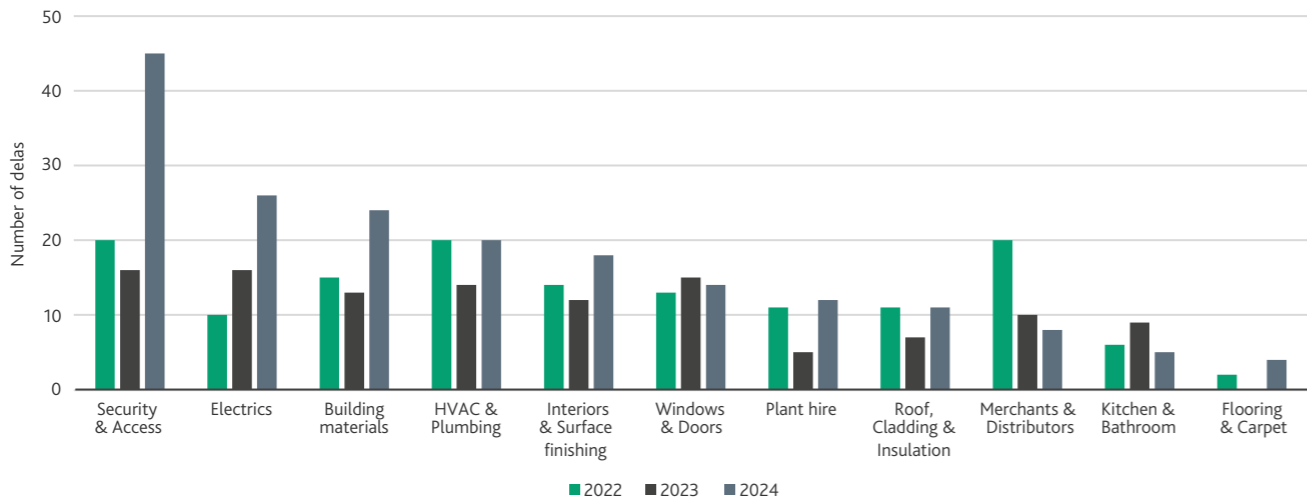
With a renewables installation market comprising around 4,500 registered operators, there is plenty of opportunity for ongoing consolidation.

There are a good number of corporate acquirers active in this market, but we expect to see a rush of private equity money chasing opportunity in home energy as funding schemes are confirmed by government.

Financial investments by activity



Financial transactions by sub-sector, 2022-2024



Business voices

Predictability of demand in uncertain times makes a strong and under-writable investment case.

The areas in which andwis operates will continue to attract interest as a result.

There's a high level of competition, particularly on the larger acquisition targets that we're looking at.

We are in exclusivity at any one point with six or seven businesses—and there's a long pipeline behind that.

Alastair Mills

Managing Director, H.I.G. European Capital Partners LLP



BDO viewpoint

Compliance-led services are clearly in the hotseat and have been a major driver behind the surge in investor-led deals in the Security & Access, Electrics and HVAC sub-sectors.

But it wasn't just services deals that attracted private equity in 2024. Investment in manufacturers, especially those aligned with strong regulatory drivers, were also on the up. While services deals are prolific, the deals that have been done in manufacturing are large, with PE backing some notable corporate carve-outs.

Back in 2021 and 2022, it was merchants that had caught the eye of private equity, with Cairngorm rapidly consolidating timber merchants, and big deals afoot too, such as Huws Gray's sale by Inflexion to US-based Blackstone Group, and the subsequent acquisition of Grafton's merchanting business.

While we expect services to dominate the private equity space by volume of deals in the coming year, there will be some interesting opportunities for investors across the spectrum.

Saira Khan

Senior Manager
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Sub-sector roundup

Sub-sector trends and hotspots

Four sub-sectors dominated M&A in 2024, responsible for 58% of overall activity. Security & Access, Electrics & Lighting, Building materials and HVAC & Plumbing were the major players.

In 2023, Security & Access was the fifth most active sector, but last year it rocketed ahead with an 85% increase in deal flow to take the top spot. A flurry of consolidation in the fire safety segment was the major driver behind the trend.

The push towards solar and battery systems was behind many transactions in the Electrics & Lighting sub-sector, which surged into second place, while heat pump installers helped sustain high levels of activity in HVAC & Plumbing.

The drive towards insulation retrofits underpinned a record-breaking year in Roof, Cladding & Insulation. Building materials, Interiors & Surface finishing and Plant hire also had record-breaking years.

After a few busy years of consolidation, activity in the Merchants space cooled a little in 2024, but valuations proved resilient, with sub-sectors holding firm on multiples paid and only minor movements seen.

Two sub-sectors saw a slight uptick: Building materials increased to 7.2x EV/EBITDA and Plant Hire edged up to 6.1x, while Merchants dipped to 6.3x and Windows & Doors to 6.2x.

Source: Experian MarketIQ, BDO analysis

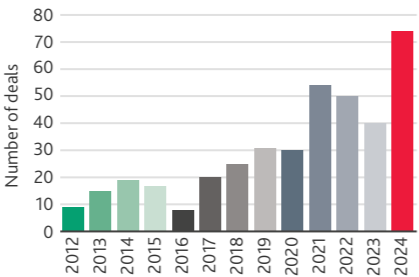
Security & Access

Security & Access experienced the highest growth among sub-sectors, with an 85% increase in activity from 2023, totalling 74 deals—double the 15-year average. Fire safety led over half of the volume, with demand for detection and suppression systems like sprinklers and extinguishers.

A notable deal was Quanex Building Products' US\$1.1bn acquisition of Tyman. Key players such as Allegion, Assa Abloy, and Dormakaba are expanding globally through acquisitions, integrating new technologies. The rise of smart tech is merging physical security with home automation and enterprise tech, attracting new buyers like Resideo and amazon.

Geopolitical factors are driving urgency for infrastructure protection, with regulatory prospects and tech advancements boosting interest, and valuations at 7.5x EV/EBITDA, topping the sector range.

Average EV/EBITDA multiple 7.5x 2012-2024



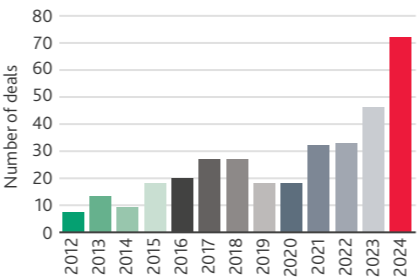
Electrics & Lighting

A record-breaking year for this sub-sector too, with a 57% rise to 72 deals. Manufacturers and distributors of lighting and electrical accessories were favoured targets. Luceco acquired D-Line (Europe) for £12.4m and went onto buy CMD from Rubicon for £30m.

Waterland Private Equity acquired a majority stake in Bellew Electrical and subsequently bought two further electrical distribution businesses in Ireland. Home energy was a key driver of deals, with manufacturers and installers of solar panels and batteries in high demand.

Wickes, Good Energy, Hometree, Kingspan and Wolseley all continued to buy in this space. Foresight exited its portfolio of 1,000 rooftop solar assets to AmosClear Investments in a £21.2m deal. Multiples have held firm at 6.1x EV/EBITDA.

Average EV/EBITDA multiple 6.1x 2012-2024



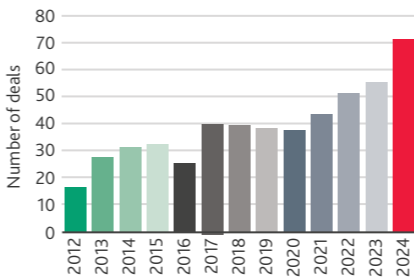
Building materials

In joint second place with 72 deals, building materials maintains a strong position in the M&A market. Businesses in the sector continue to prioritise access to aggregates and raw materials such as steel, concrete, timber, extrusions and glass, plus sub-components necessary for their operations.

James Jones & Sons and Premier Forest Products were active acquirers of timber products, and there were increased levels of activity in concrete materials.

Breedon acquired US ready-mix concrete supplier BMC Enterprises for US\$300m, while Holcim acquired Land Recovery Enterprises, a recycler of construction demolition materials for ready-mix and precast concrete and asphalt. Building materials saw a slight uptick in valuations to 7.2x EBITDA.

Average EV/EBITDA multiple 7.2x 2012-2024



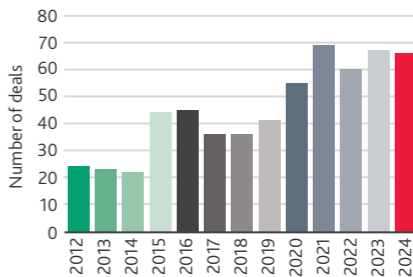
HVAC & Plumbing

Having held the top spot for deals in the last few years, the M&A market for HVAC & Plumbing may have plateaued. But activity levels remain strong, with 66 deals and 13% share of total activity. Valuations held firm at 6.7x EV/EBITDA.

In its largest acquisition to date, Volution acquired Fantech Group in Australasia for AU\$220m, providing a strong overseas platform for further growth. Smiths Group also made an overseas buy, of Modular Metal Fabricators, a North American metal duct manufacturer.

Smiths has since added Duc-Pac for £32m as part of its strategy to build an integrated offering in construction. Heat pumps were in high demand in 2024, with Lords Group Trading and UK Plumbing Supplies adding distributors, while Hometree, Certas and AES added installers.

Average EV/EBITDA multiple 6.7x 2012-2024



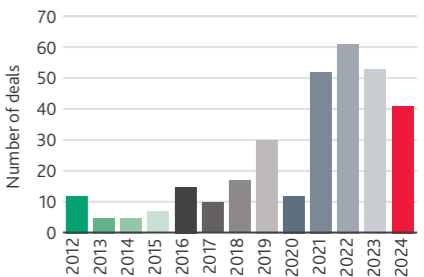
Merchants & Distributors

Market consolidation was rife from 2021 to 2023 as private equity-backed platforms such as IBMG and Huws Gray mopped up regional merchants while corporates such as Travis Perkins and Grafton used M&A to reshape their businesses.

Activity subsided in 2024 but was still ahead of the longer-term trend, with 41 deals completed, representing 8% of total deals. Larger deals in the year included UK Plumbing Supplies' acquisition of 15-branch merchant Crossling for an estimated £40m and the acquisition of CTD Tiles by Topps Tiles, representing 30 stores.

Valuation multiples dipped slightly to 6.3x EV/EBITDA.

Average EV/EBITDA multiple 6.3x 2012-2024

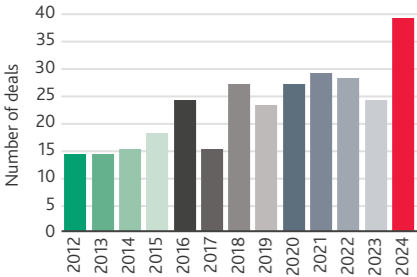


Interiors & Surface finishing

Interiors & Surface Finishing M&A saw a rise of 63%, bringing the deal total to 39 completions. Staircases and joinery products were popular deals while interiors such as acoustic ceilings and fitted furniture featured strongly.

Joinery and fit-out services transactions were also in vogue, with home improvement and office refurbishments behind the rise. Transactions were dominated by small regional deals and management buy-outs.

Average EV/EBITDA multiple **6.2x**
2012-2024



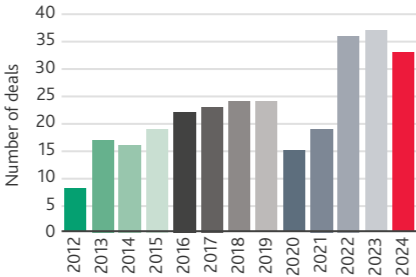
Windows & Doors

M&A activity dipped slightly in 2024 but stayed strong, with 33 completions making up 7% of total deals. Multiples fluctuated to 6.2x EV/EBITDA.

Fire safety drove many door product transactions, including LDC's buy-out of manufacturer IDSL, including Fire Door Inspection Solutions. Haerens, a Belgian technical glass maker, acquired OWS Group, a fire-rated doors and windows manufacturer. Tandy Group and Maperton Holdings also made acquisitions in this area.

Swedish corporates were active, with Lagercrantz buying Principal Doorsets and Sdiptech acquiring Gwindy, a roller shutter doors business, for £25.6m. We expect growing demand for physical security solutions to boost activity in the windows and doors segment this year.

Average EV/EBITDA multiple **6.2x**
2012-2024



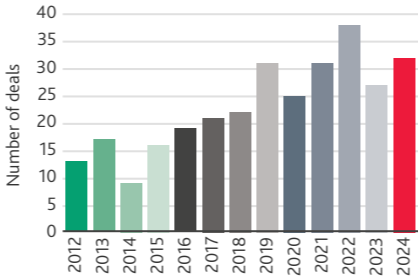
Plant hire

Deal volumes increased again in 2024 to 32 deals, while valuations nudged up slightly to 6.1x EV/EBITDA.

There were notable cross-border deals in the year, including German manufacturer PERI's £64m acquisition of Mabey Hire, which provides ground-shoring for excavations, propping and jacking for renovation, and US-based CES Power's acquisition of Apex Generators, which supplies and hires power generation equipment.

More recently, we've seen the sale of GenAir, the UK's largest specialist compressed air system rental company, to private equity firm STAR Capital. Elsewhere, Ashtead continues to buy in the US via its Sunbelt Rentals business, and is acquiring specialists to drive growth and profitability.

Average EV/EBITDA multiple **6.1x**
2012-2024



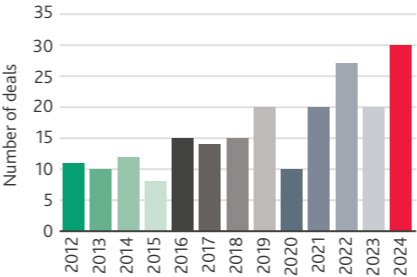
Roof, Cladding & Insulation

There was a surge in deal volumes in 2024, with 30 transactions completing in the year. EV/EBITDA multiples fluctuated to 6.2x. There was an increase in acquisitions of businesses manufacturing or installing insulation, which is seen as an essential part of the product mix in driving the benefits of sustainable energy.

In the commercial sector, Swedish company Fasadgruppen paid £119.9m for Clear Line, which is a specialist facades contractor with a strong position in the UK property fire remediation market.

In another cross-border deal, Italian construction chemicals group Mapei acquired Wykamol, a provider of waterproofing and structural repairs.

Average EV/EBITDA multiple **6.2x**
2012-2024



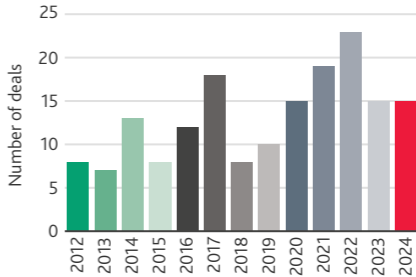
Kitchen & Bathroom

Volumes and valuations held firm in the year, with 15 completions and an average EV/EBITDA multiple of 6.8x.

Private equity was active in the market, with BGF-backed Woodland Kitchens acquiring JTC Furniture Group and Cinven-backed JLA acquiring kitchen designer Broderick Bros.

RSBP acquired Cubicle Washroom Systems and Ase Capital acquired Glenfield Kitchens. Meanwhile, Brand K Group continued hoovering up brands, acquiring shower enclosure manufacturer Aqualux.

Average EV/EBITDA multiple **6.8x**
2012-2024

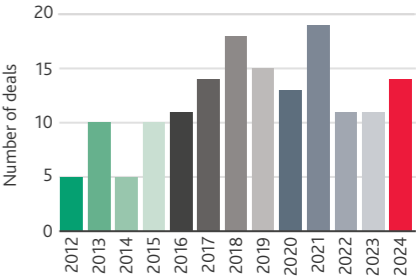


Flooring & Carpet

Sub-sector deal volumes remained low in 2024, but multiples were maintained.

Nimbus backed the management buy-out of National Floorcoverings and there were several tiling deals, including the buy-out of Johnson Tiles from Norcros Group, and the acquisition of ceramic tiles business Genesis Brands by French flooring specialist Gerflor.

Average EV/EBITDA multiple **6.4x**
2012-2024



BDO viewpoint

As predicted, deals increased across most sub-sectors in 2024. We expect M&A processes in the most prolific sectors—Electrics & Lighting, Security & Access, and HVAC & Plumbing—to continue to attract high levels of interest, given the immense consolidation opportunities that remain.

Regulatory drivers, technological features and the sustainability focus of many of these businesses are attracting a queue of buyers. Access to Building materials suppliers will also be sought after, and vertical integration could become a stronger feature.

Elle Oldham
Manager, Building Products & Services M&A
elle.oldham@bdo.co.uk

BDO UK case study

Deal highlights: modular buildings

A sector to watch

M&A in the modular buildings market has ramped up in recent years as players have grown to meet increasing business demand for flexible space. Temporary buildings are cost-effective, flexible and can be offered with the benefits of customisation.

The market features large UK players such as Portakabin and Premier Modular, whose recent deals have focused attention on the opportunities in the sector.

There was a good deal of private equity interest in Portakabin, which eventually agreed to investment from Antin Infrastructure Partners in a deal estimated to be more than £1.5bn. Another recent deal was a capital injection from MML Infrastructure into Premier Modular, providing an exit for Cabot Square Capital.

A preponderance of smaller regional UK players presents significant consolidation opportunities. As well as well-known British companies, several European groups are interested in developing a presence in the UK.

For example, Norwegian corporate Hallgruppen has expanded its presence in the UK and French suitor Lauralu bought Smart-Space in 2023. Several factors are favouring the growth of market, including the fact that modular buildings:

- ▶ Have much lower environmental footprints than traditional buildings if steel or aluminium frames are used
- ▶ Deliver the same performance as traditional buildings, but are more cost effective
- ▶ Can be used for bespoke structures according to customer requirements

- ▶ Are quick to assemble and complete compared to traditional buildings
- ▶ Can be dismantled and re-used, with components eventually recycled
- ▶ May be easily increased due to modular components
- ▶ Provide flexible space management for end users
- ▶ Are in fact highly robust and can be long-lasting
- ▶ Have low labour requirements for installation
- ▶ Are suitable for a wide variety of sectors
- ▶ Reduce downtime for customers.

Industrial, commercial and events are the end sectors which have been well-served by the modular construction sector to date. There have been some attempts to penetrate the residential market, but this is not as well progressed and counts some notable casualties.

Infrastructure and industrial activity are expected to underpin high future demand for increased space requirements, for products and machinery as well distribution and logistics activities.

The benefits are more pronounced for businesses with seasonal demand, with temporary buildings providing quick-to-deploy storage options, allowing businesses to react quickly and flexibly. But there is huge growth opportunity too in sectors such as emergency response and relief, healthcare and education.

BDO UK case study

Sale of Portable Venues (Smart-Space) to Lauralu



BDO UK senior team involved in this transaction

John Stephan
Partner

Alan Chan
Director

The transaction

- ▶ BDO UK served as exclusive financial advisor to Portable Venues (Smart-Space) on its sale to Lauralu.

Company background

- ▶ Portable Venues Group (trading as Smart-Space) is a leading UK supplier of temporary, semi-permanent and permanent buildings for long-term hire or purchase, across diverse end-sectors.

The transaction process

- ▶ BDO was selected to pitch for the sale mandate due to sector expertise and buyer intelligence
- ▶ Smart-Space's shareholders, a husband and wife, founded the business and had put in place a management team, supported by a non-executive director and further infrastructure to allow them to step away from the business and realise their shareholding.

Successful outcome

- ▶ The business was sold to Lauralu, a France-headquartered specialist in modular structures for industrial and commercial applications. Lauralu is backed by Evolem, a family office which invested in the business in 2019 to support the company's buy-and-build strategy in France and abroad.

"BDO positioned our company in a way which reflected its true value, whilst setting out clearly the advantages to any potential buyer. After an agreed period of marketing and negotiations, BDO came up trumps and delivered a win-win solution.

We as sellers are comfortable with the value placed on the business and subsequent sale price, whilst I'm sure the buyer is every bit as excited about this new opportunity. This could not have happened without the professionalism or spirit of goodwill of the BDO team."

Anthony Hunt
Founder and Shareholder
Portable Venues Group



Global M&A

A surge in global M&A

There was a resurgence in global deal volumes in 2024, with the Building Products & Services sector seeing a 13% rise in M&A activity.

The strongest markets for deals were the UK, which saw volumes rise by 30%, and the US, which increased by 15%.

MORE THAN **6,000 DEALS** IN THE LAST FIVE YEARS

DEAL VOLUMES UP **13%** IN 2024, WITH **1,481** WORLDWIDE

This increased their share of global transactions to 70%, up from 65% in 2023. Favourable market conditions in the US helped to underpin investor confidence, while a new tax regime around capital gains spurred UK business owners to complete deals ahead of changes.

Australia also saw a large rise in deals, up by 24%, which advanced its position to the third-largest M&A market by volume of targets acquired in 2024. Canada too saw a notable surge in M&A, although the outlook is more uncertain given its close trading relationship with the US.

In contrast, mainland Europe saw an overall decline of 2% in M&A activity, with the Nordics and Benelux experiencing drop offs as macroeconomic conditions weighed on construction output.

Deals declined by just over a quarter in the Nordics and by 12% in Benelux, but it was a mixed picture across Europe, with Italy, Spain and Ireland seeing a rise. Cross-border activity increased to 23% of all deals in 2024, up from 19% in the previous year.

There was a notable increase in overseas interest in Australian and Canadian target businesses, with nearly half of Australian target businesses and more than 60% of Canadian targets sold to international purchasers, with the US taking the lion's share of deals in Canada.

Buyout volumes edged up a little in 2024, in line with the five-year average. The UK, Ireland, France and Germany were the countries to see elevated investor interest.

Buyouts

2024 LEVEL

19%

2023 LEVEL

18%



Geopolitical uncertainty hampers global growth

Global GDP growth is expected to moderate from 3.2% in 2024 to 3.1% in 2025 and 3.0% in 2026, according to the Organisation for Economic Co-operation and Development (OECD).

Inflationary pressures persist in many economies and are projected to remain above central bank targets in many countries in 2026.

The high level of geopolitical and policy uncertainty at present brings substantial risks to baseline projections, with further trade fragmentation expected to harm global growth prospects.

- ▶ Annual real GDP growth in the US is projected to slow to 2.2% in 2025 and 1.6% in 2025
- ▶ Euro area real GDP growth is projected to be 1% in 2025 and 1.2% in 2026, as heightened uncertainty keeps growth subdued
- ▶ Growth in China is projected to slow from 4.8% this year to 4.4% in 2026.

Cross-border deals

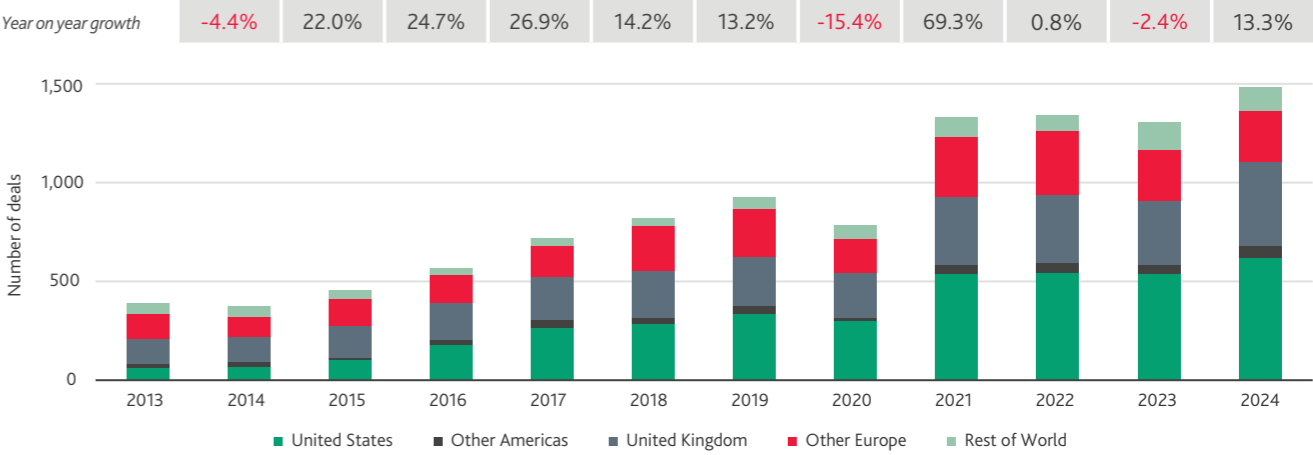
2024 LEVEL

23%

2023 LEVEL

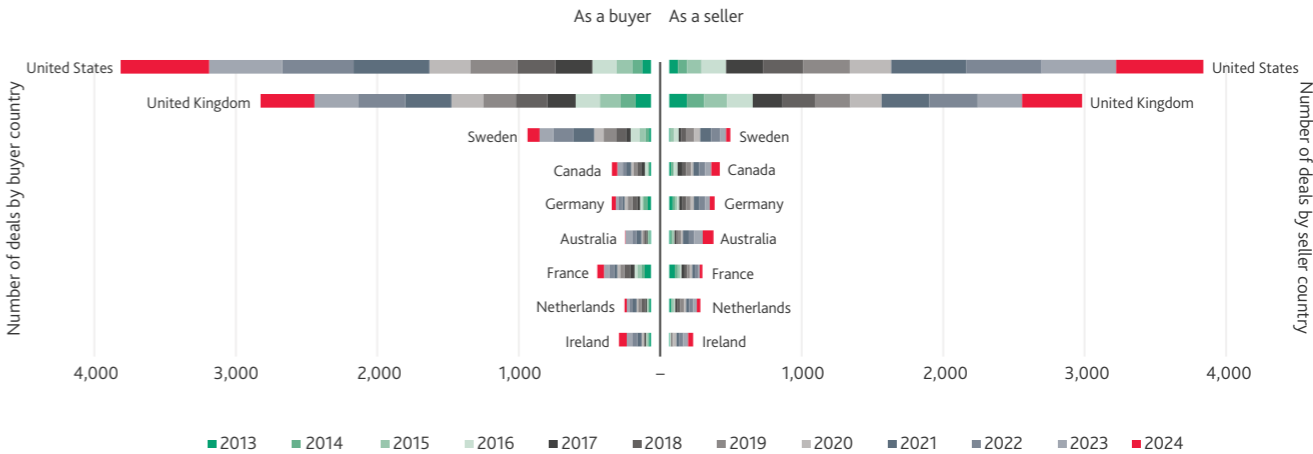
19%

Global deal volumes, 2013 – 2024



Source: Experian MarketIQ, BDO analysis

Primary deal markets



Source: Experian MarketIQ, BDO analysis

North America

Momentum returned to US

After a modestly subdued 2023, M&A activity in the US Building Products & Services sector rebounded meaningfully in 2024.

There were 616 deals involving US targets, a 15% year-over-year increase, reflecting improved market confidence and a renewed appetite for inorganic growth. The US continued to serve as a primary engine of global deal activity, contributing 42% of total volume.

The US market in figures

42% SHARE OF GLOBAL ACTIVITY

616 DEALS BY TARGET, A 15% INCREASE

639 DEALS BY BUYER, A 22% INCREASE

Despite persistent macroeconomic pressures, including high interest rates and stubborn inflation, participants across the M&A landscape appeared increasingly willing to transact.

Strategic acquirers capitalised on market fragmentation and strong balance sheets, while financial sponsors returned to the market with greater confidence, supported by record dry powder and an improving financing environment.

Large-scale strategic consolidation

A defining feature of the 2024 deal environment was the resurgence of large-cap transactions.

Several high-profile acquisitions underscored the appetite for scale and adjacency expansion, particularly among corporates seeking to consolidate distribution, expand product offerings or capture synergies in infrastructure and residential construction markets.

Strategic buyers demonstrated conviction in long-term demand fundamentals, with a particular focus on businesses positioned to benefit from the energy transition, public infrastructure investment and sustained repair and remodelling activity.

These transactions often targeted high-margin, value-added platforms with differentiated distribution networks or customer relationships, consistent with a broader trend away from pure-play volume acquisition.

Financial sponsors regain traction

Private equity activity was maintained in 2024, with sponsor-backed buyouts accounting for 11% of US Building Products & Services deals, up from 10% in the prior year. While the cost of capital remained elevated, a narrowing bid-ask spread and more favourable deal dynamics allowed sponsors to engage.

Sponsors remained focused on platforms with demonstrated cash flow resilience, strong pricing power and exposure to durable end markets.

Equity-heavy deal structures and targeted value creation plans, particularly around margin improvement and add-on acquisition strategies, became more common, especially in areas such as HVAC, energy systems and building automation.

Notably, several financial sponsor-backed deals targeted industrial technology and sustainability themes, indicating continued alignment with long-term secular trends.

Strategics and serial acquirers continue to lead

Strategic buyers continued to represent more than 80% of US Building Products & Services M&A volume in 2024, with many leveraging balance-sheet strength to pursue acquisitions that enhanced service capabilities, geographic reach or product breadth.

Serial acquirers remained especially active, with dozens of companies executing multiple acquisitions during the year. Leading consolidators in distribution, specialty contracting and construction services aggressively pursued targets that offered regional scale, technical capabilities or access to resilient customer bases.

This group's disciplined roll-up strategies have continued to gain traction, particularly in fragmented subsectors where scale, logistics and labour availability can create defensible advantages.

Underlying market conditions support activity

The overall construction environment in 2024 provided a solid foundation for M&A. While residential construction remained constrained by affordability challenges and elevated mortgage rates, new home starts stabilised, and remodelling spend remained resilient.

Institutional and infrastructure-related demand continued to provide tailwinds, supported by an ongoing rollout of federal funding through the Infrastructure Investment and Jobs Act.

Non-residential construction activity, particularly in manufacturing, utilities and transportation segments, remained strong throughout 2024, providing a steady pipeline of demand for materials, services and systems integrators.

By contrast, commercial real estate development remained sluggish, although opportunities in retrofit and repurposing gained visibility.

Outlook: cautious optimism in 2025

Looking ahead, fundamentals remain supportive of continued M&A activity in the sector. While interest rates are expected to remain elevated in the near term, improved visibility into monetary policy, steady demand in core end markets and a strong pipeline of sponsor-backed exits are likely to support deal flow.

One area to monitor closely is the evolving trade environment. Tariff policy, particularly related to steel, aluminium and imported components, has re-emerged as a potential disruptor to cost structures and supply chains.

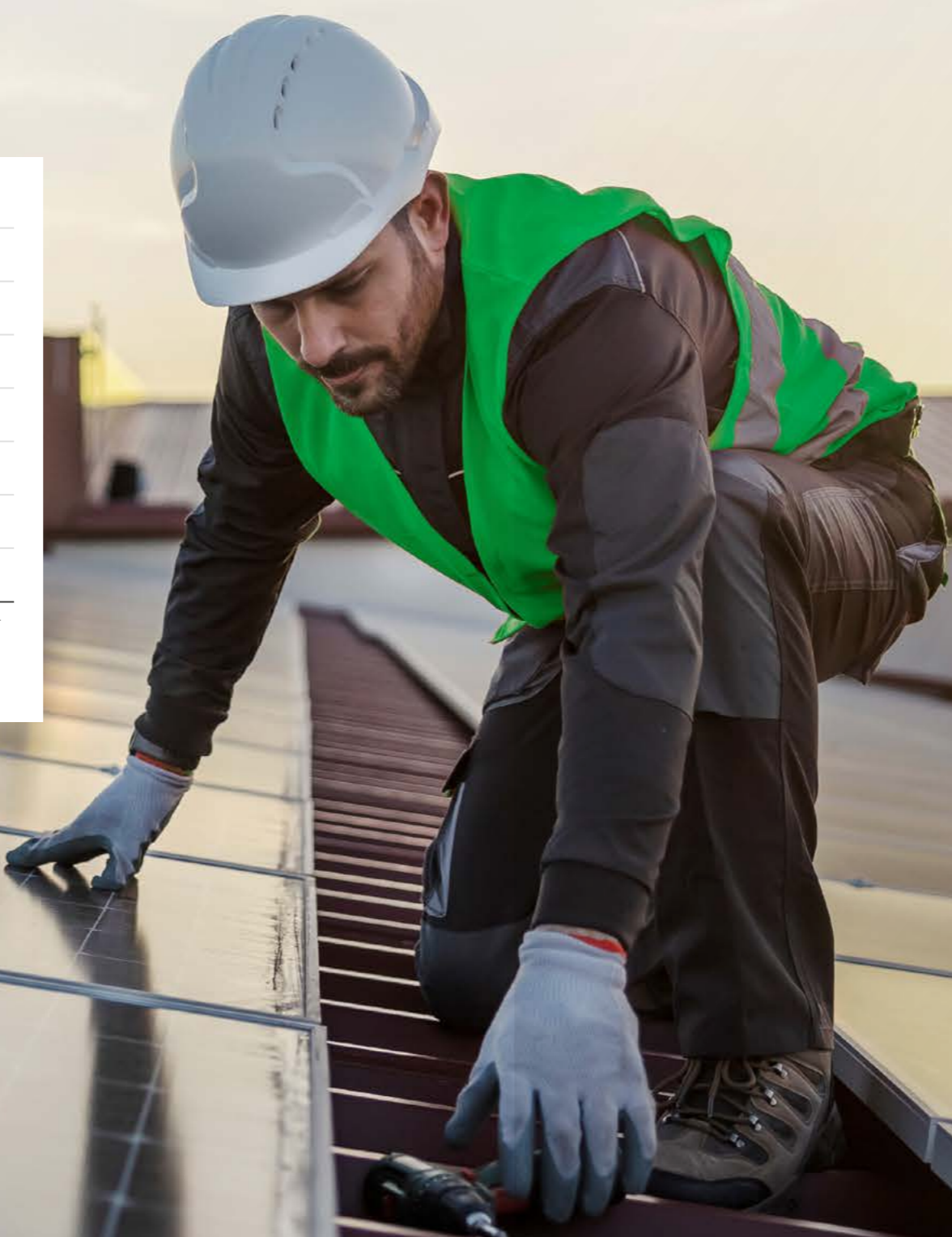
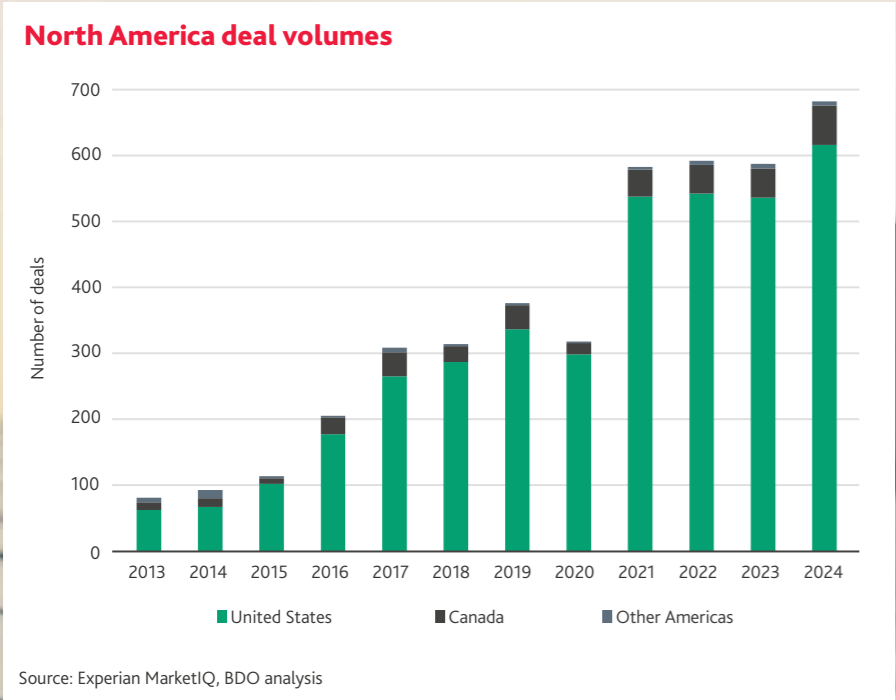
Trade policy and broader macroeconomic uncertainty has not only increased scrutiny during diligence, particularly for companies with global sourcing models, but in many cases led would-be buyers and sellers to pause M&A plans and take a wait-and-see approach.

Despite these risks, buyer appetite remains robust for high-quality assets, particularly those with pricing power, exposure to infrastructure or energy efficiency themes and differentiated capabilities in installation, maintenance or specialty distribution.

Patrick Bisceglia

Managing Director
BDO United States





United States

"M&A activity has faced headwinds in 2025, with volume falling short of the robust expectations many deal professionals held as we entered the year. A key culprit is the elevated macroeconomic and trade policy uncertainty stemming from the Trump administration's aggressive pace of executive action.

While some moves—particularly those favouring deregulation and lower taxes—are broadly pro-growth, others, such as tariffs and government spending cuts, have reignited recession concerns.

This level of unpredictability and policy uncertainty makes it difficult for corporate boards, private equity sponsors and lenders to confidently price and underwrite deals.

Market participants have turned increasingly cautious, so we expect a slowdown in overall deal volumes with activity focused on only the most strategic and mission-critical transactions."

Patrick Bisceglia
Managing Director
BDO United States



Canada

"Canadian M&A activity within the Building Products & Services sector saw a surge of volume in 2024, with 60 completed transactions—an increase of 36% from 44 transactions in 2023. This was clear evidence of a stabilised macro environment prime for measured strategic activity.

The rise in volume was driven in large part by strategic international acquirers pursuing Canadian targets, which represented 62% of the deal activity up from 30% in 2023. Approximately 75% of those international buyers were US based, with the remainder from countries including Sweden, France, Japan and the UK.

In 2025, the impact of the international trade war and associated US tariffs is weighing on the deal-making environment. The uncertainty has created a slowdown in near-term deal activity as market participants await visibility on how the trading ecosystem will be impacted moving forward.

It is our expectation that with the current market uncertainty we will see opportunistic transactions likely focused on niche domestic market participants or market segments that align well with broader international markets, as opposed to areas that rely on trading with the US market."

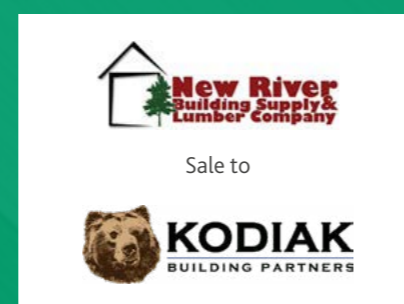
Ryan Farkas
Managing Director
M&A and Capital Markets
BDO Canada

BDO US case study

Deal
highlights:
building
materials

BDO US case study

Sale of New River Building Supply to Kodiak Building Partners



BDO US senior team involved in this transaction

Valentina Midura
Senior Managing Director

John Holleman
Senior Associate

The transaction

- ▶ BDO Capital Advisors served as exclusive financial advisor to New River Building Supply to Kodiak Building Partners, a portfolio company of Court Square Capital Partners.

Company background

- ▶ Founded in 1973, New River Building Supply & Lumber Company has been a trusted supplier of high-quality building materials to contractors, professional builders and homeowners in North Carolina's High Country
- ▶ With locations in Boone and Banner Elk, the company offers an extensive range of building products and tools and a dedicated timber and log division to support custom home projects
- ▶ Committed to exceptional customer service, New River takes pride in its knowledgeable staff and strong community relationships, ensuring customers receive expert advice and top-tier materials for every project
- ▶ New River Building Supply has an excellent reputation in the market, underpinned by the shareholders' commitment to implementing best-in-class processes and building a strong corporate infrastructure, elements that made the company a must-own asset for would-be acquirers.

The transaction process

- ▶ BDO was selected to pitch for the sale mandate due to sector expertise and senior level attention. BDO Capital led a competitive sale process that yielded strong interest from publicly traded and sponsor-backed strategic buyers.

Successful outcome

- ▶ The business was sold to New River Building Supply to Kodiak Building Partners, a portfolio company of Court Square Capital Partners. Founded in 2011, Kodiak Building Partners is a leading acquisition firm specialising in acquiring and supporting locally owned and operated building materials companies
- ▶ With a strong focus on operational excellence, local leadership and continuous improvement, Kodiak empowers these businesses to succeed in the communities they serve
- ▶ Kodiak's operation employs thousands of people across the country to serve general contractors, homebuilders, sub-contractors, re-modellers and consumers.

"Kodiak and New River share a commitment to continuous improvement, striving each day to enhance operations and strengthen support for our customers and communities. Our opportunities for growth with New River and in the Southeast are not done.

This partnership is another step toward our goals and fuels our commitment to be better tomorrow than we were today."

Steve Swinney
CEO
Kodiak Building Partners

"Partnering with Kodiak makes us a stronger company with access to a wide network of industry knowledge and additional resources to serve our customers and meet the growing demand for quality building materials in our communities. This partnership will ensure our legacy in these North Carolina communities can continue for generations to come."

Perry Yates
President
New River Building Supply & Lumber Company

European M&A

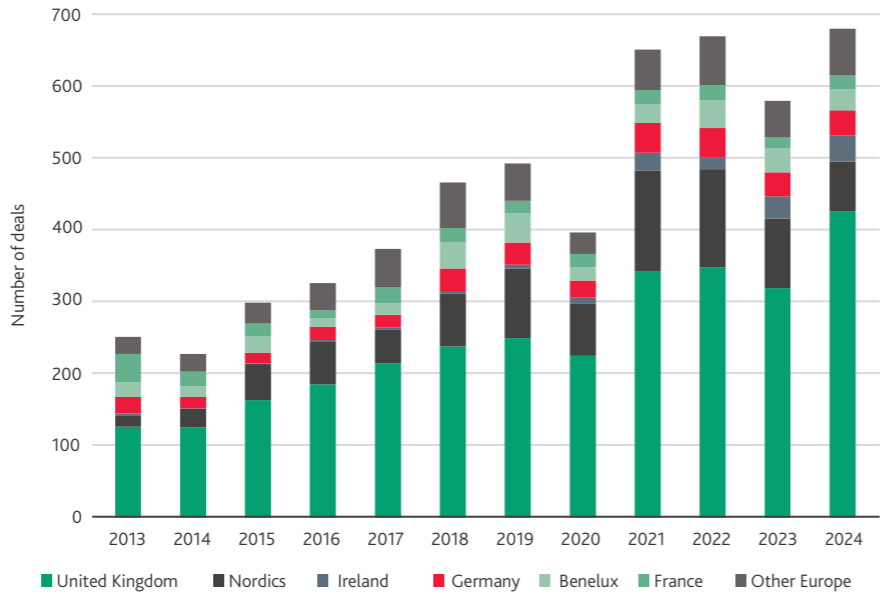
Mixed picture for deals in Europe

European M&A activity in Building Products & Services rebounded by 17.3% in 2024, but the picture was mixed.

The UK was the major driver of growth, with target company volumes up by a third. Ireland, France and Italy also saw increases in activity levels.

Ireland was up 20%, France up 27%, while Italy nearly doubled. But elsewhere, volumes dipped. In the Nordics activity declined by 28% and in Benelux by 12%, while levels in Germany held firm.

European deal volumes



Source: Experian MarketIQ, BDO analysis

Euroconstruct opinion

The European construction market is going through a challenging period, with 2024 predicted to be the most difficult year for the industry since 2020. A decline of 2.4% was estimated for 2024, with a slight recovery of 0.6% expected in 2025 and growth of 1.8% in 2026.

Persistent factors including the war in Ukraine, the effect of US tariffs, high interest rates and energy costs, plus increasing labour costs continue to weigh on financial conditions.

Residential construction remains the primary challenge, with high property prices, elevated interest rates and high construction costs the main obstacles to growth.

Improvement in the housing sector is forecast from 2026, driven by demographic factors, economic conditions and more favourable subsidy schemes for housing renovation. Civil engineering is a bright spot, driven by the urgent need for upgrades in transport networks and energy infrastructure.

Finland, Sweden, Norway, France and Slovakia are estimated to have seen the steepest declines in construction output in 2024 (down more than 4.6%), while the strongest performers are Ireland (up 1.4%), Portugal (1.5%) and Spain (2%).

Most European countries are predicted to return to growth in 2025, underpinned by public support for refurbishment projects and investments in infrastructure.



United Kingdom

"The UK saw a large increase in deal activity in 2024, with much of the rise attributable to the upcoming change in tax regime, which propelled business owners to complete deals towards the end of the year.

We saw private equity activity step up investment into the Building Products & Services sector and expect this trend to continue in the coming year, especially in services where there are many opportunities for roll-ups of regulatory-driven businesses which are less susceptible to market dynamics around tariffs, for example.

There are also considerable opportunities for businesses supplying the infrastructure sector, with water seeing investment flood in. Renewables will remain a hotbed, alongside fire safety and security, where both products and services are high demand."

John Stephan

Partner
Building Products & Services M&A
BDO UK



Ireland

"Ireland emerged as one of the most active global markets for M&A in the Building Products & Services sector in 2024, with a notable uptick in inbound and outbound deal volumes.

After a slow start to the year, transaction momentum accelerated, culminating in 36 sales of Irish targets and 51 deals by Irish acquirers—both significant increases on 2023 figures.

A marked rise in buy-out activity, including landmark transactions by Waterland Private Equity and Blackstone, reflects renewed investor confidence and the strategic appeal of Irish assets. Cross-border transactions continued to dominate, driven by large corporate serial acquirers such as Kingspan, CRH, Allegion and Grafton.

With macroeconomic conditions expected to stabilise and access to capital improving, the outlook for 2025–26 points to continued strength in M&A, particularly among platform-builders and strategic consolidators eyeing growth in adjacent European markets."

Katharine Byrne

M&A Partner
BDO Ireland





Germany

"The German economy will continue to stagnate in 2025, with GDP growth of just 0.1% anticipated, followed by growth of 1.3% in 2026, according to Deutsches Institut für Wirtschaftsforschung (DIW) forecasts. In the short term, the new US tariff policy and economic uncertainty will weigh on the German economy.

The funds from the additional borrowing capacity are likely to gradually have an expansionary effect going forward. But even more important is the overall coalition agreement, which promises to shift gears and get Germany back on a growth track.

Real construction volume is expected to decline for the fifth year in a row, with 4% estimated for 2024 and 1% decline in 2025, before returning to growth in 2026.

But declines over recent years have created a large gap between construction demand and output.

Infrastructure is ramshackle in many places, many older buildings lack insulation, and the housing crisis in cities has worsened. Political pressure, especially to fix the housing shortage, is increasing.

Higher degressive depreciation on investments in new residential construction, or measures to limit construction cost increases and to speed up related processes, are important for improving the structural investment conditions in residential construction.

However, these measures are not a quick solution to the housing shortage in cities: DIW recommend an emergency program to restart social housing construction.

Deals in the Building Products & Services sector were stable in 2024, with 35 target businesses sold (versus 34 in 2023). There were a good number of deals in energy infrastructure, reflecting investment in the grid and decarbonisation technologies.

German businesses remain highly attractive to overseas acquirers, with 57% of targets sold in cross-border deals. Financial deals also increased in the year, with 20% of activity representing buyouts (12% in 2023)."

Hans-Jürgen Rondorff
M&A Partner
BDO Germany



Sweden

"After a rebound in M&A activity during the fourth quarter of 2023, momentum was expected to continue into 2024. However, macroeconomic challenges persisted which led to lower transaction activity, as evidenced by a 27% decrease in deal volumes by sellers and 11% decrease by buyers in Sweden.

Despite the slower activity, Sweden maintained its position as the world's third-most active M&A market by bidder in the Building Products & Services sector, falling behind only the US and UK. Over the past five years, cross-border deals in Sweden have steadily increased, reaching a ten-year high.

Swedish buyers completed 87 deals as a buyer, with 76% of their total acquisitions coming from abroad, while Swedish companies acted as sellers in only 30 deals.

This pattern demonstrates a growing appetite among Swedish buyers for international diversification.

The sector's landscape is characterized by two distinct groups of active serial acquirers. In the building products segment, ASSA ABLOY, Ahlsell, Atlas Copco and Beijer Ref completed numerous deals throughout 2024.

In contrast, the service-focused segment saw Bravida Holding, Nordic Climate Group and Assemblin executing multiple sector deals during the year.

In 2025, Sweden's construction sector is projected to initiate recovery, with investments expected to increase by approximately 5% following two consecutive years of decline.

This growth is anticipated to be driven by a gradually stabilized economy with lower interest rates and a controlled inflation rate leading to increased demand for investments. Still, several companies' M&A activity is on hold due to factors such as insufficient demand and financial constraints.

Businesses are thus expected to navigate through the ongoing economic uncertainties with caution. Nevertheless, the outlook for M&A activity in the sector in Sweden is positive, considering increased interest in cross-border transactions and growing sentiment for domestic deals."

Claes Nordeback
M&A Partner
BDO Sweden



France

"The French economy grew by 1.1% in 2024 and 1.3% is expected in 2025, with construction activity likely to follow suit. Household spending is driving recovery, but business investment has been deterred by rising interest rates.

Monetary policy has been effective in moderating inflation, which should decrease from 2% in 2024 to 1.8% in 2025. However, difficulties in the housing market persist. New construction is expected to decline by 22.1% in 2024, with the individual housing segment impacted acutely, and apartments faring a little better.

The sector is suffering from a fall in household purchasing power due to high interest rates (despite decreases seen since the start of the year), increasingly expensive property, rising construction costs and a reduction in public support for investment, particularly with a refocusing of the PTZ (prêt à taux zéro) zero-interest loan.

To boost the sector, the government has announced measures including the extension of the PTZ, which is expected to have a major impact on demand. According to the Minister for Housing, this should encourage the construction of 15,000 additional homes in 2025.

The renovation market, meanwhile, is expected to remain on a positive trajectory close to its long-term trend, due in part to the easing of eligibility conditions for the Maprimrénov scheme.

In contrast to residential and non-residential building, civil construction is expected to enjoy positive momentum in 2024—all segments are up, with notable investment in energy and ecological transition.

Roads, the largest segment, will be a major challenge in the coming years, with the end of motorway concessions and the gradual adaptation of towns and cities to new forms of mobility.

In terms of the deal environment, France was the fourth most active country by bidder, completing 49 deals in the Building Products & Services sector. Nearly half the deals were cross-border transactions, with large corporate acquirers ramping up activity again.

Notably, Saint-Gobain was responsible for some of the largest global deals in the year, including the £2.2bn acquisition of buildings material supplier CSR in Australia, and the acquisitions of construction chemicals companies OVNIER in Mexico, for £634m, and Fosroc in United Arab Emirates, for £812m.

There was a significant increase in investor activity in the year with nearly a third of deals representing buyouts, compared with the five-year average of 17%. Reflective of investment in the energy transition, there was plenty of M&A activity in renewable energy, including solar and battery storage systems."

Pascal Marlier
Advisory Partner
BDO France



Netherlands

"Construction activity in the Netherlands has been under pressure, largely due to requirements to decrease emissions and the availability of electricity connections, mainly applicable to commercial real estate. However, construction is starting to pick up again.

Housing demand is expected to remain very strong in coming years, despite sharp rises to building material prices. There is a growing need for housing for first-time and less wealthy buyers.

Interest in the acquisition of Dutch companies in the Building Products & Services sector has picked up again, reaching pre-pandemic levels of activity and attracting more international interest, especially from Scandinavia. Nordic Climate Group, Sweco and Lifco all completed multiple deals in The Netherlands in 2024.

Acquisition demand remains especially strong for companies with a distinguishing focus or specialisation, such as HVAC, or businesses with capabilities using low-impact building.

Private equity investors remain very interested in companies with recurring revenue business models, such as those offering technical servicing and administrative services and/or maintenance for large property owners and housing associations.

Of high interest too are installation companies, where European consolidators keep looking to acquire via buy-and-build-strategies."

Joost Coopmans
M&A Partner
BDO Netherlands

BDO Spain case study

Deal highlights: aluminium interior architecture solutions

Aluminium interior architecture solutions: a sector to watch

Adinor is part of a growing market driven by the demand for more sustainable products. Aluminium emerges as one of the big winners due to its high recyclability without loss of properties, together with the wide flexibility of solutions it offers.

In addition, these are value-added products demanded in different end markets (such as residential, hotel, retail and healthcare), both for new construction and rehabilitation, generating resilience to market cyclicity thanks to diversification.

There have been a good number of deals by industrials companies (Jupiter Aluminum acquisition of Aludium) and private equity-backed players (with ICG and Astorg portfolio companies entering the Spanish market) demonstrating exit opportunities.

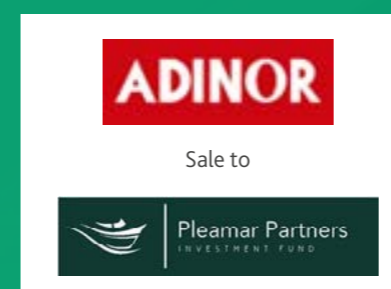
ASSA ABLOY has also been active in the sector, acquiring Senior Architectural Systems, a supplier of aluminium windows, doors and curtain wall systems.

Benefits driving growth

- ▶ Opportunity to expand internationally with high value-added products
- ▶ Bespoke solutions according to customer requirements
- ▶ Flexibility to adapt for new market trends
- ▶ Suitable for a wide variety of sectors
- ▶ Low environmental footprint.

BDO Spain case study

Sale of Adinor to Pleamar Partners



BDO Spain senior team involved in this transaction

Juan Vega De Seoane
Partner

Fernando Ibañez
Senior Manager

The transaction

- ▶ BDO Spain served as exclusive financial advisor to Adinor on its sale to Pleamar Partners.

Company background

- ▶ Adinor is a leading Valladolid company, specialised in manufacturing aluminium profiles for architectural solutions, which designs and markets its own products. Key end markets include furniture, carpentry and DIY sectors, with indoor solutions being its specialisation.

The transaction process

- ▶ BDO was selected to pitch for the sale mandate due to sector expertise and buyer intelligence. The shareholder of Adinor, founded by his father, had developed the business from a small business to a leading independent company in Spain and started international expansion to South America and the US.

Successful outcome

- ▶ The business was sold to Pleamar Partners, a Spanish search fund led by a team with a background in the architecture and construction sector.

"The advisory services received during all stages of the process from BDO were crucial to complete the transaction. The involvement of the team led by Juan Vega and his knowledge of the sector made it possible to generate opportunities with first-class investors.

The process, on many occasions, was challenging, with ups and downs and at times quite tense, but we have been able to overcome this thanks to the availability, involvement and collaboration of the entire BDO team, and specifically of Fernando Ibañez, specialist in building products, with whom I have shared many hours.

He was a fundamental pillar for the successful closing of the deal. I am very clear that if I had to do another process again, the company to hire would be BDO."

Guillermo Muñoz
Founder and Shareholder
Adinor

Rest of world M&A

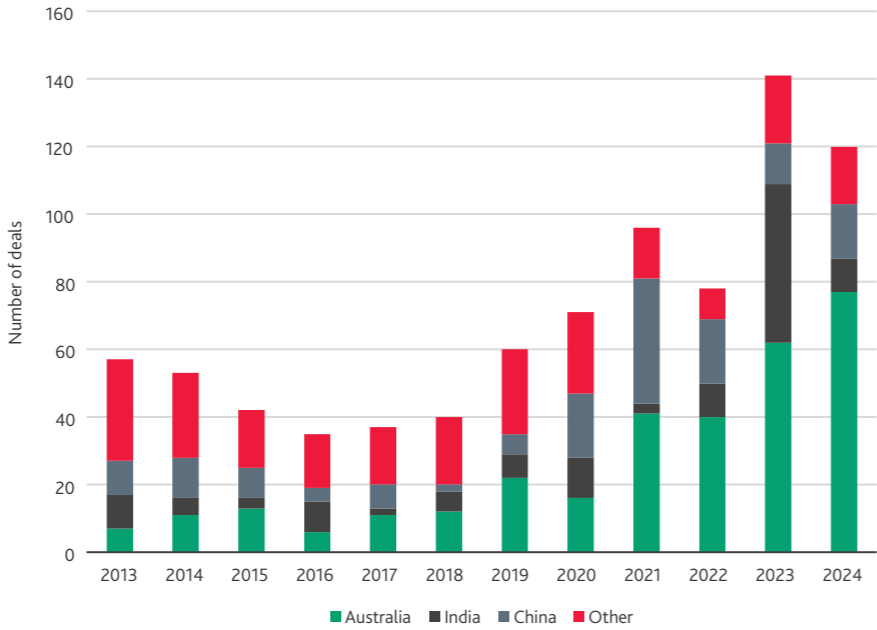
Deals trend remains strong in rest of the world

Having reached record levels in 2023, overall deal volumes outside Europe and North America subsided a little in 2024.

But the overall trend remains strong, with many transactions underpinned by government spend initiatives in Australia, China and India.

Australia saw the most activity in the region, with strong year-on-year step changes since 2022. Deal volumes in Australia rose by 24% in 2024, making it the third most active global market for deals in the year after the US and the UK.

Rest of the world deal volumes



Note: figures outside Australia likely understated
Source: Experian MarketIQ, BDO analysis

Master Builders Australia (MBA) opinion

Building and construction is one of the largest sectors in Australia. Figures from the Australian Bureau of Statistics indicate that the total value of building and construction work done over the year to June 2023 totalled AU\$269.7bn in value, equivalent to 10.5% of GDP.

Government has set a target of building 1.2 million homes in five years, but construction is falling behind due to labour and materials shortages, slow and complex planning processes and high interest rates.

Over the last five years, building costs have soared by 44%. While the cost of materials has been the primary driver, further complex challenges have come to the fore, including declining productivity, blown out build times, red tape and rising business costs.

Chronic labour shortages are a further challenge, with construction one of the worst hit sectors. The MBA is calling for Australia's convoluted, costly and inefficient overseas skills recognition process to be overhauled to allow more skilled migrants already in Australia to work in the construction industry.

Federal Budget measures target construction workforce shortages and productivity challenges in Australia

The Australian Government's 2025–26 Federal Budget has introduced several measures aimed at enhancing productivity in housing construction:

- ▶ **National Productivity Fund:** An allocation of \$900m has been announced to incentivise states and territories to implement reforms that promote competition and efficiency. Notably, \$120m is designated to encourage the adoption of modern construction methods by reducing regulatory barriers
- ▶ **Investment in prefabricated and modular housing:** A commitment of \$49.3m has been made to assist state and territory governments in developing programs that promote prefabricated and modular home construction, which can significantly reduce building times
- ▶ **National certification for offsite construction:** An investment of \$4.7m will help develop a voluntary national certification process for offsite construction, aiming to streamline approvals while ensuring high-quality standards
- ▶ **National licensing for electrical trades:** The Government will work with states, territories, businesses and unions to design a national licensing scheme for electrical trades people. This will improve matching of workers to jobs, and improve productivity as a result.

Critical workforce shortages also threaten housing supply objectives, as the Housing Industry Association estimates that an additional 83,000 skilled workers are required to meet the government's housing target. Recently announced initiatives include:

- ▶ **Increased apprentice incentives:** The maximum incentive payments for eligible housing construction apprentices will be doubled from \$5,000 to \$10,000, effective 1 July 2025, to attract and retain talent in the industry
- ▶ **Priority Hiring Incentives for employers:** Employers hiring apprentices in key trades may be eligible for up to \$5,000 through a Priority Hiring Incentive, encouraging businesses to invest in training new talent. The budget includes funding to extend this scheme for an additional six months until December 2025.

The Budget didn't take action towards accessing more workers from overseas or improving skills recognition to make migrants productive more quickly.

With the infrastructure and housing construction pipeline, alongside expected increases in defence spending that will compete for many of the same skills, more action to access overseas workers would be welcome.

Land release is also a key constraint on housing construction, and action is needed from State Governments to enable improvements.

Read more opinion from our BDO Australia construction team [here](#).



Australia

"Notwithstanding persistent inflation and interest rates remaining at their highest levels in the past decade, the underlying tailwinds of anticipated government infrastructure spending and a strong long-term housing outlook have helped sustain robust M&A activity in Australia's Building Products & Services sector in 2024.

Construction materials and aggregates was the standout sub-sector. Deal activity was dominated by strategic acquirers, with overseas buyers capitalising on a weaker Australian dollar and seeking exposure to the Australian sector's strong long-term fundamentals alongside domestic buyers.

Key M&A trends included:

► **Vertical integration and consolidation:** Acquirers have been expanding upstream and downstream. CRH's AU\$2.2bn takeover of Adbri, which completed in 2024, instantly granted the Irish firm a major stake in Australia's cement and lime market—and was followed by its AU\$500m acquisition of Civilmart Group, a leading precast concrete products manufacturer.

► Together, these deals illustrate a theme of global players building an end-to-end materials platform, from cement production to concrete products, to supply Australia's construction boom.

► **Privatisations and corporate carve-outs:** 2024 was a landmark year for take-privates in Australia, with the AU\$10.6bn combined exit of longstanding ASX-listed heritage building materials brands CSR, Boral and Adbri from the ASX. These exits reflect a decisive shift as investors opted to secure cash returns amid cyclical uncertainty.

Concurrently, as interest rates rose and companies refocused on core operations, many conglomerates and multinationals shed non-core divisions, creating fertile ground for buyouts. A notable example is New Zealand's Fletcher Building selling its Australian Tradelink plumbing supplies chain for roughly AU\$170m to Metals Manufacturers (Blackfriars Corp), marking a major carveout deal in the plumbing subsector.

► **Technological adoption and digital integration:** North American software investors have shown a strong appetite for Australian companies offering construction software solutions. This trend is exemplified by Riverwood Capital's AU\$105m investment into HammerTech (which sells construction safety and compliance software), JDM Technology Group's acquisition of Buildlogic (construction management software) and Valsoft's acquisition of Buildsoft (construction estimating software).

These acquisitions have been sought for acquiring a foothold into the Asia Pacific region and expanding growth of these construction software solutions globally.

With near-term improvements in construction activity, interest rates forecast to reduce and long-term tailwinds including robust infrastructure spending and 1.2 million new homes to be built over the next five years as part of the National Housing Accord, the sector is positioned for growth and ongoing M&A activity."

Andrew McFarlane
M&A Partner
BDO Australia



India

"India's Building Products & Services industry continues to experience remarkable growth, positioning itself as one of the most dynamic markets in the global construction and infrastructure sectors.

With the construction sector projected to cross US\$1tn and secure its position among the world's top three markets by 2030, demand for core and advanced building materials is surging.

The sector's growth is largely driven by key investments in infrastructure, affordable housing and urbanisation, with government initiatives such as Housing for All and PM Gati Shakti fuelling demand for building materials and products.

The ongoing push towards green building practices and eco-friendly solutions will also lead to a surge in demand for sustainable building materials, aligning with global trends towards carbon-neutral construction.

Additionally, production-linked incentive schemes continue to boost manufacturing, strengthening local production capacities in cement, steel and other core building products.

The industry is also witnessing a shift towards digital solutions and sustainable practices, with concepts such as modular construction, green building materials and digital tools becoming more prevalent.

Despite these positive trends, the industry faces challenges such as labour shortages, cost inflation and supply chain issues, which will need to be addressed to ensure sustained growth.

Overall, FY2026 is expected to be a promising year for the Building Products & Services industry in India, with growth driven by government investments, technological advancements and a focus on sustainability.

This will also lead to a significant rise in mid-market M&A, with global players entering to participate in the vast opportunities in the India market."

Maulik Sanghavi
Partner
BDO India



China

"In 2024, the Chinese government implemented a series of measures to revitalise the real estate sector and restore homebuyer confidence, lowering down payment ratios and reducing provident fund mortgage interest rates.

Major first- and second-tier cities such as Beijing, Shanghai, Guangzhou and Shenzhen eased home purchase restrictions and mortgage policies. In addition, the government accelerated the redevelopment of urban villages and the renovation of aged housing.

The shift from deregulation to stimulate China's property sector stabilised the housing market in the fourth quarter of 2024, with secondary housing transactions reaching record highs and new home sales returning to growth.

Looking ahead to 2025, the policy environment is expected to remain optimistic, with further measures to encourage steady and healthy development. As a result, China's Building Products & Services market is poised for a stable recovery."

Kenneth Wong
Advisory Partner
BDO China

BDO Australia case study

Deal highlights: indoor air quality systems

BDO Australia case study

Acquisition of Fantech Australasia by Volution



Sale to



BDO Australia senior team involved in this transaction

Greg Ellis
Deal Advisory, Partner

Avkash Patani
Deal Advisory, Director

David Blake
Corporate & International Tax (Australia), Partner

Catherine Jones
Tax (UK), Partner

The transaction

- ▶ BDO provided Volution with financial and tax due diligence and tax structuring assistance for its acquisition of Fantech Group in Australia from the owners of UK-based Elta Group Ltd.

Company background

- ▶ Volution Group plc is FTSE 250 listed and a leading international designer and manufacturer of energy-efficient indoor air quality systems, with brands across the UK, Australasia and continental Europe
- ▶ Fantech Group is a leading provider of commercial and residential ventilation in Australia and commercial ventilation systems in New Zealand. The company has 13 manufacturing, warehouse and sales locations across Australia and New Zealand, and more than 350 employees.

The transaction process

- ▶ Volution was already a tax client, with a long-standing advisory relationship with BDO UK. Volution reached out for support from BDO Australia with the financial and tax due diligence in Australia and New Zealand, and co-ordinated tax structuring support from BDO UK and BDO Australia.

Successful outcome

- ▶ The acquisition was completed at the end of November 2024 for a total consideration of AU\$280m (\$220m paid on completion and \$60m deferred for 12 months)
- ▶ The acquisition has strengthened Volution's presence and market position in the Australasian region by leveraging Fantech's well-known and market-leading brands, extending the group's reach into new end-market applications with a strong focus on the commercial sector.

BDO advisory services

Delivering service that exceeds expectations

The BDO brand is about exceptional client service delivered by empowered people.

Nothing is more important to us than our clients.

Our aim is to be the market leader for service delivery in our profession, with a brand that stands for quality, service and exceeding client expectations.



No 1 Global financial advisor

- ▶ 2,500 corporate finance professionals globally
- ▶ We are global leaders in the M&A market, focused on maximizing value for our clients
- ▶ We are proud of our broad and deep sector experience, which drives demonstrable results.

Integrated advisory services

M&A – Strategy – Commercial due diligence – Growth advisory – Financial modelling – Value creation services – Transaction services – Fundraising – Debt advisory – Acquisition search – Plc advisory – Private equity advisory – Turnaround services – Sustainability & ESG consulting – R&D tax services – Supply chain consulting and much more.



Business voices

The BDO team demonstrated a high level of professionalism and were a pleasure to work with throughout the process. They identified and engaged the right buyers for this asset, ultimately delivering a positive outcome.

The transaction was managed efficiently and in accordance with the planned timeline, with the team showing agility in addressing any challenges that emerged. We would welcome the opportunity to work with them again.

Ben Griffiths

Corporate Development Director, Hill & Smith PLC on sale of Parking Facilities to Stretton Investments



Business voices

As an established and successful Business, the consideration of our board and shareholders on how and where to look at exit options was in itself made easy by our initial contact with BDO.

They offered a truly consultative, informative and non-pressured outline on possibilities followed by meeting the highly experienced team who guided us from concepts to forming a planned way forward to suit what we wanted to achieve.

Throughout each stage, the communication and information flow was just faultless and the team's negotiation abilities with potential targets is second to none. Our journey from exit consideration to completion was given unconditional sensitivity, support and in-depth explanations through due process.

In our collective opinion BDO were not only the right choice but would suggest they are the only choice for any company looking for detailed exit options.

Sean Ballard

Group Managing Director, Sunray Engineering Group on sale to ASSA ABLOY



Business voices

A fabulous process driven with intelligence and tenacity. The BDO M&A team were fantastic and understood our requirements, the business and the market. An excellent result for the shareholders and the business. We would highly recommend BDO to anyone considering a sale.

The BDO Transaction Services team were integral to the success of the transaction. Their sector expertise and collaboration with other advisors ensured a seamless and high-quality process.

Their use of data analytics in analysing the commercial and financial aspects of our asset fleet was both thorough and insightful and clearly highlighted the key value drivers of our business. We would recommend BDO's services to anyone embarking on a deal process.

David Timmins and Paul Jones

Shareholders, Genair UK on sale to STAR Capital

BDO IS RANKED **NO.1** GLOBAL FINANCIAL ADVISOR
(Factset league tables, 2022, 2023 & 2024)

THE BDO BUILDING PRODUCTS & SERVICES TEAM HAS COMPLETED MORE THAN 1,000 DEALS IN THE LAST FIVE YEARS

Serving beyond expectations:
A review of our recent deals

Quality
advice where
it matters

Here are just a few Building
Product & Services corporate
finance deals where we have
advised our clients in the last year.

BDO COMPLETED
243 DEALS IN THE
SECTOR IN **2024**

ADVISOR ON MORE
THAN **1,000** SECTOR
TRANSACTIONS
IN THE LAST **5** YEARS

Manufacturing	<div>Sale of Parking Facilities by Hill & Smith to Stretton Investments</div> <div>Industrial gates, barriers and pedestrian turnstiles</div> <div></div>	<div>Acquisition of SkyGarden by Genuit Group</div> <div>Green roofs, sedum roofs and eco roofs</div> <div></div>	<div>Investment in IDSL and FDIS by LDC</div> <div>Performance door sets and fire door inspection and maintenance</div> <div></div>
	<div>Acquisition of Dust Free by CSW Industrials</div> <div>Patented indoor air quality and HVAC solutions</div> <div></div>	<div>Acquisition of Fantech Australasia by Volution</div> <div>Commercial and residential ventilation solutions</div> <div></div>	<div>Acquisition of Dorcas by Allegion</div> <div>Electromechanical access control systems</div> <div></div>
	<div>Acquisition of Klein Iberica by Hawa Sliding Solutions</div> <div>Sliding and folding door systems</div> <div></div>	<div>Acquisition of Tekken by Wienerberger</div> <div>Supplier of pumping stations</div> <div></div>	<div>Acquisition of BEG by DMG Group</div> <div>Electronic solutions for elevators</div> <div></div>
Distribution	<div>Merger of Hawthorn Timber with Cheshire Mouldings & Woodturnings to form Summit Timber Group</div> <div>Panel products, machined softwoods, mouldings, decking and joinery timbers</div> <div></div>	<div>Acquisition of D-Line (Europe) by Luceco</div> <div>Cable management products</div> <div></div>	<div>Acquisition of The Deck Superstore by ITOCHU Building Products</div> <div>Decking and railing products</div> <div></div>
	<div>Investment in Deltron Lifts by LDC</div> <div>Maintenance and repair of elevators, service lifts and stairlifts</div> <div></div>	<div>Acquisition of CHPK Group by Celnor Group (Inflexion)</div> <div>Building control inspection services</div> <div></div>	<div>Acquisition of IMS Heat Pumps by Hometree</div> <div>Installation of heat pumps and ancillary systems</div> <div></div>
Services	<div>Sale of JFW Renewables to NRG Panel (Melior Private Equity)</div> <div>Solar PV, battery and EV charging services</div> <div></div>	<div>Majority acquisition of CNC Recycling by Corec Metaal Recycling</div> <div>UPVC window recycling services</div> <div></div>	<div>Acquisition of Capitol Elevator Company by KONE</div> <div>Elevator installation</div> <div></div>

<div>Sale of Boss Door Controls to Allegion</div> <div>Door control solutions and architectural ironmongery solutions</div> <div></div>	<div>Acquisition of AFI Solutions by WAGNER Group</div> <div>Fire protection systems</div> <div></div>	<div>Sale of Adinor to Arada Capital and Pleamar Partners</div> <div>Aluminium profiling systems</div> <div></div>	<div>MBO of National Floorcoverings, backed by Nimbus</div> <div>Carpets, flooring and tiles</div> <div></div>	<div>Sale of Naparo Klima Dämmstoff to STRABAG</div> <div>Sustainable facade insulation panels</div> <div></div>
<div>Acquisition of Reginald Hogg by FPM Quarries</div> <div>Manufacturer of concrete products</div> <div></div>	<div>Sale of O'Dwyer Steel to Glankos (John Stokes)</div> <div>Structural steel and cladding systems</div> <div></div>	<div>Acquisition of Panolam Industries by ITOCHU Building Products</div> <div>Integrated surface solutions</div> <div></div>	<div>Acquisition of Forest Product Sales and US Vinyl Fence by ITOCHU Building Products</div> <div>Fencing, decking, railing and lumber products</div> <div></div>	<div>Acquisition of Regiplast by OLI</div> <div>Bathroom brands</div> <div></div>
<div>Acquisition of Betonárna Lesonice by Wienerberger</div> <div>Concrete pavement manufacturer</div> <div></div>	<div>Acquisition of Wire Industries by Bestbar</div> <div>Steel reinforcing bar and mesh</div> <div></div>	<div>Acquisition of D&V Serramenti and Diquigiovanni by Sciuker Frames</div> <div>PVC and aluminium window and door frames</div> <div></div>	<div>Sale of Octopus Products to Wilsonart</div> <div>Engineered surfaces and laminates</div> <div></div>	<div>Sale of vanBaerle Group to PQ Corporation</div> <div>Silicates for construction industry</div> <div></div>
<div>Acquisition of UNI-HER by Grupo DAW</div> <div>Distributor of paints, enamels and construction coatings</div> <div></div>	<div>Acquisition of Diehl Group by Apleona</div> <div>Supplier of technical building equipment</div> <div></div>	<div>Investment in Hammer & Steel by Argonaut Private Equity</div> <div>Supplier of foundation drilling and pile driving equipment</div> <div></div>	<div>Sale of ISOPLUS Group from Egeria to Viessmann</div> <div>Pre-insulated piping systems</div> <div></div>	<div>Sale of Taksenteret to Areco Group</div> <div>Roofing and sheet metal products</div> <div></div>
<div>Acquisition of The Little Green Energy Company by Hometree</div> <div>Installation of solar panels, batteries and electric vehicle charging stations</div> <div></div>	<div>MBO of TFR Waterproofing</div> <div>Flat roofing specialist</div> <div></div>	<div>Acquisition of Optosafe Ireland by Orbis Protect</div> <div>Monitoring and installation of security and access management solutions</div> <div></div>	<div>Sale of Energima Gruppen to Procuritas Capital Investors</div> <div>Climate and energy efficiency services</div> <div></div>	<div>Acquisition of ZB by Mobil in Time Group</div> <div>Rental of HVAC solutions</div> <div></div>
<div>Investment in ACCESSOL by Credit Mutual Equity</div> <div>Expansive resin injection services</div> <div></div>	<div>Acquisition of four businesses by Konstel (Nimlas Group)</div> <div>Electrical and heat pump installation</div> <div></div>	<div>Acquisition of four businesses by Hobbs & Associates</div> <div>HVAC Services</div> <div></div>	<div>Acquisition of two air conditioning contractors by Nordic Climate Group</div> <div>Air conditioning contractors</div> <div></div>	<div>Acquisition of Etanchéité du Sud Ouest by QL Clean</div> <div>Waterproofing, cladding and building envelope services</div> <div></div>

Experts in the sector:
Your UK and international team

Delivering sector insight and thought leadership

Our Building Products & Services team was established to work with leading midmarket privately owned businesses, private equity firms and corporates that, like us, believe strongly in the opportunities available in the sector.

With deep expertise in the sector, we understand company strategy, market and commercial drivers, and have advised entrepreneurs, investors and portfolio companies across all stages of the investment lifecycle.

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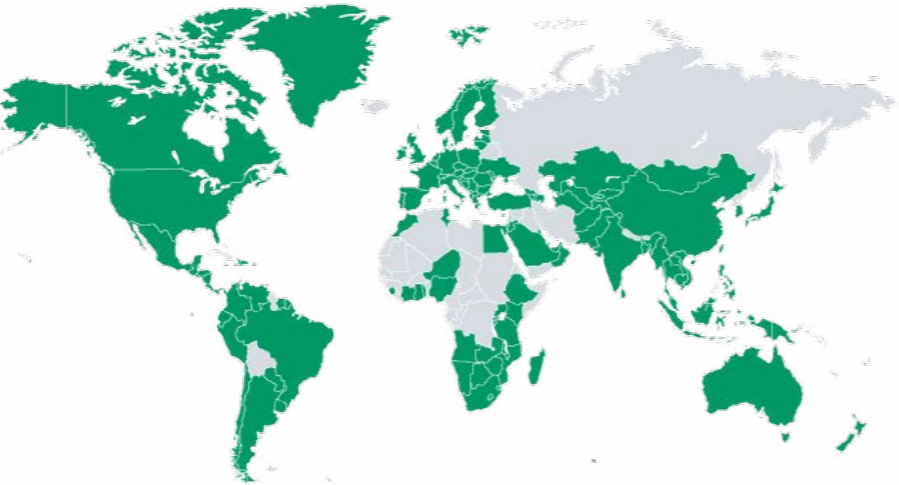
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BDO Global Deal Advisory 2024



Global Deal Advisory



1,752
Completed
deals in 2024

42 % Private Equity
deal involvement

23 % of our deals are
Cross border

* 1st Financial Advisor Globally – Factset league tables 2024
1st most active Advisor & Accountant Globally – Pitchbook league tables 2024
2nd leading Financial Due Diligence provider Globally – MergerMarket global accountant rankings 2024

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professionals

BDO



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