M&A OUTLOOK REPORT 2026

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RED SWAN

BUYER RANKING

TIC+

Testing, Inspection, Certification and Beyond

This report equips sellers and investors with the key insights needed to navigate the evolving TIC+ landscape.

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Note: Analysis in this report relates to numbers of deals, not value of deals.

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TIC+ M&A

By Talal Yousef
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Last year wasn't just another year of M&A deals; it was a total reset of the TIC+ landscape. This report explores the key themes that shaped the sector:

- Why both SGS-BV and Element mega-deals collapsed – and what this signals for TIC+ consolidation strategy
- How "sympathetic integration" is reshaping PE-backed platforms and the valuation paradox it creates
- European acquirers aren't just looking at the US; they are fighting for it, even with the "tantrums" of tariff uncertainty hanging over their heads.
- The majors are aggressively carving out non-core units (like BV's food division) to fix margins and reduce debt mountains.

MARKET OVERVIEW

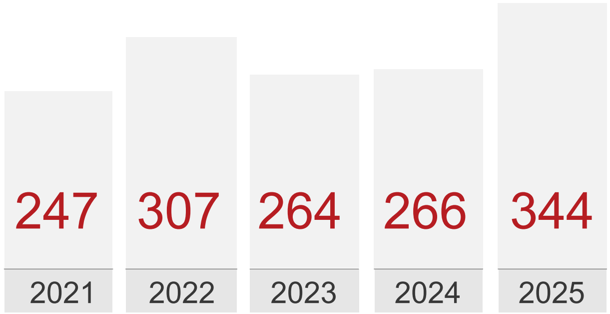
= Eurofins	+1 Phenna	+6 SGS
= Celnor	-3 Trescal	

TOP 5 in TIC+ Buyers Ranking

TIC+ ASB Rank Movement

Full list on page 14

2025 was a truly tumultuous year, with superpowers on manoeuvres and alliances formed and then broken, leading to a change in the previously accepted world order. Developing regional powers vied for opportunities in the chaos and focused on expansionist strategies. This led to new areas of conflict, albeit with all eyes remaining focused on North America, where the major events of the year took place. There was frantic scrambling to predict the cosmic implications of AI and who would first capitalise on it, all while financiers continued to invest increasing funds, ballooning market valuations……and this was just in the TIC+ market.



Number of M&A Deals in TIC+ Comparison

While the TIC+ sector saw unprecedented M&A activity in 2025, it was the Clash of the TIC+ Titans which drew most attention and which will undoubtedly change the future TIC+ market.

Clash of the Titans

No sooner had the market players come off the blocks with an uptick in activity, when the TIC+ Titans surprised the market with mega-merger fever.
In January was SGS' merger discussions with Bureau Veritas ("BV"). Unfortunately, the SGS/BV merger news resulted from a leak, throwing the discussions into disarray. Since they were unprepared to defend their full investment case, this prompted market analysts to pile in with their own head-scratching over how a deal value of this scale (+EUR 30bn) made sense.

Market consensus has long accepted the consolidation of TIC+ platforms as the engine room of the sector's superior growth. The SGS–BV merger, however, represented the combination of what were already large, broad-based, global, and largely similar integrated businesses. What could be the additional substantial cross-sales opportunities? While some slim pickings existed for cost synergies of duplicated group central costs, the holy grail of material cost synergies involved more complex and challenging widespread laboratory consolidation, which typically involves major long-term disruption (internally and externally).

Not unexpectedly, the deal was soon abandoned, citing technical difficulties around governance, the location of headquarters, synergies, and plans for the companies' key divisions, rather than any perceived admission of the weakness of the merger strategy itself.

Just as the TIC+ market was recovering from what would have otherwise been a seismic shift in TIC+'s competitor dynamics, March brought rumours that Temasek was considering the sale of Element Materials Technology. Temasek (Singapore's sovereign wealth fund) had acquired Element in 2022 from Bridgepoint in what remains to date the largest TIC+ buyout at US$7bn (x18 multiple). With +US$3bn of new debt being taken on, and with interest rates on the rise, the dynamics of such a scale transaction required the business to deliver its growth plan. After encountering some operational headwinds, Element's disposal of select assets, reportedly to prune its broad portfolio and refocus, was clearly also aimed at reducing its debt mountain. The timing of Temasek's decision was unexpected, given that they are fundamentally a long-term investor, and given that such a deal was out of the value range of most financial sponsors. It is understood that a book was opened with a select group of listed TIC+ majors, rumoured to be SGS, BV, Intertek, and UL, but talks soon foundered.

Mega-deals might be on ice for now, but the pressure to exit hasn't gone anywhere – it's just building up behind the scenes.

TIC's Pandora box - once opened never to be closed!

What are the learnings from the poor outcomes of these two mega-mergers, and what are the implications for future competitor dynamics in the TIC+ market? In both cases, the deals were driven by major shareholders' desires to exit their current positions and relied on the economics of scale deal synergies in such mergers to facilitate this. What is certain is that the motivation of the former will not subside, and therefore it is reliant on the latter to calibrate a suitable merger combination which makes commercial sense. At Red Swan, we're seeing this as the opening of a Pandora's box and, once opened, never to be closed. With major shareholders of SGS, BV, and Element desiring future exit options, we can be confident that such merger talks have not vanished but will continue to ferment in private. Such bold moves will, in turn, promote strategic thinking, or perhaps just create FOMO (Fear of Missing Out) in other scale players about what potential combinations could make sense and deliver a unique market position, no doubt to the glee of the investment banking community.

Portfolio Pruning!

Perhaps an inevitable consequence of the merger talks has been the doubling down on portfolio management. Thus, divisional carve-outs are now all the rage to remove unwelcome non-core or simply non-performing assets, which are dragging margins down. BV started with the sale of its food division to Mérieux NutriSciences (regulatory clearance achieved during 2025, which made Mérieux #2 in Food TIC+ right after Eurofins), and is currently in a process to carve out its OGC, or fuel testing, division, before the likely divestment of its Agri-Foods division. Element, while failing to be sold outright and having been viewed as "chunky", may alternatively continue to off-load some of its less core divisions, thereby further reducing debt and improving the focus of its platform for future exit discussions. Despite SGS pulling out from the disposal of its 2024 AgroScience business to Eurofins, there remain plenty of opportunities to prune and refocus its business. Applus+, now back under PE ownership after an unhappy public listing, will likely consider carving out its Vehicle Inspection division as part of its restructuring. Indeed, even Eurofins, which is considered one of the most focused TIC+ players, playing predominantly in Life Sciences, has stated that non-core disposals may be on the future table to further reduce its leverage ratio.

Such TIC+ carve-outs will therefore add an additional layer of deals onto the traditional conveyor belt of bolt-on consolidation in what remains a fragmented market. Indeed, such carve-outs may well result in TIC+ majors trading with each other in line with the "best owner" strategy. However, it also provides a new opportunity for PE to buy into a ready-made TIC+ platform, which will usually have both scale and global coverage, and whose subsequent buy-and-build strategy will further increase the competitive landscape.

Portfolio pruning could have two effects. Firstly, it could result in TIC+ players being more focused, with potentially higher-margined businesses, as theory suggests. With less likely overlap and clearer complementary capabilities with a future merger partner, this should aid the understanding of the merits of future combinations. Secondly, such focused organisations might become more susceptible to downturns in key markets, for example for political reasons such as tariffs or boycotts, creating less resilient platforms. Who can forecast the flow of things? Apart from this, history tells us that the ultimate challenge of any scale merger deal is managing the egos of the respective leadership in determining the shape of the jigsaw. For that, regrettably, there appears to be no immediate remedy.

> Major TIC+ players (BV, Element, SGS, Applus+, Eurofins) are actively divesting non-core divisions. These carve-outs create new acquisition opportunities for PE and mid-tier platforms seeking ready-made scale.

Smaller platforms are still fetching huge premiums because they've got plenty of room left to play the bolt-on game at single-digit multiples.

Valuation and the inverse size/value paradox

The increasing influx of PE continues to support high double-digit multiple valuations for platform TIC+ businesses. This remains stubbornly at odds with the low double-digit valuations of the listed TIC+ Titans (albeit if they ever attempted to delist, the required premium might well result in similar valuations). This does not necessarily represent a valuation anomaly in the "efficient" stock market, but perhaps reflects the increasing competitive tension amongst financial sponsors (and, on occasion, the odd strategic — see SGS's acquisition of ATS), who are able to stretch both their financial modelling and investment timeline to make such premium valuations work.

One important lever in such modelling is where the business sits in its lifecycle, and the degree to which the financial sponsor needs to commit to integrating the platform versus the more tried and tested roll-up of lower-multiple bolt-on deals, to deliver a return.

Change in integration philosophies

The approach to integration has evolved significantly since the early days of PE investing, first with Charterhouse acquiring Intertek (nearly 30 years ago!), then later with CDR acquiring Exova (subsequently acquired by Element), Carlyle acquiring Applus, and 3i acquiring Element. The driver of these PE investments was to replicate the success of the larger listed established players (SGS and BV being the traditional #1 and #2, respectively). These have demonstrated the strong value fundamentals of TIC+, which, as well as turbo-charged M&A expansion in a highly fragmented TIC+ market, highlighted the significant operational synergies achieved through fully integrating acquisitions into the core business and brand.

Eurofins struck out alone with an alternative strategy, with its acquisitions being "on-boarded" into an entrepreneurial network with greater operational autonomy, albeit still with some fully integrated central systems and services. This lack of "full-blown" integration helped facilitate Eurofins' rapid scaling through M&A to its current #2 TIC+ market position. As PE money started to flood the zone, it was not surprising that former leadership from the major TIC+ players (no doubt nursing painful scars!) adopted an altogether more relaxed approach to integration to better fulfil their aggressive buy-and-build strategy.
Examples include Kiwa (ex-SGS, BSI, and Intertek leaders), Tentamus (ex-Intertek leaders), GBA (ex-SGS leaders), and later Phenna (ex-Exova and BV leaders). The success of these sponsor-led buy-and-build platforms was emulated by copycats in the EU (i.e. Normec, Sansidor, and Certania) and the US (Applied Technical Services and Alliance Technical Group). More recently, this has nurtured more extreme versions of the integration-lite strategy, such as UK-based Celnor, which has built a relatively loose federation by successfully gorging on its chosen fragmented sector with nearly 40 deals in three years.

Sympathetic integration

While this PE-driven approach with minimal post-merger integration ("PMI"), often termed "sympathetic" integration, now has a proven track record of quickly delivering scale, it ultimately faces limitations as the platform grows. This is typically managed by way of repeated step-changes in the introduction of management layers and some more centralised control to provide the necessary infrastructure to deliver its next growth phase.

PE-backed platforms have shifted from full integration to “sympathetic integration” preserving acquired company autonomy. While this accelerates deal-making, scaling eventually requires management layers and centralized systems, ironically recreating the overheads these models sought to avoid.

It is ironic that the effect of the costs of integration and standardisation on margin (as overheads, ERP, and IT are added) is, of course, the irritating consequence these PE platforms originally set out to avoid. Usually, however, there is something of an inevitability about it. On the plus side, the targeted endgame is a more fully integrated model. With a unified brand, it is supposed to drive sales and cost synergies from existing and future acquisitions as a means of differentiation from non-integrated competitors, just as the listed TIC+ players have achieved… or so they would have us believe!

Integration circle of life

It is therefore this circle of life which, in part, leads to this “inverse size/value paradox”, where smaller platforms are sometimes able to command a higher multiple value than their larger counterparts. The reasons are their higher relative growth potential, and usually higher margins due to being lean and the absence of sluggish PMI structures. This is best exhibited in the successful buy-and-build platforms of Tentamus and Phenna in 2021/22, which each enjoyed high double-digit EBITDA multiples in their second-round investment, allowing the original PE investors to realise their gains.

To make the dynamics of multiple leverage work, the secondary PE buyer will have justified the expensive multiple based on the economics of the higher rate of relative growth and by aggressive bolt-on acquisitions at a far lower multiple. Interestingly, this will enable them to still deliver an attractive return despite exiting at a lower multiple than they bought in at. This partly explains the popularity of so-called “continuation funds” as well.

Secondary sponsors will have to carefully gauge their investment in central overheads and heavier internal systems, commensurate with growth aspirations and agility in operations and commercialisation. Such decisions will push the needle further along the integration spectrum to deliver some compensatory synergy releases. Sometimes, this integration strategy needs to show restraint to leave enough skin on the bones, both safeguarding stability for the rapidly expanding TIC+ organisation and supporting value creation for the next round of sponsors, particularly given that this will often include the current management.

As platforms mature through PE cycles, they add integration layers and valuations naturally compress toward listed-player levels. Element’s x18 entry multiple vs. current market realities illustrates this challenge.

It is this successive scaling and maturing of the platform over successive PE rounds which will ultimately see the valuation multiple migrate from the high teens to the low teens shared by the established listed TIC+ players. This perhaps is the dilemma faced by Element, which Bridgepoint exited at an x18 multiple. Temasek has since struggled to find a buyer. While perhaps a testament to this paradox, it also demonstrates the effect of a reduced buyer universe as the platform gets larger, ultimately having consequences for competitive tension. This is unlikely to dissuade investment activity in TIC+, since the continued presence of mid- to large-cap PE firms hungry for TIC+ assets means valuations on developing TIC+ buy-and-build platforms have strong support to remain high for the foreseeable future.

Despite unprecedented economic and geopolitical turbulence, TIC+ sector M&A has demonstrated remarkable resilience. The U.S. market, especially in areas like cybersecurity, and AI-driven services,, remains a key battleground for European acquirers. “America First” policies may accelerate reshoring, creating further growth opportunities for domestic testing providers.

Tariffs & Tantrums

2025 brought a period of unprecedented economic, geopolitical, and technological uncertainty, creating a world that is moving faster with increased complexity. The significant TIC+ players had targeted significant investment in North America, with the two largest 2025 deals indeed being in the US, with SGS acquiring Applied Technical Services and Blackstone acquiring Alliance Technical Group. However, the expected glut of deals was not as pronounced as it perhaps could have been. Buyers had understandable hesitation as to what the swinging pendulum of tariff charges and economic implications meant for US investment, particularly for those TIC+ services connected to tariff-laden products. Having now lived through a year of such tantrums, the markets are now inured to these potential threats. TIC+ interest in the US has continued unabated, and buyers are now resigned to the current confusion as being merely the new normal.

One interesting consequence of tariff uncertainty on products is the recognition that certain TIC+ services can be largely impervious to such shockwaves. Indeed, sponsors are increasingly recognising the strong market attributes and limited downside risk of certification and calibration businesses, which deliver an attractive annuity business model with their customers. Such certification and calibration players are being regarded with renewed fervour, evidenced by deals such as Bridgepoint’s aggressive acquisition of NMi in a highly competitive process, and Kiwa’s acquisition of Element’s NQA.

This new appreciation of this model will likely help a future investor into LRQA. Having been acquired in 2021 by Goldman Sachs Asset Management, LRQA has restructured the business and actively bulked up with nine acquisitions in the last two years. Similar strategies were followed by Foodchain ID, owned by Berkshire Partners since 2020, and Lucion, owned by Palatine since 2019. It may also accelerate the exit of similar PE platforms such as Trescal (EQT 2022), Amtivo (Charterhouse 2022), Accredited Labs (Incline Equity Partners 2023), and Alcumus (Apax 2022).

Despite the overload of macroeconomic and geopolitical challenges filling the financial pages, the TIC+ sector has once again demonstrated its resilience and continued to go about its business as usual, albeit with renewed vigour, in what has been an extraordinary year of activity.

TIC+
BUYER RANKING

	Active Sustainable Buyers	Rank Movement
1	Eurofins	=
2	Phenna	1
3	SGS	6
4	Celnor Group	=
5	Trescal	-3
6	Socotec	=
7	Normec	1
8	Certania	-3
9	Kiwa	-2
10	Bureau Veritas	1
11	Sansidor	8
12	Alliance Technical Group	=
13	Amtivo	4
14	Apave	1
15	viridiusLAB	29
16	Applus+	8
17	Applied Technical Services	-7
18	Pace Analytical	-2
19	GBA Group	2
20	Montrose Environmental Group	-7
21	Intertek	20
22	UES	44
23	White Labs	=
24	QIMA	12
25	ALS	-11

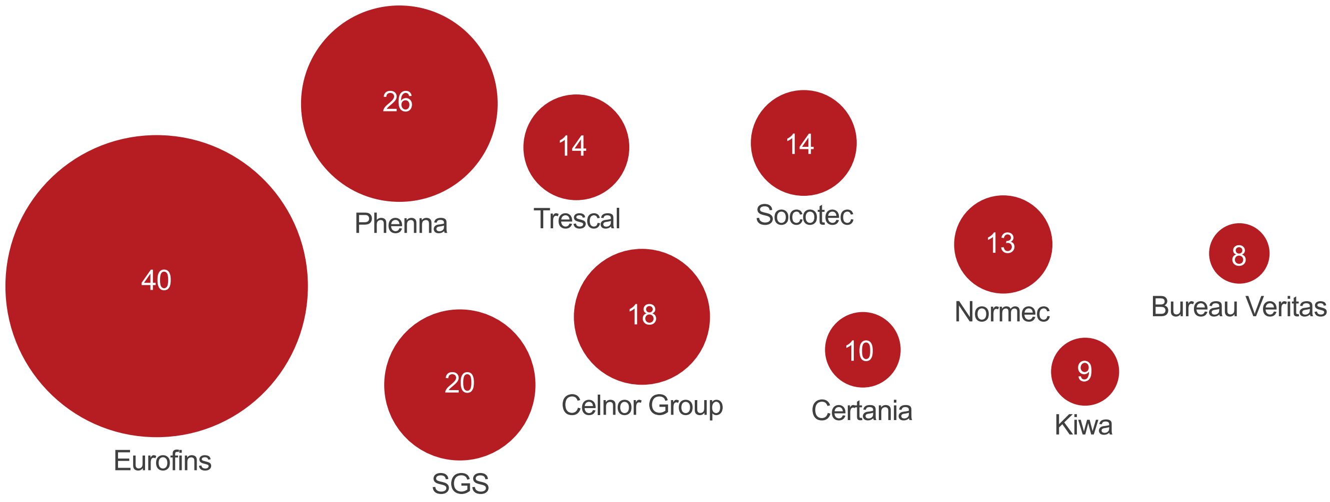
Red Swan , as a globally active TIC+ centric sell-side advisor and value creator, is delighted to share with potential sellers the historic activity levels of buyers in the TIC+ marketplace to help better understand the TIC+ Buyer Universe and facilitate sellers' exit planning.

Red Swan has additionally ranked the active players in the TIC+ Buyer Universe. This ranking is performed using Red Swan's proprietary ranking algorithm, which seeks to rank the TIC+ Buyer Universe based on each buyer's likelihood to acquire, taking into account their publicly stated M&A strategy, past and present activity in the market, and available funding. It therefore differs from a simple ranking based purely on the number of transactions in any given year and is more reflective of a buyer's "active sustainable" acquisition strategy.

The ranking shows no movement at the top of the top-10 leaderboard, with Eurofins and Phenna maintaining their positions, but highlights the continued activity of buy-and-build PE- and founder-led platforms such as Celnor, Socotec, Normec, and Certania, as well as family-office-held Kiwa. It also reflects the resurgent M&A strategies of the TIC+ giants SGS and BV. We will await to see how the new PE owners (Blackstone Energy Transition Partners) of Alliance, acquired at the close of the year, will impact its future deal rate.

TIC+ ASB Rank Movement

THE TOP 10 RANKED PLAYERS



TOP ACQUIRING COMPANIES IN 2025

These numbers were publicly reported, and it is expected more deals are completed but not announced.

Eurofins retains its leading spot in TIC+ activity with 40 deals, including the purchase of Synlab's Spanish diagnostic labs. With nearly a third focused on US environmental targets, this signals a doubling down on its current market leadership position. This year marks a 29% uptick on its FY24 acquisition run rate, as it continues to deliver a leading conveyor belt of bolt-on transactions. Having largely achieved scale in its Life Science platform, its continued activity shows the inexhaustible scope for further geographic fillers or capability extensions.

UK-based **Phenna**, backed by Oakley Capital (up one place to #2), continued its aggressive growth strategy and completed 26 deals, showing the ambition of its international expansion, with 60% of these deals outside its core UK market. This included entry into Spain and Italy (4 deals), as well as LATAM, while building out its US and Australian presence (7 deals). Having increased its international M&A team, it has shown that its M&A engine is both scalable and accelerating.

Listed giants and PE-backed platforms are neck-and-neck. Eurofins' 40-deal haul demonstrates the power of a mature bolt-on machine, while Phenna and SGS show that aggressive M&A teams – whether PE or strategic – can shift rankings quickly.

Trescal's calibration focus and Socotec's construction niche prove that sector depth beats geographic breadth. Normec's quadrupling in size shows how determined focus – plus a well-resourced PE backer – can rapidly build scale.

SGS (up 6 places to rank #3) delivered 20 transactions, well ahead of its promise to execute one every month. This near doubling of its deal flow reflected its intent to revitalise its inorganic strategy. Its deal flow included 7 transactions in North America and 3 in South America, showing its focus on creating greater weighting in the Americas. The jewel in the crown was its bold move to acquire US-based Applied Technical Services for $1.3bn, significantly delivering on its Strategy 27 to double its North American revenue.

Inflexion-backed UK buy-and-build platform **Celnor**, which only started in late 2023, delivered a whopping 18 transactions (remaining ranked #4), focused on Compliance and Geo & Built Environment. With three deals in France and one in the US, it demonstrated its ambitious credentials to be viewed as an international consolidator.

Trescal, the global leader in calibration services backed by EQT, announced the acquisition of 14 calibration companies throughout Europe, Asia, Oceania, and the Americas (down 3 places to rank #5).

Socotec, the global TIC+ services group serving the construction, real estate, infrastructure, and industrial sectors, backed by Cobepa and CD&R, continued its consistent acquisition strategy with 14 deals (holding its place at #6 ranking). While the majority were in Northern Europe, 6 were in North America.

Dutch platform **Normec**, backed by Astorg, continued its acquisition strategy with a healthy 13 deals (up 1 place to rank #7). Normec has more than quadrupled in size over the past few years thanks to a determined acquisition strategy, and while its usual investments have been in Europe, it made a big splash by simultaneously announcing three new deals in North America.

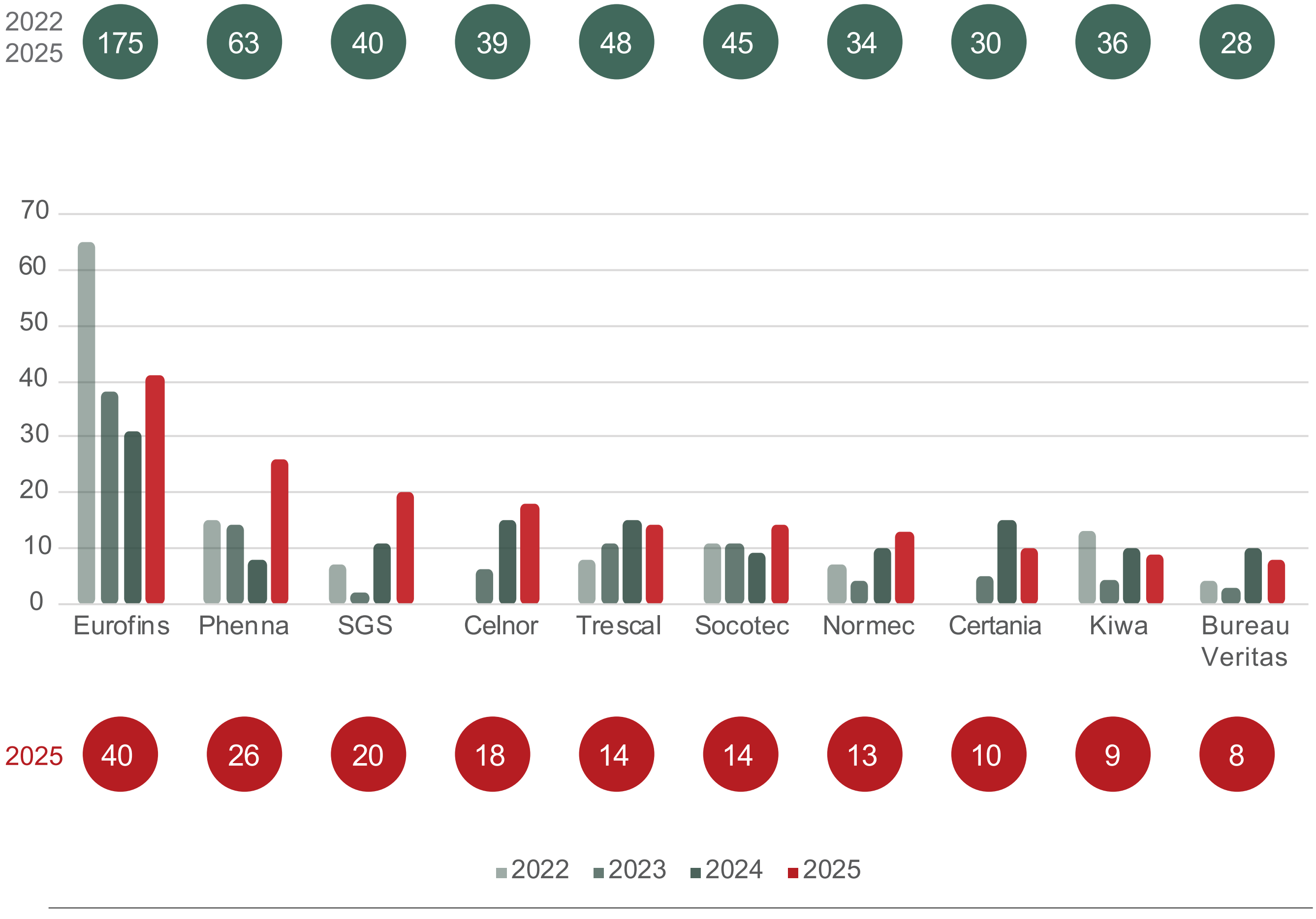
Certania, the German-based TIC+ group delivering life sciences, certification, and building & infrastructure services, is founder-owned and supported by Summit Partners (down 3 places to rank #8) and delivered 10 transactions, all of which were in Europe.

Kiwa continued its long-standing strategy of flying below the radar in M&A by acquiring 9 companies in 2025, following its 10 deals in 2024 (down 2 places

With the mega-deal option off the table, both, SGS and Bureau Veritas are deploying capital into bolt-ons at pace – signalling that listed players won't cede ground to PE without a fight.

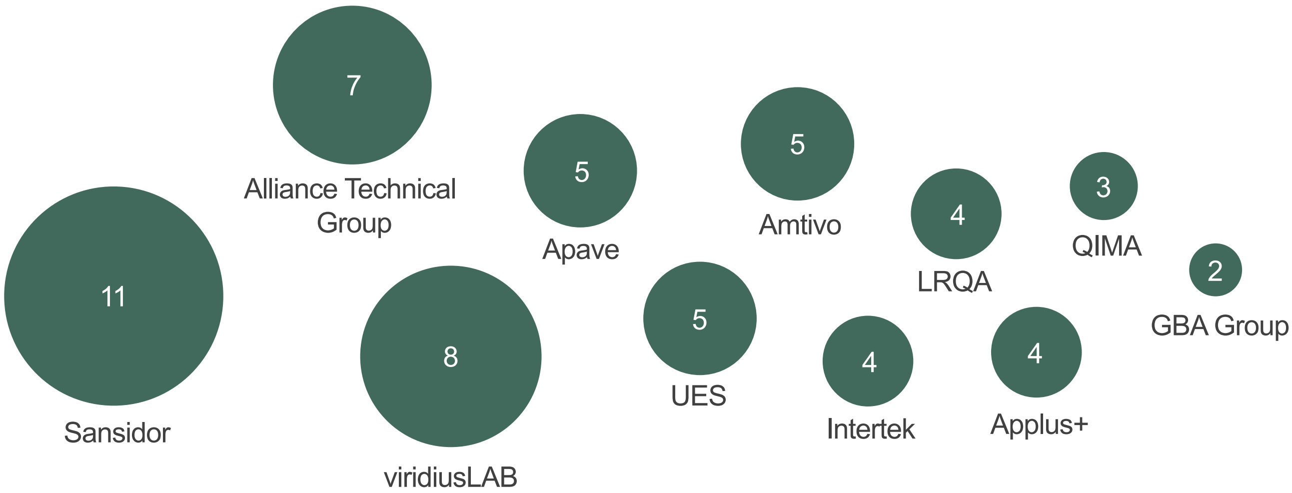
to rank #9). Both years also saw 5–7 asset deals. The main visible achievement was the acquisition of the Element carve-out of NQA, active in aviation and automotive system certification. Kiwa's more discreet deals focused on renewable energy, building & construction, remote monitoring by drones, and AI-based interpretation of measurements.

Bureau Veritas, which, similar to SGS, has significantly picked up the pace of its M&A to match buy-and-build competitors (up 1 place to rank #10), delivered 8 deals, with 6 in Europe and one each in South America and APAC, understandably struggling to keep up with rival SGS's renewed momentum due to the distraction of its numerous ongoing divestment projects.



TOP RANKED COMPANIES COMPARISON 2022 -2025

SIGNIFICANT OTHERS



These numbers were publicly reported, and it is expected more deals are completed but not announced.

The emerging European privately owned TIC+ platforms continued to show that they were a force to be recognised, with Sansidor (up 8 places to #11 ranking), the Dutch-owned TIC+ group backed by IK Partners, delivering 9 deals (one in the US) as it grows its health and sustainable consulting and inspection services across the Netherlands and Germany.

Alliance Technical Group, which Morgan Stanley Capital sold to Blackstone Energy Transition Partners in the second-scale US deal of the year, delivered its usual clutch of 7 US environmental deals (remaining ranked #12).

With 5 deals apiece were Amtivo (climbing 4 places to #13 ranking), the Charterhouse-backed UK-based leading ISO and industry-specific certification body for global certifications; Apave (up 1 place to #14 ranking), an international group specialising in technical, environmental, human, and digital risk management backed by PAI; and UES, backed by BDT Capital (new entrant at #22). Meanwhile, Viridius Lab (shooting up 29 places to #15 ranking), the German-based owner-managed group which is a leading laboratory group in Central Europe for environmental, food, and pharma analysis, delivered 8 deals, showing that owner-managed platforms can compete alongside the larger players.

Players with 4 transactions included the listed Intertek, which, with a new M&A team, has increased its pace of transactions; Applus+ (backed by TDR Capital & Square Capital); Amspec (backed by TPG Rise Climate); and Acurum Group (owned by founders and Axcel).

Seven deals were secured by LRQA (backed by Goldman Sachs Asset Management) of which 6 completed in 2025, having successfully commercially restructured and digitally enabled what was effectively a legacy institution, had kick-started its inorganic strategy ahead of a future exit.

This year also demonstrated the irresistible lure of investing in TIC+, with two former founders of successful buy-and-build platforms returning for another venture. The former CEO and founder of Tentamus launched Assessimus (owned by its founder and Auctus), which set out with four initial acquisitions, while the former CFO and founder of Phenna established Certek (owned by its founder) with two deals.

Acuren, a North American asset integrity firm, merged with NV5 Global, Inc., creating a larger entity in engineering, inspection, and testing services, subsequently rebranded as TIC Solutions, Inc. in late 2025. NV5 had previously completed two deals before the merger transaction with Acuren.

OUTLOOK FOR **2026**

The TIC+ space continues to be an attractive prospect, as its fundamental drivers of regulation and the critical role it plays in securing people's lives and future remain undiminished. The ongoing fragmentation of the outsourced TIC+ market, estimated at over EUR 150bn, with even the top 20 players accounting for only 22%, continues to meet the growth ambitions of existing listed companies, private owners, and financial sponsors. This will undoubtedly continue to attract new financial sponsors seeking to deploy increased levels of capital, keeping the TIC+ M&A sector dynamic and compelling.

With 2025 now in the rear-view mirror, we're seeing early indicators that 2026 is set to be busier, with many processes expected to start in H1, given the pre-marketing taking place to garner early interest ahead of others and facilitate a quicker process. With the two large US deals having now been completed in 2025, the 2026 deals are more likely to be mid-market platforms.

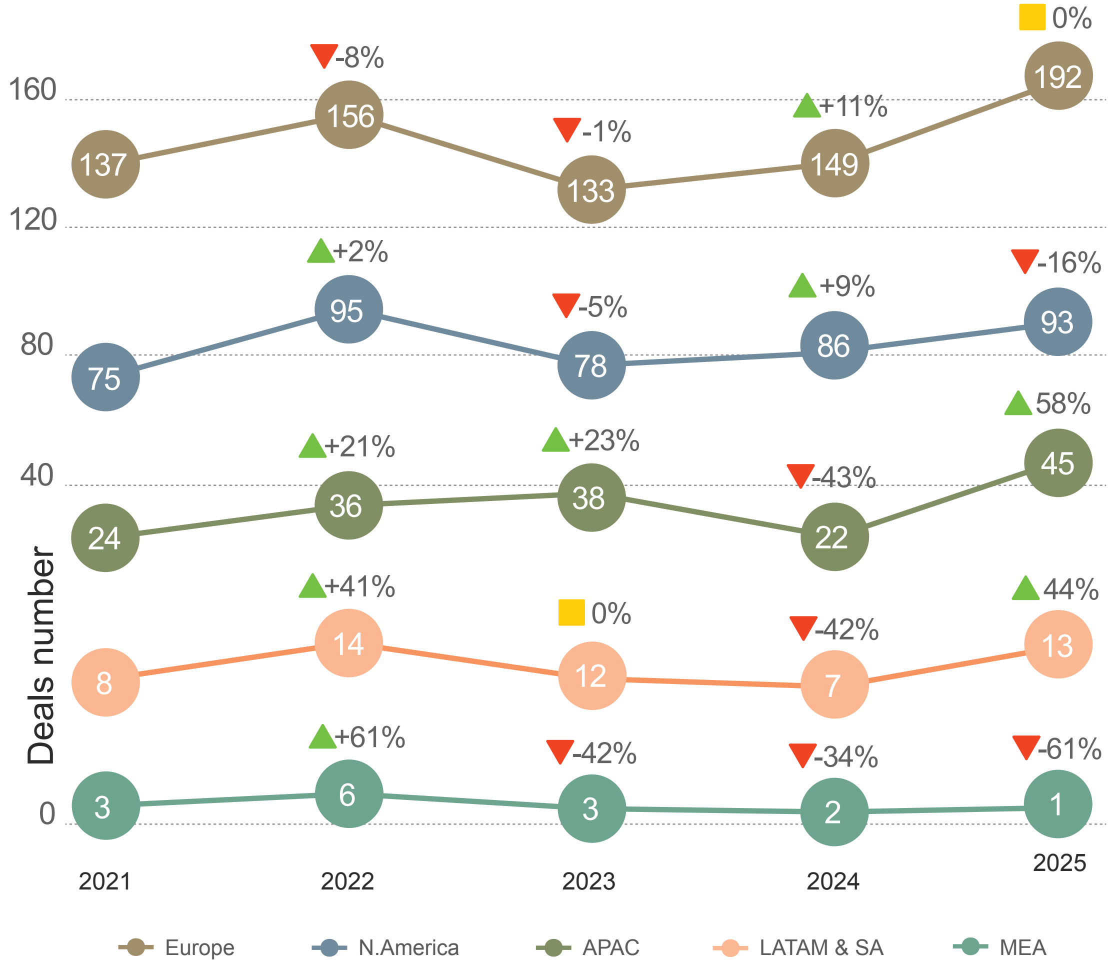
Of course, with such a high level of activity, there are always concerns that there may be too much to evaluate, and PE firms will likely need to triage opportunities to decide where they can win. It is also possible that, in such a market, not all processes will be successful or achieve the seller's desired outcome. Those with high-quality platforms and a clear equity story can, however, relax in the knowledge that quality businesses will sell in any market.

Based on the length of their investment holding periods and the extent of pre-marketing and market chatter, it is expected that a clutch of "mini-major" platforms may exit. In the EU, this could include Germany's GBA (backed by Ardian), Certania (backed by Greenpack and Summit Partners), and Viridius Labs; the UK's Celnor (backed by Inflexion); and Italy's White Labs (backed by White Bridge Investment). In the US, this could include Certified (Warburg Pincus), Foodchain (Berkshire Partners), PACE (Leonard Green & Aurora), GroupCarso (Archimed), and FlexXray (Warburg Pincus).

With major European strategic and PE players, despite Trumpian distractions, continuing to look to the US, we expect a continued increase in deal activity in North America, moving closer towards greater parity with Europe's historically dominant M&A activity. Similarly, we foresee an increase in transactions in Asia and Australia/New Zealand, driven by local endeavours, albeit at a more modest volume.

However, the trend has started.

DEAL TRENDS



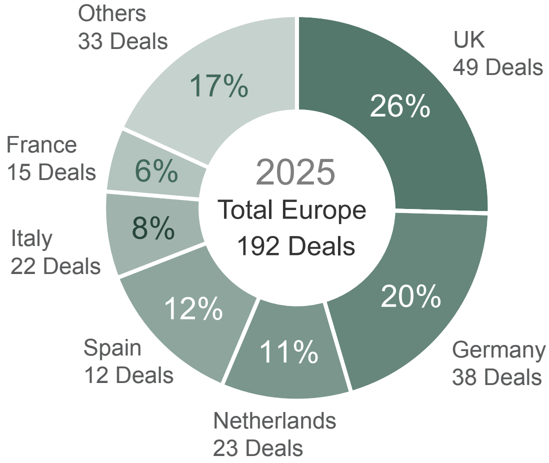
Percentage represents the distribution of deal activity by geography.

GEOGRAPHIC DEAL TRENDS

It can be seen from the below trends that Europe remains the major arena for TIC+ deal activity at 56% of global transactions. US deals increased, reflecting the TIC+ majors citing this as their key strategic focus and indeed included the two largest TIC+ deals of the year (Applied & Alliance), albeit due to a sharp climb in global activity, this still reduced its share to 27% of global deals (from FY24's high of 32%). APAC saw a large pick-up in transactions to 13% of global deals, particularly in Australia, which saw a 10-deal increase to 15, of which 7 were from Phenna, showing the speed at which these players can consolidate new markets. MEA and LATAM combined represented 4% of global deals, reflecting that they are considered more challenging jurisdictions, although heavily weighted in LATAM.

EUROPE:

Focusing on the key national markets in Europe, it can be shown that the UK leads the pack but at a lower 26%, perhaps reflecting the life-cycle of the home-grown PE platforms (Phenna and Celnor), who are now investing more in international markets. Germany and the Netherlands remain strong, given their follow-up with 20% and 11%, bolstered by their growing PE platforms (Certania and GBA in Germany, and Normec, Kiwa, and Sansidor in the Netherlands). Italy, France, and Spain saw an uptick in deal flow, reflecting increased investment by both strategics and financial sponsors.



Percentage of Total Deals in Europe

OVERALL DEAL TRENDS

The number of TIC+ deals is based on a wide screening of global TIC+ deals, using market databases, corporate announcements, and information collated by our partners in their discussions with the TIC+ market.

The number of deals in 2025 thus analysed was 344, reflecting that TIC+ M&A activity increased by 29%.

It can be shown that, while this increase based on each year's ranking was certainly driven by the top 10, who represented an increase of 51% of the deals, it was also fuelled by a significant increase in the number of acquirers, which rose from 71 to 106. This brought the average acquisitions per acquiror down to 3.2 from last year's 3.7. This shows the rude health of the TIC+ market, which attracts increased investment from both existing and new entrants, and whose inorganic strategy is clearly recognised as a driver of value.

IN THEIR OWN WORDS

LRQA

LRQA at a glance

LRQA has evolved rapidly over the past few years, emerging as the leading global risk management partner with both scale and momentum. With revenues exceeding £500 million in 2025, a workforce of more than 6,000 employees and contractors and a growing international footprint, the business is firmly positioned as a dynamic and expanding force within the TIC (Testing, Inspection and Certification) market and beyond.

Strategic priorities and key growth themes

LRQA's growth strategy – both organic and inorganic – is underpinned by a clear view of where future demand lies. While the UK and Europe remain strong, mature markets, the company sees its greatest expansion opportunities in Asia and the Americas. That said, LRQA retains a genuinely global mindset, pursuing attractive opportunities wherever they arise.

A key driver of growth is the accelerating demand for ESG, climate and social assurance. As regulation tightens and stakeholder scrutiny intensifies, organisations are seeking credible, data-led insight into their environmental and social impact. LRQA has invested heavily in building deep capabilities in this space, expanding audit expertise with advanced analytics to help clients navigate complexity with confidence.

The energy transition represents another major growth theme. LRQA is expanding across renewables, nuclear, low-carbon and biofuels, building on targeted investments that strengthen its technical depth and global reach. Alongside this sits a strong focus on data and analytics, particularly through LRQA's supply chain intelligence software, EiQ, where the strategy is to acquire complementary datasets and niche expertise that enhance insight and predictive capability.

Recent M&A activity and platform strategy

M&A is central to how LRQA executes its growth strategy. The pace has been deliberately high: five acquisitions were completed in a five-month period last year, with around ten anticipated this year. Target businesses typically range from £3-4 million in revenue to £10 million and above, with an increasing emphasis on larger, more complex deals.

Acquisitions are designed to strengthen the LRQA platform, combining people, services and technology rather than pursuing each in isolation. LRQA takes full ownership of acquired businesses, enabling deep integration across finance, HR, payroll and governance, while retaining and empowering entrepreneurial leadership teams. Consideration is typically structured through a combination of cash, with some sellers opting to acquire LRQA equity as part of the transaction, aligning long-term incentives and supporting sustainable growth.

Market trends and future opportunities

The TIC market is being reshaped by geopolitical volatility, new technologies, supply chain disruption and regulatory change. LRQA views this environment not as a deterrent, but as an opportunity to add value.
The rapid expansion of AI, for example, is driving demand across data centres, green energy, cybersecurity and compliance. Each introduces new layers of risk and complexity, creating a clear need for trusted partners who can help organisations innovate safely, securely and responsibly.

Acquisition success stories

LRQA's acquisition strategy is underpinned by a strong track record of successful integration. The examples below highlight just a selection of recent activity.

The acquisition of ELEVATE in 2022 accelerated LRQA's growth strategy and strengthened its offering with market-leading sustainability, data-driven and risk management capabilities, such as EiQ. The ELEVATE leadership team have taken a number of senior roles across LRQA including two members of LRQA's Executive Leadership Team.

The acquisition of EcoEngineers strengthened LRQA's capabilities in biofuels and energy transition advisory while preserving the specialist expertise and entrepreneurial culture that made the business successful. Since joining the group, EcoEngineers has scaled its impact globally, supported by LRQA's platform, governance and client reach.

Reset Carbon provides another example from the climate and ESG space. The business brought deep technical expertise in carbon management, target setting and decarbonisation strategy, significantly enhancing LRQA's ability to support clients on their net zero journeys. Integrated into LRQA's wider climate and sustainability offering, Reset Carbon's capabilities now sit alongside data and advisory services, enabling a more joined-up, end-to-end proposition for clients navigating complex climate risk and regulation.

Ergon Associates, a market leading labour standards, human rights and gender equality consultancy, joined LRQA in 2024. Ergon are well-recognised market and thought leaders, with deep technical expertise and integrity on sensitive issues, working with different client types, from well-known companies to international public organisations. The leadership team has taken expanded roles across LRQA's global Advisory practice and led a number of significant new and expanded client account wins.

LRQA also continues to expand its core certification and inspection capabilities. Recent acquisitions, including Step Up, the American Center for Sustainable Certifications (ACSC), the International Compliance Group (ICG) and Lindinger Inspection Engineers, have significantly accelerated its reach in the Americas in particular, reinforcing one of the group's key growth markets.

A value proposition built for long-term growth

Ultimately, LRQA enables clients to manage risk professionally, giving them the confidence to invest, grow and transform. By safeguarding people, assets and the planet, LRQA allows organisations to focus on growth while it manages the complexity that comes with it.
With strong financial backing and robust governance, LRQA is focused on building a resilient, long-term and global platform, aiming to shape the future of risk management in a world defined by change.

TIC+

TESTING

INSPECTION

CERTIFICATION

COMPLIANCE

CONSULTING

CALIBRATION

AND BEYOND

Unlocking TIC+
A New Industry Perspective

The TIC Council defines TIC as 'Testing, Inspection, and Certification', but Red Swan has enhanced this definition to reflect the sector's rapid evolution. TIC+ expands beyond these core pillars to include: Assurance, Compliance, Consulting, Training, and Calibration - key services that are increasingly integral to the industry's most active players.

Red Swan introduced TIC+ not to redefine the market but to provide a sharper, more strategic lens for investors seeking opportunities and companies considering an exit. By identifying the most engaged and acquisitive buyers, TIC+ serves as a crucial framework for understanding the forces shaping future M&A activity.

While TIC+ seeks to expand the traditional definition, we have also sought to better refine it by the exclusion of certain activities that while part of current TIC players are more closer linked to other industry sectors. As such TIC+ does not include:

- Pure-play digital service providers, pharma development firms, clinical research organizations (CROs) and diagnostic companies, despite some overlap with TIC buyers.
- Non-core TIC players, where TIC+ services make up only a minor, peripheral part of their broader business, making them unlikely to pursue sustained M&A in the sector.

By refining the TIC+ definition, Red Swan delivers clearer market intelligence - empowering stakeholders with the insights needed to navigate and capitalize on this dynamic landscape.

TIC+ EXPERTS READY TO CHALLENGE AND GUIDE MANAGEMENT IN OPTIMIZING AND REALIZING VALUE.

WHAT WE DO

GROW YOUR BUSINESS
"Value Added"

SELL YOUR BUSINESS
"Value Realised"

ERA
EXIT READINESS ASSESSMENT

DIGITAL RADAR & VENDOR ASSESSMENT

SRP
SOLUTION READINESS PROGRAM

DMA
DIGITAL MATURITY ASSESSMENT

CMA
CYBER MATURITY ASSESSMENT

Consulting with Courage: We provide clear, honest feedback rooted in deep industry expertise and best practice assessments.

Sector-Specific Expertise with Proven Results: We provide tailored M&A strategies, ensuring our advisory services are relevant and impactful.

Access to a Broad Buyer Network: We have extensive knowledge of the global TIC+ market.

Uncompromising Quality: Our endorsement ensures thorough assessment, value optimization, and clear transaction pathways, streamlining and expediting the process.

Operational Agility: We prioritize agility, ensuring deadlines are met without compromising on quality.

MEET THE RED SWAN

We are a dynamic team of individuals who have come together from all around the world to form Red Swan. We have all worked in the Testing, Inspection, Certification, Compliance, Consulting and Calibration TIC+.

We have varied areas of expertise and partner together to change lives.

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Advisory Board Member
United Kingdom

Susan Putters
Advisory Board Member
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