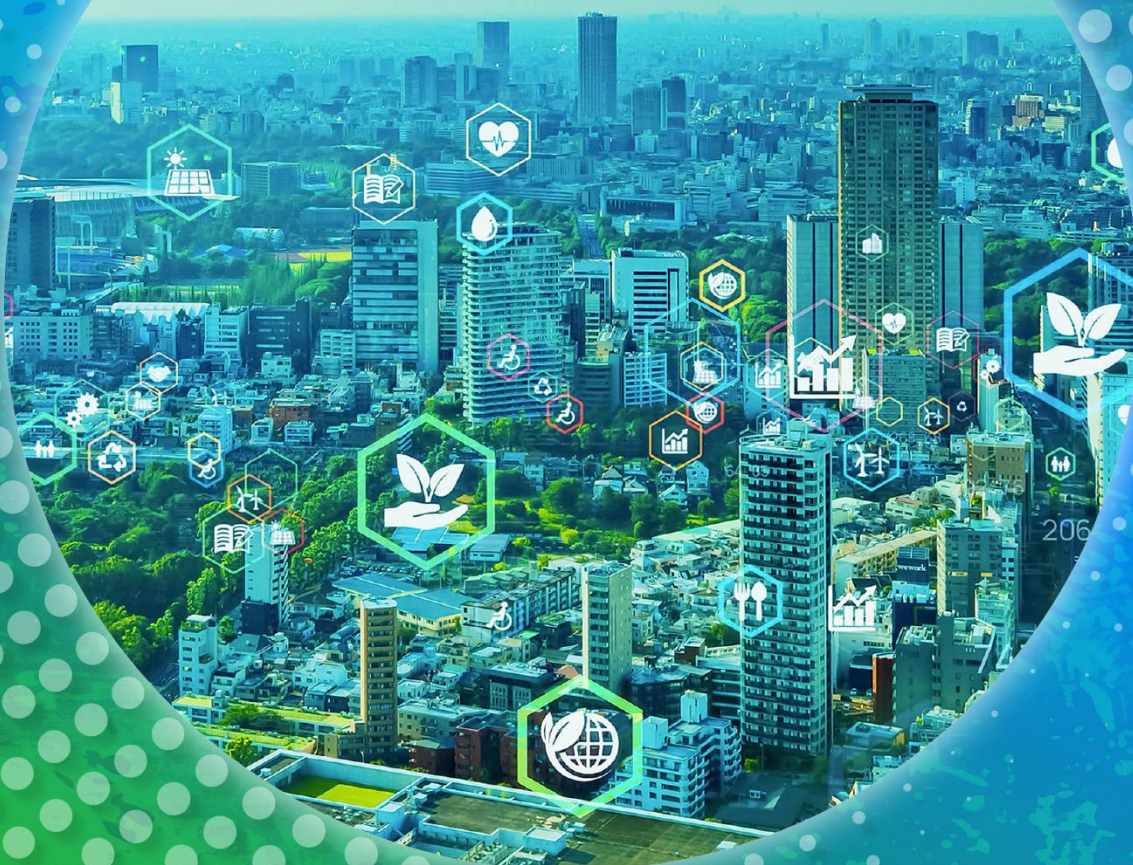


# WASTE & RECYCLING

## M&A ROUND UP: 2024

March 2025



COOPER PARRY  
DEALS



REACH

# KEY M&A THEMES

## OPPORTUNITIES AND CHALLENGES

**CIRCULARITY AMBITIONS AND NEW TECHNOLOGIES, ALONGSIDE COST PRESSURES AND EVOLVING END-CUSTOMER COMPLIANCE REQUIREMENTS, HAVE CREATED AN EXCITING BACKDROP FOR M&A**



The consolidation of regional businesses, in what remains a fragmented market, is ongoing. Rising costs, in the labour and energy intensive industry, have created challenges and exit incentives. Extending geographic reach, improving access to, or servicing efficiency of, significant contracts is a key strategic rationale for consolidators



Continued focus on the circular economy is driving M&A, with adjacent industries competing for waste and recycling assets. Building material producers have invested heavily in construction and demolition waste processors. One of the world's leading producers of battery-grade lithium, SQM, increased its total investment in Altilium, the UK-based developer of proprietary battery recycling technology, to \$12m, completing in its Series A round



New technologies to enhance automation in processing facilities, such as optical sorting, the implementation of AI and robotics are receiving investment. Recorra recently announced its £1m investment into an AI powered robotic sorting arm. Whilst the opportunity for transformation is ripe, the investment required to deliver it creates funding challenges for regional operators to remain competitive



End-customer net zero strategies, alongside legally binding environmental targets for waste reduction via the UK Environmental Act, bring waste and recycling into focus. This focus has increased demand for high quality, reliable and timely data from operators, necessitating investment in monitoring and reporting infrastructure to meet customer requirements

## WASTE & RECYCLING VALUATION DRIVER DIAGNOSTIC

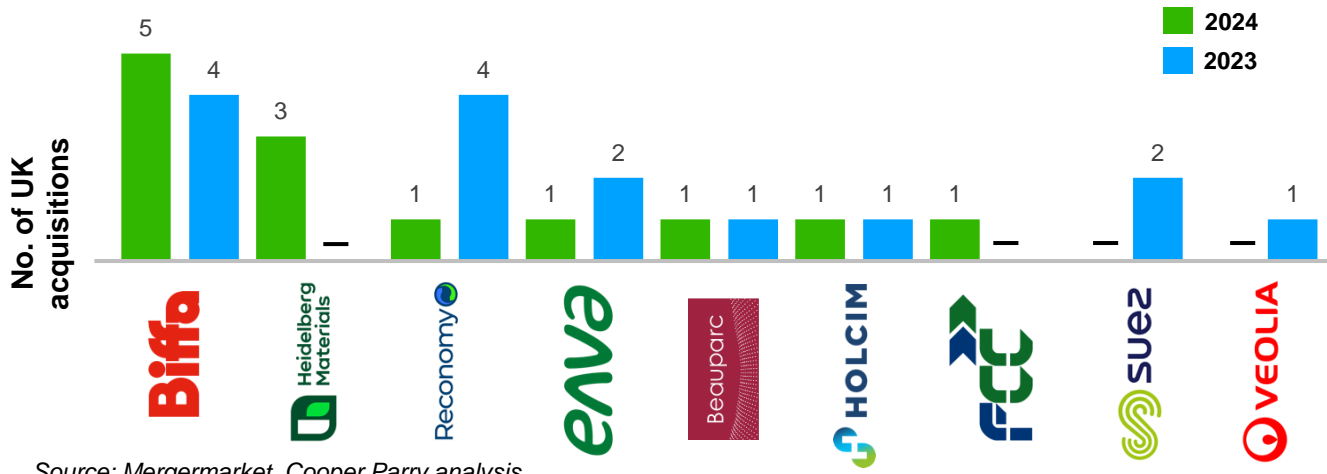
**SPECIFIC BUSINESS CHARACTERISTICS THAT DRIVE PREMIUM MARKET VALUATIONS**

	<i>Lower multiple</i>		<i>Higher multiple</i>
Waste Streams Processed	Limited	➔	Complex
Processing Capabilities	Limited	➔	Substantial
Feedstock & Offtake Surety	Low	➔	High
End Market Diversification	Low	➔	High
Cash Flow Efficiency	Low CF/CAPEX Ratio	➔	High CF/CAPEX Ratio

# UK M&A OVERVIEW: 2024

## 2024 VS 2023: STRATEGIC ACQUISITION DEAL VOLUMES

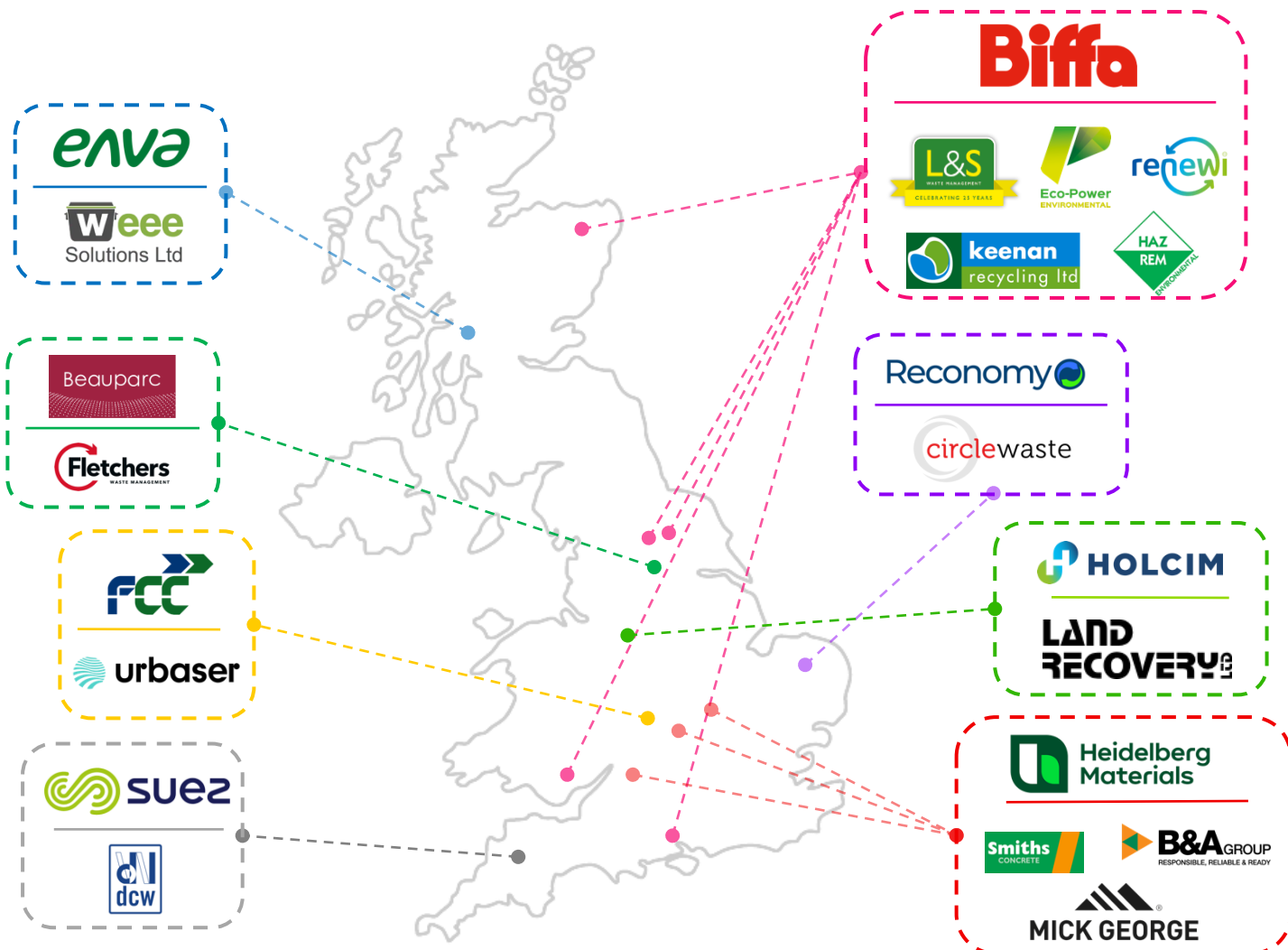
SUSTAINED DEAL ACTIVITY AND CONTINUED APPETITE FOR M&A TO CONSOLIDATE A FRAGMENTED MARKET



Source: Mergermarket, Cooper Parry analysis

## PORTFOLIO DEVELOPMENT IN 2024

KEY PLAYERS BUILD OUT PORTFOLIOS AND EXPAND GEOGRAPHICAL FOOTPRINT



# NOTABLE TRANSACTIONS

## BREXIT FOR RENEWI AND URBASER AND UPCOMING OWNERSHIP CHANGES



In Jun-24, FCC completed the acquisition of Urbaser's UK operations for c.£398m, including composting, material recovery, waste-to-energy, and final disposal facilities. The deal enhances FCC's geographic coverage, bolstering its operations in the Gloucestershire, South London, and Hertfordshire regions.

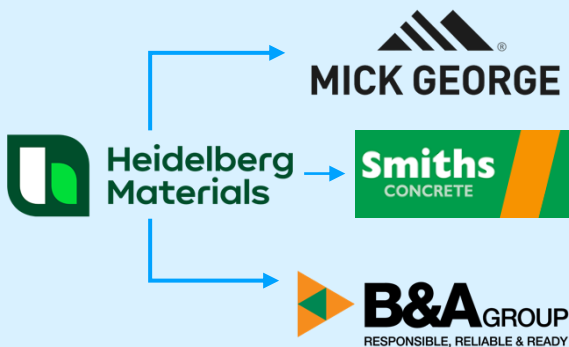
The divestment of UK operations allows for Urbaser to refocus on its core geographies; mainland Europe, Asia and South America. Platinum Equity, financial backer of Urbaser, progressed with a sale of the business and anticipates achieving a valuation between €5 and €6bn, with Blackstone and EQT Partners rumoured to be in the running for a deal that is expected to complete in H1 2025.



In Oct-24, Biffa completed the acquisition of Renewi Plc's UK municipal operations for a capital injection totalling £125m. This comprised five long-term residual waste treatment contracts spanning the UK, from Cumbria to Plymouth, and managing over 900,000 tonnes of household waste, to its portfolio.

Renewi divested its UK municipal operations to focus on core recycling activities in the Netherlands and Belgium. The announcement of this deal was swiftly followed by a second attempt from Macquarie Asset Management to buy Renewi, valuing the business at £700m, a 10% uplift on the rejected offer it made in 2023, and a valuation that the Renewi Board is likely to recommend.

## HEIDELBERG FURTHER STRENGTHENS UK FOOTPRINT WITH MORE M&A IN CONSTRUCTION AND DEMOLITION WASTE



Heidelberg Materials completed the acquisitions of Mick George Group, a leading player in the construction and demolition waste recycling space; B&A Group, a construction soil and aggregate recycling company; and Smiths Concrete, landfill site operator and manufacturer of ready-mixed concrete. The acquisitions are underpinned by Heidelberg's commitment to net-zero emissions by 2050. Driving recycling operations will contribute to the development of its sustainable building materials and present margin enhancement opportunities through the re-use of materials. The deal also strengthens Heidelberg's UK market presence, particularly in Eastern and South-West regions, establishing the business as a prominent UK player.

## PRIVATE EQUITY PLATFORMS ESTABLISHED IN 2024 WILL DRIVE M&A ACTIVITY AND UNDERPIN STRONG VALUATIONS IN 2025



In Jan-24, Waterland acquired Cumbria Waste Group, the largest provider of waste disposal and recycling services in Cumbria. The acquisition gives Waterland a strong platform business in the North, to which it has already added two additional businesses; Derwent Recycling and a MRF based in Middlesbrough.



In Dec-24, Warren Equity Partners acquired First Mile, a company providing businesses with a range of recycling, waste and circular economy services with operations in London and the Midlands, from Growth Capital Partners ("GCP"). GCP invested in 2017, overseeing significant transformation in the business across an 8-year holding period, with turnover growing from c.£15m to c.£50m.

# CONTACT US

**WE ARE TRUSTED M&A ADVISORS IN THE WASTE & RECYCLING SECTOR.**



## **BEN ROOKES**

**Partner**

[benr@cooperparry.com](mailto:benr@cooperparry.com)

+44 (0)7817 458 170

Ben joined Cooper Parry in 2002 and has over 20 years of corporate finance experience, advising business owners and management teams across the business and industrial services sectors including both cross-border and domestic company disposals and private equity transactions.



## **ALEX YDLIBI**

**Associate Director**

[alexy@cooperparry.com](mailto:alexy@cooperparry.com)

+44 (0)7841 073 738

Alex joined the Cooper Parry Corporate Finance team in 2021 having previously worked at the infrastructure investment fund manager, Equitix. Alex is a Chartered Accountant and trained at PwC.



## **JACK CLEMMY**

**Analyst**

[jack.clemmey@cooperparry.com](mailto:jack.clemmey@cooperparry.com)

+44 (0)7766 548 260

Jack returned to the Cooper Parry Corporate Finance team in 2024 after graduating from Loughborough University, following a placement year at Cooper Parry during his degree. Jack is a Trainee Chartered Accountant and holds a BSc (Hons) in Finance and Management.

**OUR RECENT DEALS INCLUDE:**

**NOVATI**  
AT THE CENTRE OF INNOVATION

**TARGET COMPANY DETAILS**  
**Company name:** UK Waste Solutions Limited, trading as 'Novati'  
**Country:** United Kingdom  
**Deal Type:** Sale to PE backed Trade

**BUYER DETAILS**  
**Buyer name:** Reconomy  
**Country of buyer:** United Kingdom

**COOPER PARRY**  
CORPORATE FINANCE

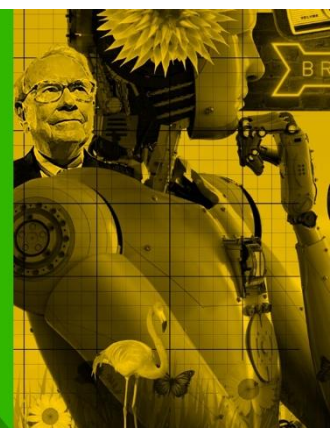


**casepak**  
maximising excellence

**TARGET COMPANY DETAILS**  
**Company name:** GAE Smith Holdings trading as "Casepak"  
**Country:** United Kingdom  
**Deal Type:** Sale to PE backed Trade

**BUYER DETAILS**  
**Buyer name:** Reconomy  
**Country of buyer:** United Kingdom

**COOPER PARRY**  
CORPORATE FINANCE



**JOHNSONS**  
Aggregates Limited

**TARGET COMPANY DETAILS**  
**Target Name:** Johnsons Aggregates  
**Country:** United Kingdom  
**Deal Type:** Management Buy in / Buy out

**BUYER DETAILS**  
**Buyer Name:** Business Growth Fund  
**Country of Buyer:** United Kingdom

**COOPER PARRY**  
CORPORATE FINANCE



**Deal processes can be complex.** We know how to navigate the complexities and we provide clear and effective advice throughout...



**... Executing deals can be stressful.** We manage processes proactively and diligently to minimize stress on you and your business...



**... We are passionate about what we do.** We thrive on delivering for Shareholders and Management teams!

# THANK YOU



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DEALS



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