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**Sachin Parmar, Associate Director** 

## SOME OF THE NAMES WE'VE WORKED WITH







## FROM TRENDS TO TOMORROW - PROFESSIONAL SERVICES

## Market Trends \_\_\_\_

- Average deal size in 2023 decreased, indicating some market consolidation and bolt-on deals for private equity (PE)
- Transactions largely dominated by PE and PE-backed firms, due to the attractiveness of the PS sector
- Increased attraction to the sector comes from strong performance through Covid-19 and resilience despite strong economic headwinds
- A decrease in EBITDA multiples indicates some downward pressure on valuations as the market rebalances from the highs of 2020 & 2021
- The PS sector offers opportunities for growth and increased competitive advantage with techenablement































Andy Parker
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"In the world of M&A, the professional services sector stands as an attractive landscape for both private equity and strategic investors. It encompasses a wide range of sub-sectors including legal services, audit, accountancy, advertising and research, consultancy, architectural, engineering and employment activities representing 15% of the UK's GDP and accounting for 14% of employment, a resilient sector.

Key drivers of M&A activity in the professional services arena include market consolidation with competitors strategically acquiring to increase market share domestically, enter new geographies, and acquire complimentary service offerings. M&A has also enabled firms to diversify their service offerings to meet the evolving needs of clients, stay competitive in a changing market condition and capitalise on cross-selling opportunities across the new client base. The Pandemic was also a catalyst for tech driven M&A with larger firms seeking to digitalise, improve systems to enhance service delivery, improve efficiencies and stay ahead of the curve.

Private equity firms have strengthened their focus to professional services with plenty of 'dry powder' to deploy. It is a sector that offers strong revenues, synergies between diverse businesses and ability acquire at scale by applying bolt-ons in highly fragmented markets, in particular, accounting, legal and consulting."



Sachin Parmar Associate Director sachinp@cooperparry.com

## FROM TRENDS TO TOMORROW - PROFESSIONAL SERVICES













Environment consultancy **Ridge** secured a significant investment from **Horizon Capital.** 

Sale of solicitor firm
Nelsons to Lawfront,
backed by Blixt Private
Equity. (Advised by
Cooper Parry Corporate
Finance)

Sale of UK Waste Solutions (Novati) to Reconomy, a portfolio company of EMK Capital LLP. (Advised by Cooper Parry Corporate Finance) Zanders & Partners, the Netherlands based consulting services provider has acquired Fintegral, the UK based quantitative risk consultancy company. Provider of taxation, audit and corporate advice, HSKSG Audit, was bought by large accountancy group Dains LLP.

Private equity house, **Palatine**, acquired a minority stake in **BK plus**, the local Midlands-based accountancy firm.

**April 2023** 

May 2023

July 2023

September 2023

March 2023

Consultancy firm **Origin Enterprises** acquired the environmental consultancy **Neo Environmental.** 

May 2023

Accountancy firm **Duncan** & **Toplis** secured investment from private equity investors Blixt Group.

May 2023

**July 2023** 

Chartered surveying practice RJA Consultants was acquired by Gateley, a legal and professional services firm.

August 2023

Insurance broker, Academy
Insurance sold to private
equity firm Blixt
Group. (Advised by Cooper
Parry Corporate Finance)

September 2023

October 2023

Inflexion Private Equity
Partners LLP, the private equity
house, has acquired DWF Group
PLC, the listed legal provider











GET IN TOUCH



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