

Intertek take-private emblematic of TICC deal tightrope – Dealspeak EMEA

26 May 2026 | 16:43 BST | Sweden | Professional Services-Miscellaneous

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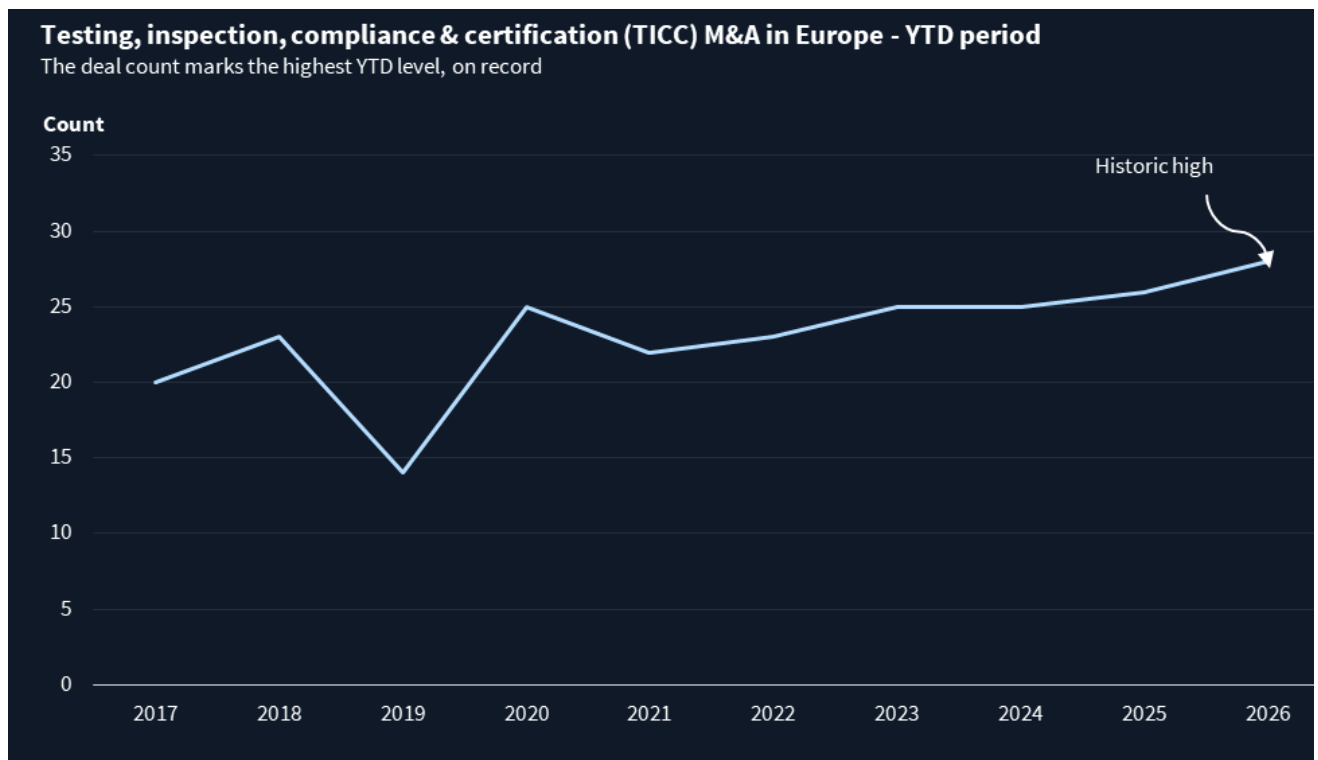
by Georgina Barnard, Anahita Sawhney and William Cain

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- Break-ups, scale-ups point to bigger role for pure-play operators
 - Corporate carve-outs to come; buyers need savvy value creation plan
 - Investors analyse integration, equity story as private TICC multiples surge
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Sponsors have long been drawn to testing, inspection, certification and compliance (TICC) assets boasting recurring returns, buoyed by robust regulatory drivers.

European dealmaking is thriving, with year-to-date deal volumes for 2026 reaching EUR 12.9bn across 28 deals, the highest YTD count on record, *Mergermarket* data show.

A major slug of that volume is EQT's takeover offer for UK-listed product testing firm Intertek, which values the company at GBP 10.7bn (EUR 12.3bn), including debt. Yet that deal itself highlights fundamental tensions within the European TICC deal pipeline, advisers have told *Dealspeak*.



Source: Mergermarket , data correct as at 25-May-25

Europe's TICC champions have hugely diversified portfolios – and an increasingly demanding shareholder base. The question increasing in volume is how these players can continue to add value whilst adapting to a rapidly evolving regulatory and digital landscape, sector rainmakers said.

Indeed, if EQT is successful, its likeliest route to value creation would be via a break-up, recognising the limited synergies to be unlocked from a sprawling portfolio spanning lab testing through to transport technology inspection.

Rather than hoovering up assets under the TICC banner, dealmaking may shift to a clearer “right-scaling” model – identifying a strategic strength within TICC, selling non core businesses, while acquiring in the lead segment to build pure-play operators.

The Intertek deal is a portent of things to come, according to Christof Deringer, specialised TICC industry adviser and MD of Adeptic.

“Any TICC company that doesn't adjust to the new realities through more focus and with a convincing, future-proof strategy – and that lacks a large supporting shareholder – is headed to be a break-up case,” he said.

This seems to be validated by activity across Europe, where TICC majors are pruning portfolios to unlock value.

Luxembourg-headquartered, Paris-listed Eurofins announced in April it had agreed to sell its electrics business EE to US safety services company UL Solutions. The deal,

which is expected to close in 4Q26, represents an enterprise value (EV) of EUR 575m.

Carve-outs in the pipeline include fellow Paris-listed Bureau Veritas' (BV) sale of its fuel testing business. Initial offers from sponsor suitors valued the unit at approximately 7x-8x its marketed 2025 EBITDA of around EUR 74m, as previously reported by this news service. BV sold its food testing business to French food safety player Mérieux NutriSciences for an EV of EUR 360m last year.

The pace of M&A is high and processes move quickly, which can be a challenge for listed players with more levels of decision-making, according to Mark Maunsell, partner at Clearwater.

“The goal is to build a synergistic group, which isn’t always easy with the differing operating models across labs, men-in-van inspection, tech-enabled certification, consulting etc,” he said.



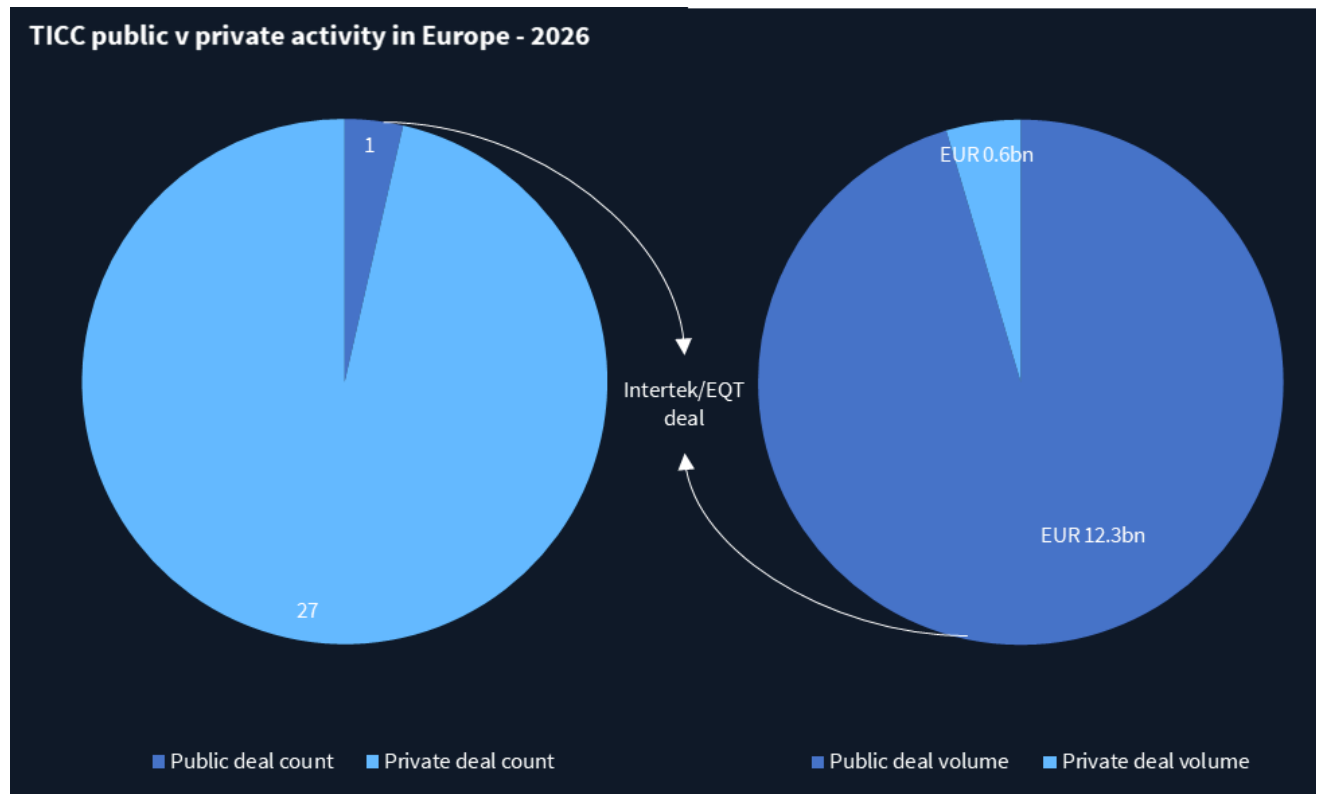
Source: Mergermarket , data correct as at 25-May-25

TICC-tock – time running out for universal platform?

This is where M&A could pivot from TICC platform agglomeration to a more considered approach of consolidating verticals within the headline sector.

GPs remain prolific investors in TICC and private markets M&A continues to drive dealflow. Of the 28 deals recorded in the year, 27 had private targets, while Intertek was the only public target.

Indeed, while public TICC valuations have trodden water, the private market paints a very different picture.



Source: Mergermarket , data correct as at 25-May-26

Sponsors' pursuit of aggressive buy-and-build strategies has seen valuations of private TICC businesses balloon.

"Valuations among private companies have increased significantly in recent years and public markets have not kept pace. The largest private equity owned players have traded consistently in the region of 15x-20x," said Maunsell.

EQT's bid values Intertek at about 13x 2025 EBITDA, while Europe-listed peers Eurofins BV and SGS are valued at 9x-13x, according to calculations by this news service.

Meanwhile, German TICC player GBA, a lab-testing business backed by PE firm Ardian, was set to collect preliminary offers earlier this month. GBA could command an enterprise value (EV) of EUR 1.5bn in the event of a deal, implying an EV/EBITDA multiple of around 18x based off EUR 85m in FY26 EBITDA, as previously reported.

GBA peer Greenpeak Partners-backed CERTANIA has appointed advisers to sell the business, which is expected to generate 2026 EBITDA of about EUR 60m, this news

service reported in March.

“Strong regulatory underpin drives a high quality of earnings and predictable revenue streams which make TICC assets very attractive. Add in buy-and-build potential across fragmented markets and you start to have the bones of a decent investment thesis,” said Maunsell.

But here is the key. In both the cases above, sponsors have avoided scaling in the image of Intertek or SGS Global as end-to-end players across the entire TICC space. GBA is very much focused on the testing segment; CERTAINIA has a more diverse business but has curated its verticals via selective acquisitions, rather than seeking a universal play.

Less careful sponsors could find themselves stranded as portfolio platform plays enter the realisation phase.

“The ballroom is filled with more and more dancers, but a limited number of chairs, and this could get ugly when the music stops – which will happen once fundamental assumptions behind the ‘platform game’ are questioned,” Deringer cautioned.

There are already signs of this.

Suitors evaluating the upcoming sale of inflexion-owned UK TICC platform Celnor are expected to scrutinize the degree of integration achieved by the business, sources told this news service in February. Inflexion is targeting a sale based on 2026 pro-forma EBITDA of GBP 40m–GBP 50m, expecting valuations of around 15x-16x EBITDA, as reported.

The irony of sponsors scaling segment-by-segment and eyeing break-up plays is that this could be fertile ground for larger players to Hoover up assets, doubling down on a universal model that only makes sense at huge scale.

“The larger players have significant advantages in the current ‘scale game’, as more and more clients tend to opt for the large brands, which are therefore able to grow faster than the rest of the market,” Deringer noted.

With a large number of sponsor investments ripe for exit in the coming years, “we might see some deep-pocketed investors engaging in transformational M&A, perhaps even some consolidation of the consolidators, like we saw with SGS’s audacious attempt to merge with BV,” said Maunsell.

NYSE-listed UL Solutions’ position among bidders shortlisted to the second round of an auction for Apax Partners-owned compliance technology firm Sedex seems to be

evidence of that. The deal is expected to value UK-based Sedex at an EV of around GBP 1bn. And of course, this comes hot on the heels of UL's EE acquisition from Eurofins.

This landscape appears very fertile for dealmakers: portfolio optimisation from both larger and private equity platform plays, greater integration to strengthen segment-by-segment, and a few giants continuing to Hoover up assets come what may.

“Long-term structural drivers continue to underpin TICC's strong investment case. It's a very defensible industry. There will always be a need for inspection and compliance, both specialist white collar and blue-collar services,” Ben Laing, partner at S&W told *Dealspeak*.

“In terms of mid-market exits, I think we can expect more of the same at sustained valuation levels. The general feeling is that there is still plenty of room for growth and so teams will opt for another roll of the dice with private equity. There is also still a certain level of scepticism about being bought by a large trade player,” said Maunsell.

If we do see more secondary buyouts, strategic focus will be more important than ever in delivering multiples in that 15x-20x range, rather than 10x-15x – especially as the impact of AI on TICC players becomes clearer.

Regulatory requirements for independent testing and certification necessitate the presence of a TICC industry, but AI will make it more efficient and transform how clients procure services in this field, Deringer said.

“AI is driving automation, predictive capabilities and new service lines, while increasing structural differentiation between scaled digital leaders and traditional operators,” Maunsell noted.

In this context, there is no room for complacency – or overreliance on the projection of recurring revenues long into the future without adequate scrutiny.

But break-ups, carve-outs and the creation of innovative new pure-play TICC operators are already filling an M&A pipeline that should prove as active as that seen over the past 10 years, as the space reshapes itself once again.

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