



CLEARWATER



UK Strategic Overview

2024/25

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Foreword



Mark Taylor
UK CEO

FY24/25 was a standout year for Clearwater in the UK, marked by record-breaking performance in both deal volume and revenue. We completed over 70 transactions with a total deal value of over £6bn, reinforcing our position as one of the most active and trusted advisers in the market.

This momentum is the result of long-term investment in our people and platform. Over the past five years, we've been deliberate in building a team-first culture that blends dedicated sector expertise with strong regional coverage. While many of our competitors have centralised, we've doubled down on local presence—something that continues to differentiate us in the eyes of clients and colleagues alike.

One of the defining moments in the last FY was the launch of our refreshed brand identity. Moving from 'Clearwater International' to simply Clearwater, the rebrand reflects who we are today: a modern, streamlined, and proudly independent adviser with a wide-reaching footprint.

This wasn't just a visual update; it was a reaffirmation of who we are.

Our mission is simple: to help great businesses, and the people behind them, realise their full potential. The new brand captures the warmth, trust, and ambition that underpins everything we do.

This year we completed:

74

Deals

41

M&A deals

33

Debt advisory deals



£6bn+

Deal value

3

New partners

3

Senior hires

“

We're a relationship business in a transactional world."

Mark Taylor, UK CEO



We've also seen the benefits of our strategic investments come to life. The expansion of our ESG and Modelling teams has added depth and resilience to our core M&A offering. Importantly, these service lines don't operate in silos—they collaborate seamlessly with our Debt Advisory and M&A teams, reflecting the collegiate culture that defines Clearwater.

This collaborative approach has not gone unnoticed. Over the course of the FY, we received multiple awards recognising our performance, including several UK and European team awards. For our people—particularly the next generation of deal leaders—this recognition matters. It's motivating, it's validating, and it fuels the competitive spirit that drives us forward.

We also continue to strengthen our global network. Our strategic relationship with KeyBanc in the US has become a powerful asset - supporting cross-border opportunities and reinforcing our position as a gateway for North American capital into the UK and Western Europe. At a time of shifting geopolitical dynamics, this connection is more valuable than ever, particularly in sectors like defence, technology, and advanced manufacturing where transatlantic investment appetite remains high.

More broadly, we grew our team across the UK, recruiting at all experience levels across our four key office regions. Notably, five new graduates joined us in October 2024, demonstrating our ongoing commitment to nurturing future talent.

We also made strategic senior hires, including Director Charlie Graham, who now leads our food and beverage division, Krushi Hindocha, who joined the healthcare team, and Jeremy Thomas, who has strengthened our automotive services sector, adding further scale and quality to our sector teams.

Furthermore, FY24/25 was a year of well-earned internal promotions, recognising the hard work and dedication of our team. Among them, at the start of the FY Finn O'Driscoll was promoted to Partner to lead our software practice, followed by Zack Goddard and Mark Maunsell, who each joined the partnership, as Industrials and Business Services Partners respectively, as we closed the FY in April 2025, reinforcing our philosophy of investing in homegrown talent.

The year in numbers

Total deal value

£6bn+

Total debt raised

£3bn+

Number of deals

74

59

Deals involving private equity involving

46

PE firms

18

Team promotions

3

New partners

3

Senior hires

Most active sectors



Business
Services



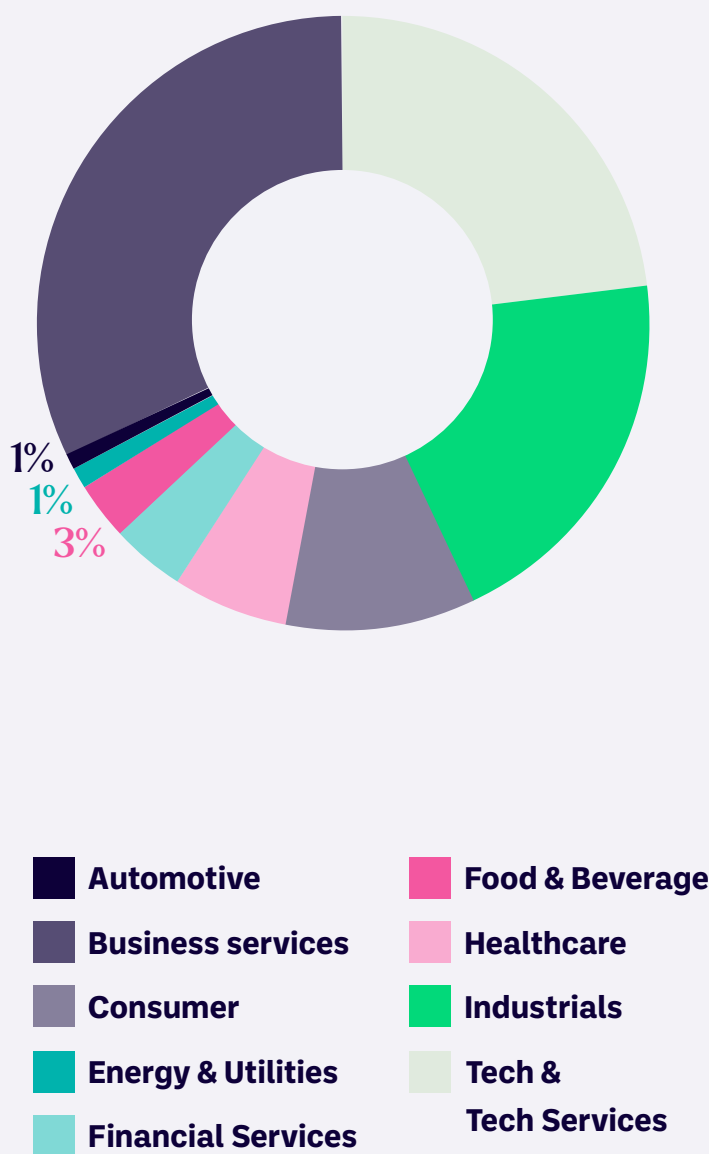
Tech &
Tech Services



Industrials
& Chemicals

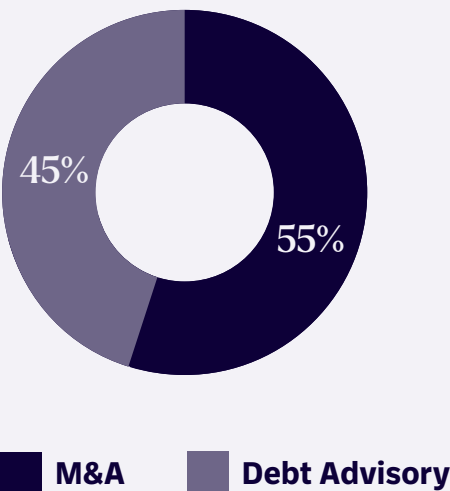
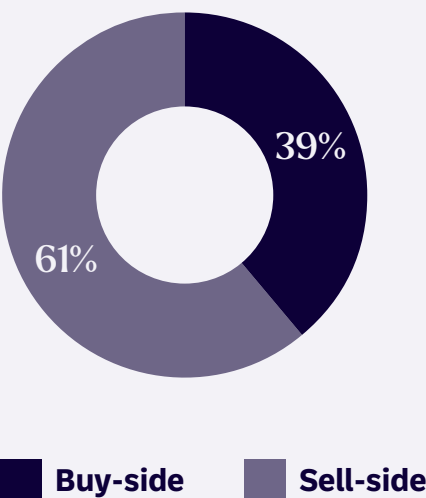
Key statistics

UK sector deal activity



Service offering

% of total deal volume





M&A outlook



Gareth Iley
COO, UK

Overall market trends

Clearwater performance

We've continued to see strong momentum in deal activity during the last FY, with volumes increasing year-on-year as the business continues to grow across multiple geographies. Despite pockets of economic uncertainty, performance has remained resilient across multiple geographies, with particular strength in the UK—our standout growth market in FY 24/25.

Across the business, our average M&A fee size has increased largely due to an increase in larger transactions completing than in previous years. Buyers have continued to reward high quality assets with clear differentiation and reason to win in their respective markets. Deal values have remained healthy, underpinned by quality asset flow, especially in high-demand sectors. Debt advisory performance was consistent, with average fees holding steady year-on-year.



74
transactions completed



£6bn+
in deal value



£3bn+
debt raised

Sector hotspots and areas of growth

Industrials & chemicals remained the backbone of deal activity—reaffirming our role as one of Clearwater's consistently active sectors. Technology & tech services continued to attract strong interest, particularly for high-quality businesses automating key digital workflows. Meanwhile, the consumer sector showed encouraging signs of recovery, rebounding in the second half of the financial year after a quieter period.

Healthcare and sustainability-linked businesses remain structurally attractive, though the pace of activity in these areas varies by end market and proposition. Overall, buyer appetite continues to favour sectors with proven resilience, strong market positioning, and clear long-term drivers.



23
business services transactions



16
tech and tech services transactions



14
industrials and chemicals transactions

What's driving activity?

Deal flow has been fuelled by a blend of macroeconomic and localised factors. In private equity-heavy markets, portfolio management needs—including exit timing and fund lifecycle dynamics—have supported M&A volumes. In more owner-managed markets, motivations tend to be more nuanced and sector specific.

Geopolitical risk, market confidence, and capital availability continue to influence activity levels—but strong businesses remain in high demand, and our international footprint has enabled cross-border opportunities to flourish even in challenging market conditions.



03 M&A OUTLOOK

Key drivers of M&A activity

Economic factors: interest rates, inflation, and market confidence

Across the board, macroeconomic conditions have played a defining role in shaping M&A activity. While high inflation and interest rate spikes in 2023 initially cooled the market, FY 24/25 saw increased momentum, particularly in the UK. With interest rates expected to fall, investor appetite—especially from private equity—has increased as financing conditions improve.

Regulatory and political change: uncertainty and sector impacts

Global political volatility—from tensions in the US to the ongoing conflict in Ukraine—has introduced layers of uncertainty that affect both PE and strategic buyer decision-making. In some cases, this has slowed processes or delayed activity, particularly in sectors facing regulatory scrutiny or trade disruption. As the impact of Trump tariffs continues to unfold, it is likely to hit some sectors, such as automotive, more aggressively than others.

Government actions such as increased tariffs or foreign direct investment (FDI) restrictions are reshaping the playing field. For example, new FDI approval requirements and the implementation of the EU's NIS2 directive are making it more difficult for some buyers to participate in transactions—either delaying approvals or reducing the potential buyer pool altogether.

Defence is one sector where regulatory focus is having a more positive effect. Increased government spending and renewed NATO commitments are driving substantial investment and M&A opportunities, albeit with tighter oversight on who can buy.

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Access to financing is a key driver—when interest rates are expected to come down, that naturally leads to more buyer activity.”



Mark Taylor, UK CEO

Private equity trends: dry powder, discipline, and buy-and-build

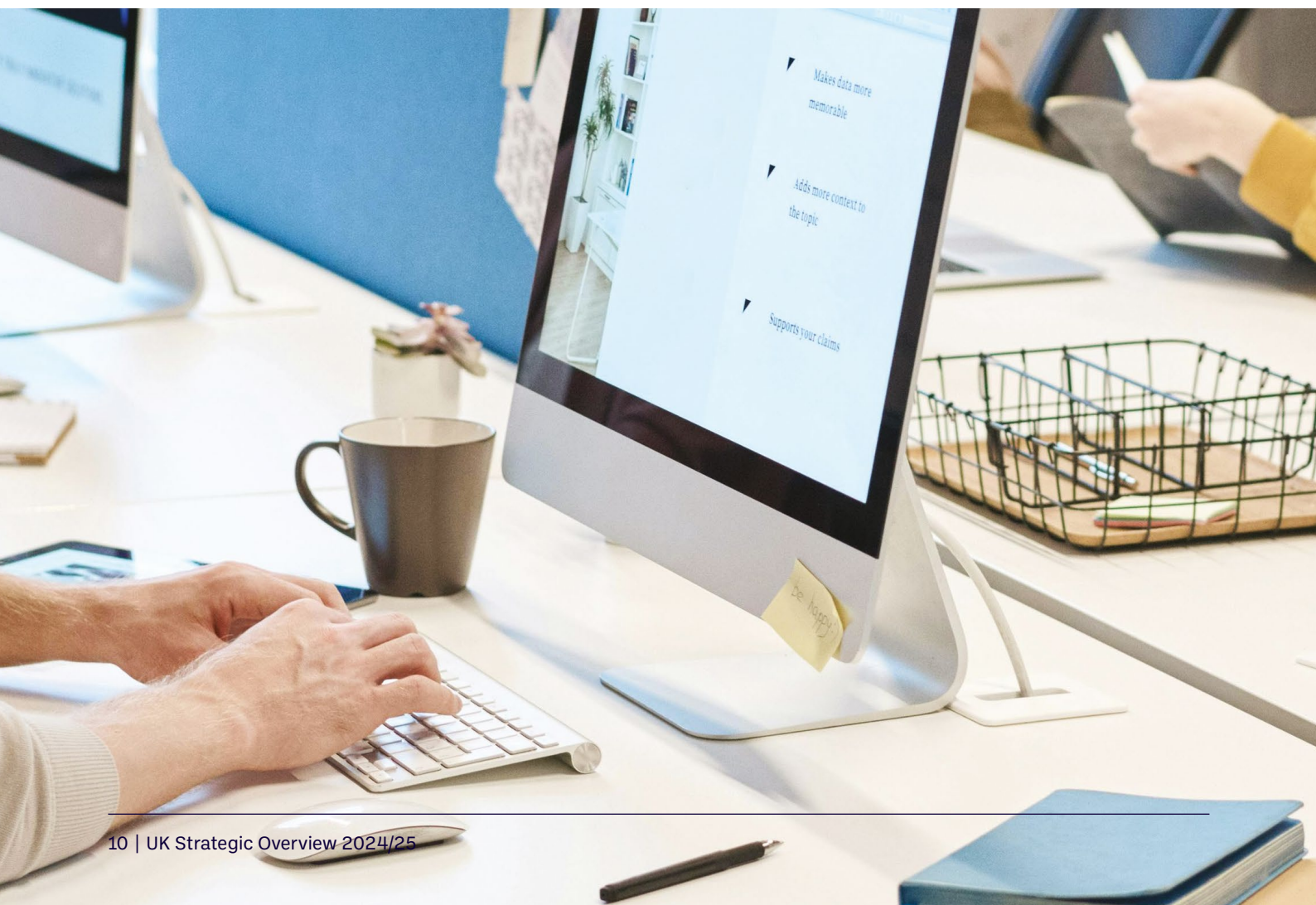
Private equity remains a key driver of M&A, with high levels of dry powder continuing to fuel acquisitions. While uncertainty around global economics and politics can elongate decision-making, most PE houses remain under pressure to deploy capital—particularly those nearing new fundraises or seeking to rebalance overloaded portfolios.

In this context, buy-and-build strategies have remained a major focus. PE firms are actively acquiring platform businesses and layering in add-ons to scale operations, drive synergies and create exit-ready packages. Sector specialism is increasing, with funds targeting narrow niches in tech and healthcare where they can apply deep knowledge and gain a competitive edge.

“

There's still strong interest from PE in doing deals—but uncertainty stretches the decision process.”

Mark Taylor, UK CEO





Technology & digital transformation: driving strategy and specialisation

The adoption of technologies like AI, cloud computing, and automation has changed the game for M&A. Businesses that lead in these areas have become highly attractive targets—offering speed to market, specialisation, and scalability. Rather than develop capabilities internally, many buyers—especially strategic acquirers—are choosing to acquire tech-driven businesses to stay competitive.

AI is now a must-have discussion point in almost every deal, with companies across all sectors expected to have some form of strategy in place. While early adopters are thriving, others risk falling behind. The same is true for cybersecurity, where growing threats have created both a market for service providers and a red flag for under-prepared businesses. In some cases, poor cyber-readiness has caused buyers to walk away.

Meanwhile, digitisation in traditional sectors like manufacturing is no longer optional. Regulatory directives such as NIS2 are forcing firms to invest in digital infrastructure and operational technology to remain compliant—further influencing both valuations and attractiveness to buyers.

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The adoption of technologies like AI, cloud computing, and automation has changed the game for M&A.”

Mark Taylor, UK CEO



03 M&A OUTLOOK

Cross-border M&A activity

Cross-border deal volume remains robust

Cross-border activity has remained a consistent feature of our deal flow. The proportion of completed transactions with a cross-border component has stayed strong over the last FY, reaffirming the firm's strength in connecting international buyers and sellers across the mid-market.

Interest in cross-border acquisitions has held steady across both private equity and trade buyers. For PE, international expansion remains a key lever for value creation, while trade buyers—particularly those pursuing consolidation strategies—continue to seek growth opportunities beyond their home markets. The food and beverage sector has been particularly active in this respect.

Regional trends: the strength of open markets

Cross-border activity continues to be driven by Europe's more open and mature economies. The UK remains among the most active regions for inbound and outbound deals, reflecting both the depth of its local market and investor familiarity with cross-border execution.

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Cross-border execution is a strength built on collaboration, and we continue to invest in deepening connectivity across our international teams.

Mark Taylor, UK CEO

Macro factors and motivations

While deal appetite remains high, macro factors such as tax reform, regulatory uncertainty, and geopolitical risk are playing a larger role in seller motivation. In the UK, for instance, several processes were brought forward to get ahead of expected tax changes, while discussions around inheritance tax and intergenerational succession are influencing decisions in family-owned businesses.

In private equity, fund lifecycle dynamics and deployment pressure are also driving increased cross-border engagement—particularly for funds looking to exit legacy assets or enter growth markets that align with long-term sector strategies, as home markets become more competitive that align with long-term sector strategies.

Challenges and opportunities

Cross-border execution is a strength built on collaboration, and we continue to invest in deepening connectivity across our international teams. While larger transactions naturally bring teams together across geographies, the firm is focused on making sure that even smaller mid-market deals benefit from the same level of sector expertise and local insight. Ongoing investment in sector team alignment is strengthening knowledge-sharing and enhancing our ability to deliver seamless outcomes for clients—regardless of location or deal size.

In-person events such as sector summits and firmwide gatherings play an important role in building relationships that drive collaboration, while evolving internal technology systems are making it easier to share insight and identify opportunities across borders.

Our international platform is increasingly well-positioned to support cross-border execution at every level of the mid-market—from niche bolt-ons to large-scale strategic exits—offering clients both reach and deep local expertise.



03 M&A OUTLOOK

Trends in deal making in the UK

Valuation stabilisation and the return of competitive tension

After a period of declining valuations, 2024 showed signs of stabilisation—if not a slight upward shift—across the M&A market. While average multiples remain lower than their peak, premium assets continue to command premium valuations, driven by a scarcity of high-quality opportunities and strong buyer competition. Where businesses offer strategic relevance, strong fundamentals, and growth potential, buyers are still willing to pay.

This stabilisation reflects a broader sense of adjustment in the market. Despite facing persistent headwinds—geopolitical uncertainty, inflation, and higher interest rates—buyers and investors have adapted. These challenges are now considered part of the landscape, with dealmakers recalibrating their expectations rather than retreating from the market entirely.

“

We’ve seen a shift—participants have adapted to challenges like inflation and interest rates. These are now part of the equation, not reasons to delay.”

Mark Taylor, UK CEO

A range of options for business owners

In the UK, we’re fortunate to have multiple sources of capital to support the strategic ambitions and entrepreneurial aspirations of shareholders. These range from trade buyers and PE investors to debt structures offered by banks and bespoke credit funds.

“

The UK continues to show resilience to macroeconomic factors, driven by ambitious entrepreneurs, diverse capital options and a strong deal advisory community.”

Mark Taylor, UK CEO

Sector divergence and the power of positioning

Sector-specific dynamics have played a major role in valuation trends. Technology remains highly active, with buyers drawn to digital capabilities, intellectual property, and recurring revenue models. Demand for business services also remains strong, while healthcare valuations have moderated post-COVID. In contrast, sectors like automotive and consumer have experienced more volatility, with changing regulatory environments, inflationary pressure and evolving demand patterns influencing valuations. Alongside this, renewable energy and climate-tech continue to attract significant interest and strong multiples.

Valuation adjustments and the rise of deal structure innovation

The gap between buyer and seller expectations—particularly in volatile markets—has led to greater use of structured elements in deals. Earn-outs, vendor loans, rollover equity and performance-based mechanisms are now standard tools for managing risk and bridging valuation gaps. These structures help reconcile differing views on future performance, particularly in cases where cash flow profiles are uncertain or market outlooks remain opaque.

Technology reshaping M&A execution

Emerging technologies, particularly AI and automation, are expected to have a significant impact—not only on the sectors being acquired, but also on how M&A is executed.

From sourcing buyers and building deal lists to leveraging historical pitch data and optimising workflows, process efficiency is improving rapidly. While core relationship skills, judgment, and sector expertise remain fundamental, advisers will increasingly balance headcount growth with tooling adoption to maintain execution quality at scale.

As digitisation continues, we see opportunities to further enhance delivery—especially through deeper integration of sector data, smarter use of analytics, and cross-border knowledge sharing.

“

From sourcing buyers and building deal lists to leveraging historical pitch data and optimising workflows, process efficiency is improving rapidly.”

Mark Taylor, UK CEO

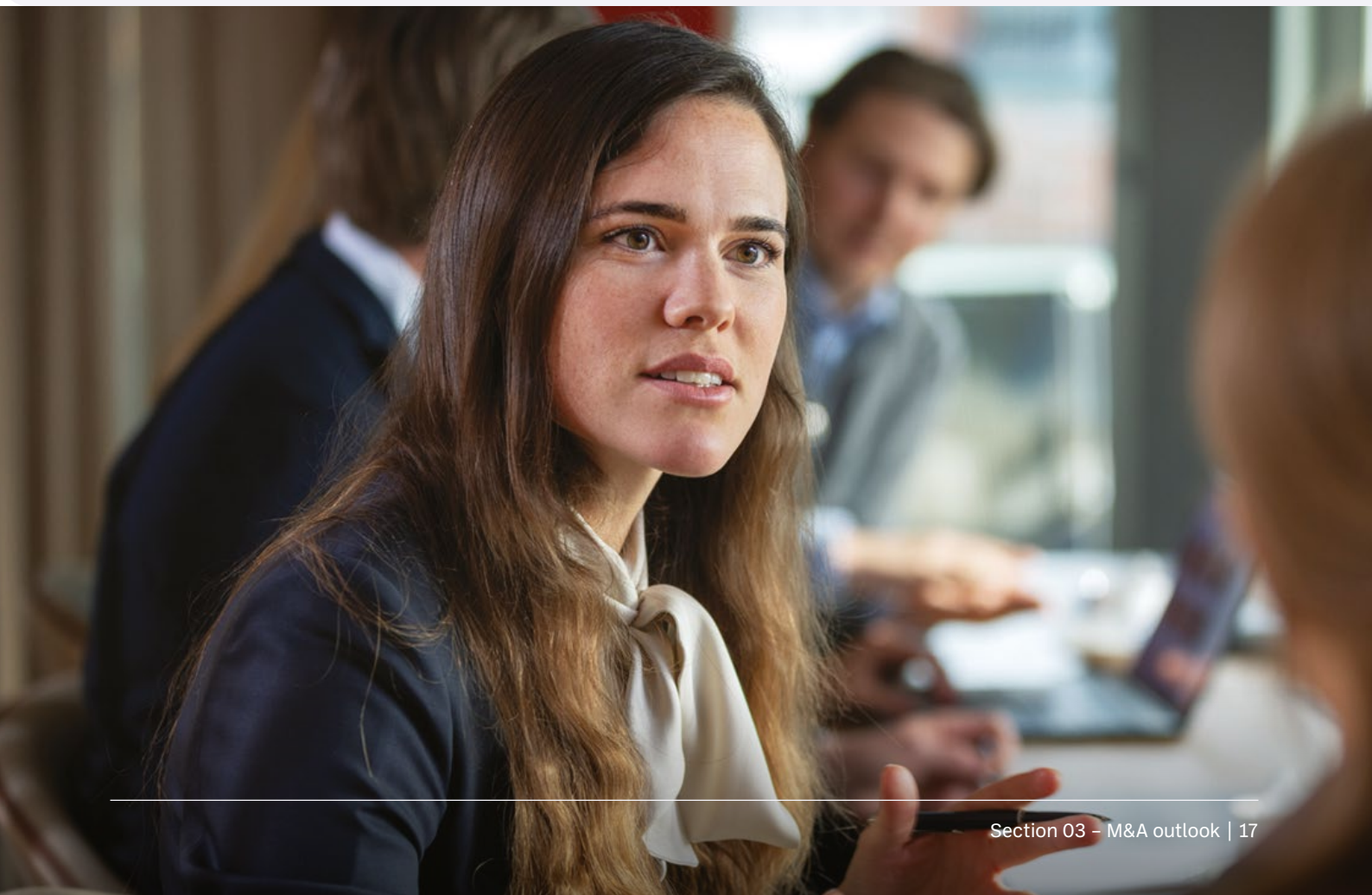
Due diligence: broader, deeper, and more strategic

Due diligence has evolved into a much more comprehensive process, covering everything from regulatory exposure and ESG credentials to talent strategy, cyber security, and digital infrastructure. Buyers are increasingly focused on operational resilience, industry positioning, and the quality of internal systems—particularly in cross-border deals where local risks can escalate. As a result, deal timelines have lengthened, with greater scrutiny placed on both financial and non-financial metrics.

Key areas of focus now include:

- Cybersecurity infrastructure and IP protection
- ESG readiness and supply chain resilience
- Diversity, talent availability and labour market exposure
- Compliance with international regulations and data protection laws

With more complexity and risk involved in every deal, the role of the M&A adviser has never been more crucial. For sellers, preparation is key—from building a compelling equity story to managing due diligence readiness. For buyers, tailored insight and thoughtful structure design are essential to getting that all-important value in uncertain markets.



Deal and growth financing

Market stability drives refinancing activity

While headlines have been dominated by interest rate fluctuations in recent years, most mid-market participants viewed the landscape as relatively stable in 2024. This sense of normalisation allowed financing markets to regain momentum—and nowhere is that more visible than in refinancing activity. In FY 2024/25, around 50% of our debt advisory transactions were refinancings, up from a more typical 25%.

The drivers varied. In some cases, sponsors opted for dividend recapitalisations or raised capital for bolt-on acquisitions. In others, longer hold periods meant private equity owners needed to refinance approaching maturities. A smaller number of companies are repricing existing debt to take advantage of improved terms, but most refinancings in the mid and lower mid-market were purpose-driven—not opportunistic.

Competitive processes and deeper market access

We continue to support businesses in optimising their capital structures by running competitive processes and leveraging our deep access to the private debt market. In a landscape where debt is typically still the cheapest form of third-party capital, the ability to run a well-structured process—to access the right lenders, negotiate favourable terms, and align funding with strategic objectives—is more important than ever.

“

Debt is still the cheapest form of third-party capital. If you can use more of it in a well-structured deal, it helps reduce the overall cost of capital.”

Simon Chambers,
Partner and Head of Debt Advisory

Outlook: 2024 saw improving terms for borrowers

There is a continued imbalance between supply and demand in private credit markets. Capital continues to be raised—by credit funds and private equity alike—and that is driving increasingly borrower-friendly terms.



33

transactions completed



£3bn+

debt raised

“

Our role is about giving clients access to the right lenders, knowing what terms are out there, and running a process that gets the best result.”

Simon Chambers, Partner and Head of Debt Advisory

03 M&A OUTLOOK

Future trends in debt capital markets

Cautiously confident

Across Europe, confidence levels in FY 25/26 may vary. Iberia and the UK continue to show strength. In terms of sector expectations, performance is expected to hold steady in core areas—industrials & chemicals, tech, healthcare, and business services—with incremental growth in tech linked to our own team investment.

That said, increased geopolitical risk and economic unpredictability have shifted sentiment. Forecasts that six months ago would have fallen within a narrow band now span a wider range, reflecting a lower level of certainty in revenue predictions and buyer behaviour. While this creates some hesitancy, the firm view is that as uncertainty becomes normalised, buyers and sellers will re-engage with confidence.



Simon Chambers

Partner and Head
of Debt Advisory

“

If private equity backed businesses do not come to market because of the uncertain macro outlook many of those companies will need to be refinanced to address maturities or raise additional acquisition facilities to finance an additional year or two of M&A.”

Simon Chambers,

Partner and Head of Debt Advisory



Consolidation themes set to continue

Consolidation is expected to remain a dominant theme—particularly in sectors where scale, specialisation, or recurring revenue models enhance value.

Key areas likely to see continued activity include:

- Healthcare, driven by fragmented service models and demand-side tailwinds
- Tech, where the time from product to exit has shortened due to scalable revenue and recurring models
- Food & beverage, where buyer interest remains high for scalable, brand-led businesses
- Professional services, such as accountancy and consulting, where specialism and cross-border platforms are increasingly valued
- Industrial sub-sectors influenced by rising energy costs and the need for operational efficiency

Regional consolidation is also visible as larger firms reassess their presence and independent firms adapt in response.

Macroeconomics vs geopolitics: where the uncertainty lies

Interest rates and inflation have largely stabilised across Europe, returning closer to long-term norms. While borrowing conditions are unlikely to mirror the 0–1% rates seen in previous years, this stability brings clarity to investment decisions and financing structures.

However, macroeconomic factors are no longer the primary driver of M&A sentiment. Geopolitical uncertainty—from US policy volatility to shifting global alliances—is having a greater day-to-day impact on buyer caution and risk assessment.

In this environment, the breadth of valuation outcomes has widened significantly and we have seen lenders pausing, reflecting differing views on short and long-term risk.

That said, past cycles suggest that once uncertainty becomes accepted as the new norm, the market adjusts. Business owners with long-term plans—particularly those exploring succession or intergenerational transfer—are likely to proceed regardless, especially in regions facing tax reform or inheritance rule changes.



Private equity insights



Marcus Archer
Managing Partner
UK

Deployment pressure and shifting dynamics

Private equity continues to play a critical role in shaping M&A activity, both on the buy and sell side. In the year ahead, we expect this influence to grow, driven by a combination of dry powder pressure, portfolio management realities, and fundraising cycles.

Many private equity houses are now under pressure to deploy capital as they work towards future fundraises. Others are holding portfolios that have become too large, with investment partners stretched thin across too many board seats.

This is pushing firms from a mindset of “we’d like to sell if the timing is right” to “we must sell ahead of our next fund”. The result is a more active stance on both acquisitions and exits, with LP expectations quietly guiding the rhythm of the market.

80%

Completed UK transactions involving private equity in FY 24/25

Selection of PE relationships in FY 24/25

LDC



Beech Tree
PRIVATE EQUITY

BGF
Invested in Growth

gcp

Livingbridge

palatine

WestBridge

ik

SYNOVA

BAIRD

inflexion

eci

APIARY
CAPITAL

Phoenix Equity Partners

MAYFAIR
EQUITY PARTNERS

More cautious, but more focused

Despite this pressure, deal execution remains cautious. Investment committees are more demanding, diligence is deeper, and processes are taking longer. Buyers are turning over every stone to ensure businesses are robust enough to weather uncertainty—whether political, economic, or sector-specific. The world still feels uncertain, so while there's pressure to deploy, it's still done with a degree of caution.

Increased economic uncertainty due to US tariffs is adding another layer of complexity to the private equity landscape. These tariffs are expected to influence deal-making decisions, particularly in industries with high exposure to international trade. As a result, we expect private

equity firms to become more thoughtful in their exit timing and to factor in the potential impacts of tariffs during due diligence processes. The industrials & chemicals and consumer sectors will likely feel the brunt of these changes, with increased costs and disruptions in supply chains. Meanwhile, sectors like business services, financial services, and technology are expected to continue operating relatively normally, as they are less dependent on international trade flows.

Private equity firms are also adopting a more selective and strategic lens, focusing on resilience, scalability, and growth headroom. Deals are still happening—but they're happening with greater rigour.

Capital strategies and deal structuring trends

Access to capital isn't a constraint for most funds. Those with capital are active, and even those who aren't currently fundraising can often lean on supportive LPs or structured co-investment models to stay in the game.

One notable trend is that PE buyers are increasingly under-leveraging their platform investments at entry. By avoiding excessive debt at the outset, firms are keeping flexibility to raise additional capital later—either to fund bolt-ons or support international expansion when the market conditions improve. We've seen a sharp rise in debt advisory activity as a result—with deal flow in this area doubling over the previous year.

Continuation vehicles are also being used more frequently—especially for strong-performing assets held longer than expected. These allow firms to release liquidity for existing investors, while bringing in new ones to support the next phase of growth. Similarly, GP-led secondary buyouts are enabling funds to partner with one another—injecting new capital into assets that still have significant upside.

The continued popularity of buy-and-build strategies is also notable. Firms are using this approach to bring down blended entry multiples by acquiring smaller, lower-valued assets that complement the core business.

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Under-leveraging upfront and refinancing later is becoming more common—it gives PE firms flexibility to fund future growth.”

Marcus Archer, Managing Partner, UK

Sector targeting and strategic conviction

A growing number of private equity firms are now identifying key strategic markets in advance and building conviction well before a sale process begins. Rather than reacting to opportunities, these firms are doing the groundwork early—commissioning outside-in market assessments, building networks of sector experts, and bringing their investment committees on the journey months in advance.

This new generation of “conviction investors” are focused, prepared, and aligned. When a relevant asset comes to market—particularly in tech, healthcare, or other future-facing sectors—they’re able to act decisively.

This approach represents a significant shift from the traditional model of IM distribution and competitive bidding. Increasingly, the process starts well before the teaser lands—and the best outcomes are being secured through deep pre-process planning and early relationship building.

PE-backed buyers vs traditional trade

When it comes to M&A, the lines between private equity-backed portfolio companies and strategic trade buyers continue to blur. Many portfolio companies behave like trade buyers—seeking acquisitions for customer access, geographic reach, team capability, or IP—but with the added speed and professionalism of a financial buyer.

Private equity-backed businesses often move more quickly in processes, with fewer layers of internal governance. They are also typically more thoughtful about people and incentives—not just looking to retain management, but actively structuring deals that align leadership teams through earn-outs and equity participation.

These differences may appear subtle, but they can be decisive—especially in founder-led businesses, where the cultural fit and future upside for the team matter just as much as valuation.



MODELLING

Modelling and Data Analytics

Building clarity and confidence through insight

Our Modelling and Data Analytics team plays a critical role in helping clients prepare for, execute, and optimise M&A and debt transactions. As a specialist function within the business, we combine technical rigour with commercial understanding—providing the tools our clients need to tell a compelling equity story, plan with confidence, and support investor decision-making.

A dual lens: forecasting the future, understanding the past

We approach our work through two distinct but complementary lenses. Financial modelling focuses on future performance, typically projecting a five-year outlook based on three years of historical performance. Our models go beyond valuation—they support debt structuring, covenant planning, board reporting, and monthly performance tracking.

Data analytics enables businesses to truly get to the heart of what drives their performance—both financially and operationally. It goes beyond reporting, offering a clearer understanding of what's working, what's not, and where future value can be created. For buyers, particularly in private equity, the ability to present a cohesive, data-backed growth story is becoming increasingly valuable. Historical financial and operational information provides vital evidence of performance and scalability, giving investors greater confidence in the numbers and the narrative.



Jenny Manning
Director
UK

Driving accuracy, value and risk clarity

Everything we build is driver-based and commercially relevant. Rather than using blunt assumptions, we break down forecasts into their component parts—so our clients can understand, challenge, and interrogate what's really driving business performance. This improves accuracy, highlights risk, and allows for more informed decision-making.

Alongside our models, we often deliver Power BI dashboards that offer real-time visibility and the ability to drill into the detail—turning static numbers into actionable insight.

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If you're a consulting firm, we won't just say revenue's growing 10%. We'll break that down—consultant count, utilisation, average charge rate—so clients really understand what's driving the outcome.”

Jenny Manning, Director



Supporting smoother processes and stronger outcomes

Our work often becomes a single source of truth during the deal process. The models and dashboards we build inform the marketing materials, support diligence, and help investors get comfortable with the opportunity—reducing management burden and creating a smoother process overall.

We also design our outputs to be usable beyond the transaction. Everything we build can be refreshed and owned by the business—so it becomes part of the ongoing reporting infrastructure, not just a one-off.

“

Modelling gives you a tool to answer ‘what if’ questions without taking two weeks out of the team’s time. It’s about enabling smart, real-time decision-making.”

Jenny Manning, Director

Team growth and market momentum

In the last FY, we’ve expanded the team with two new hires, reflecting our continued investment and the growing demand for our services. Since launching the team just four years ago, we’ve been involved in many of the largest UK transactions we’ve advised on. That includes complex data analytics support, like our work on the Lomond transaction, where we analysed every individual property let by the business to demonstrate portfolio value.

We’re seeing more demand than ever before—especially on larger, mid-market transactions where investors expect data-led evidence of performance and growth. And we’re proud to be helping our clients meet that challenge.

ESG

ESG Advisory

A defining differentiator in the mid-market

We are the only mid-market corporate finance adviser with a dedicated ESG team that has embedded ESG into every M&A and debt transaction we lead. That focus is a key differentiator—and increasingly a reason why clients choose to work with us.

Demand for ESG advisory services has accelerated rapidly over the past two years, and this financial year marked our first full year with the service line fully integrated into our UK offering. ESG due diligence now features in over 85% of transactions, driven by growing investor expectations and regulatory pressures. Most mid-market businesses don't have internal ESG specialists—so our role extends beyond the transaction. We educate, advise, and help clients navigate a fast-changing landscape.

What's driving demand: regulation, risk, and returns

There's no escaping the regulatory momentum. ESG-related legislation has grown 155% over the past decade. At entity level, companies are required to report on ESG topics in line with industry and jurisdictional regulations. At investor level, legislation is increasingly focused on transparency and disclosure—especially in those managing sustainable funds. Across both areas, the focus is clear: mitigate risk, demonstrate impact, and future-proof the business.

This is no longer just about risk mitigation. ESG is now a tool for value creation. Investors are seeking to leverage ESG to build resilience and support growth through E, S and G pillars. Businesses that can show alignment with market expectations are increasingly rewarded, and those that can't are at risk of being left behind.



Jo Daley
Head of Impact

“

ESG is just about the principles of good business.”

Jo Daley, Head of Impact

What clients really need: practical, commercial support

Most of our clients approach us with three questions: What do I need to do? How can ESG support my business growth? And how do I turn this into a strategic advantage?

Our approach starts with materiality. What's relevant and value-creating for this business, in this sector, at this moment? We use a commercial lens—tailoring every strategy to align with business growth, investor expectations, and with the acknowledgement of the realities of the mid-market.

We don't believe in ESG for ESG's sake, it's all about strategic alignment. A good ESG strategy should never sit in isolation—it should be embedded into the broader business strategy and help unlock opportunities, whether that's market entry, M&A preparation, or meeting requirements of increasingly aware and demanding stakeholders.

Impact on valuations and transaction outcomes

The link between ESG and valuation is now well-established. Investors are factoring ESG into their due diligence, with measurable impact on pricing and decision-making. A recent Deloitte survey shows that 83% of dealmakers expect to pay a premium of at least 3% for strong ESG performance—and 70% have walked away from deals due to ESG-related concerns.

We're seeing new areas of focus emerge. Carbon emissions remain front and centre, but supply chain transparency, biodiversity, and social value are becoming priority themes. These are no longer fringe considerations—they're moving to the core of how businesses are assessed, valued, and positioned in a transaction.

Our tools, approach, and market positioning

We stand apart because ESG isn't an add-on—it's part of the fabric of our process. Every Clearwater mandate includes a bespoke ESG Health Check aligned to 38 KPIs across E, S, G that is highly material and aligned with SASB (Sustainability Accounting Standards Board).

We also integrate the UN Sustainable Development Goals (SDGs) into the support we give to our clients, as these are used by 72% of private equity investors, and to make sure they're also aligned with global frameworks. We've built our own impact analysis tool based on leading investor methodologies, and we have certified expertise in SROI (Social Return on Investment)—supporting clients in measuring and articulating social value.

We're also actively supporting clients with wider impact and social value strategies, helping them win bids, stand out in tenders, and demonstrate tangible value to stakeholders.

Navigating risks, regulations, and future legislation

The biggest risks facing businesses today are often those they haven't yet considered—particularly in supply chains. That's why we take a proactive approach, helping clients prepare for upcoming regulatory changes before they become urgent.

From carbon and DE&I to board-level governance, we make sure businesses are future-ready and investor-aligned. We're seeing particular interest in EU-led legislation such as CSRD and the EU Deforestation Regulation, alongside UK-led changes like SDR. These are complex, but they're coming—and our role is to help clients stay ahead of the curve, not scramble to catch up.

“

Supply chain transparency is the big topic for the year—and few are truly ready.”

Jo Daley, Head of Impact

Outlook: finding the right level

Despite the noise in global headlines, ESG is here to stay. In the US, we've seen increased political pushback, with ESG becoming a polarising topic in certain states. But this is less a reversal and more a recalibration. The underlying trajectory of ESG adoption—particularly among global businesses and investors—remains strong. Many US states continue to push forward with their own ESG frameworks, and any business with international operations must still comply with evolving global standards. The pendulum is simply finding its level. Ultimately, ESG is just good business: operating efficiently, managing risk, looking after people, and building sustainable long-term value.

OWNERS AND FOUNDERS

Entrepreneurial insights

What entrepreneurs are looking for

Entrepreneurs today are navigating a more complex landscape than ever before. The dominant priorities we're seeing among ambitious business owners include managing rising costs—particularly labour—and exploring how AI and digital transformation can drive efficiencies. As growth becomes harder to win, there's greater focus on topline revenue, sharper go-to-market strategies, and choosing the right opportunities that balance potential return with manageable risk.

While appetite for international expansion remains, particularly across Europe, the most universal growth themes we've observed are digital transformation and sustainability. ESG is no longer a 'nice to have'—it's increasingly becoming a prerequisite to win contracts, especially where enterprise-level procurement is involved. Much like ISO certifications in years past, ESG credentials are now critical for suppliers looking to stay competitive.

Growth and expansion strategies

Buy and build remains a core growth strategy—especially in private equity, where bolt-ons offer a cost-effective way to scale, reduce average entry multiples, and ultimately drive higher exit valuations. But it's not just for investors. We're encouraging founder-led businesses to consider acquisitions too, and many are increasingly embracing this approach.

Alongside acquisition strategies, we're seeing more sophisticated approaches to financial planning. Scaling businesses are recognising the need for robust models that



Richard Goldsack
Partner

plan for downside scenarios, protect headroom, and align with the right funding structure.

Whether entering new markets or accelerating organic growth, the importance of financial foresight cannot be overstated.

Equally, management incentivisation has become a key priority. Whether through EMI schemes or growth shares, businesses are using equity to retain top talent and align teams with future value creation.

The evolving role of investment partners

In a more uncertain economy, entrepreneurs are becoming more selective about who they partner with. It's not just about capital any more; owners want investors and advisers who bring genuine expertise and value add, whether that's sector insight, strategic input, or support navigating change.

At the same time, we're seeing more business owners taking money off the table to de-risk. Having lived through years of volatility—from COVID to political instability—many are choosing partial exits, or minority investments, that allow them to continue building the business while securing personal financial resilience.

As an independent, entrepreneurially-led business ourselves, we understand those decisions. We empathise with founders who are cautious yet ambitious, and we support them in balancing short-term protection with long-term value creation.

“

Tax should never be the tail that wags the dog. Sell when it's right for your business—not because someone says the rate might change”

Richard Goldsack,
Partner

Implications of tax changes

Recent changes to capital gains tax and national insurance have created additional noise in the market—but for most businesses, they've not been transformational. While they may delay some exits, the bigger shift we're seeing is a growing number of business owners exploring emigration or family investment company structures to manage tax liabilities long-term.

The IHT changes announced in the latest Budget have yet to fully filter through to deal activity, but we're keeping a close eye on how they may influence future planning. In our view, tax should never be the tail that wags the dog. The decision to transact should be based on what's right for the business and its long-term prospects, not short-term tax speculation.

Managing financial risk and uncertainty

Inflation, interest rates, and political volatility have all created headwinds for growth. Pricing strategies, funding costs, and client sentiment have all been impacted, and for many businesses, that's translated into a more cautious investment approach.

In this environment, resilience comes from strong cash management, honest conversations with funders, and quality financial leadership. We're still seeing too many growing businesses underinvest in their finance function—an experienced FD can make all the difference when navigating uncertainty.

We also urge businesses to forecast based on what's materially driving performance, not just extrapolate past results. Forecasts should be integrated across the business, not siloed in the boardroom. And while it's tempting to postpone strategic investments in an uncertain market, delaying decisions that create long-term value often does more harm than good. Part of our job as advisers is helping founders make—and justify—those investments with confidence.

“

So many businesses still see the FD role as a cost. But in volatile times, a strong finance function is worth its weight in gold”

Richard Goldsack,
Partner

Clearwater highlights

Technology & tech services

A market rebalanced: valuations, resilience and reality

The tech and tech services sector has undergone a clear valuation reset. At surface level, median and average multiples may look similar to previous years, but beneath that lies a widening gulf between the top performers and everyone else. The valuation variance has grown - those with strong fundamentals and scalability continue to attract high prices, while others either fall short or fail to transact altogether.

There's still capital out there, but the focus has shifted to resilience and returns. Buyers are prioritising mission-critical businesses, those that are cash-generative and can demonstrate strong unit economics. Land-grab growth strategies are being replaced by more disciplined models, where profitability, scalability and sustainability take centre stage.

Sub-sector focus and digital evolution

The sector continues to evolve rapidly, with digitisation influencing every level of the market. While our tech team operates across clearly defined subsectors – recognising, for example, that software businesses differ fundamentally from technology services or data and information platforms – this structure also allows us to identify and apply valuable insights across areas. For instance, we leverage SaaS metrics to better understand recurring revenue models in managed services or use LTV/CAC analysis to assess digital consulting businesses, enabling a richer, more nuanced approach to market trends.

“

The average multiple might look the same—but the gap between the best and the rest is bigger than ever.”



Wesley Fell-Smith,
Partner and Head of
Tech & Tech Services

While cloud adoption continues to grow, the pace has moderated as many businesses have completed initial migrations and are now asking, “I’m in the cloud – what comes next?” The focus has shifted from simply moving workloads to optimising integration, improving visibility, and driving actionable insights across hybrid and multi-cloud environments. At the same time, organisations are navigating increasing regulatory scrutiny and data sovereignty concerns, which influence their cloud strategies. Ultimately, the next phase of cloud adoption is about unlocking value and preparing infrastructure to leverage emerging technologies like AI fully.

AI: boardroom buzz vs operational reality

As Ben Evans* highlighted in his annual presentation, AI is sparking two simultaneous conversations: it could be something – or it might change everything.

Despite extensive boardroom focus, truly industrialised AI implementations remain nascent. Effective deployment depends first on data readiness – encompassing data quality, governance, integration, and architecture. Organisations with mature data pipelines and advanced analytics capabilities are positioned to operationalise AI for enhanced decision support and automation. Conversely, many firms are still addressing foundational challenges like data silos and inconsistent categorisations.

The current proliferation of terms like ‘agents’ and ‘co-pilot’ reflects early innovation stages; however, platforms such as Microsoft Copilot exemplify the shift toward practical, enterprise-grade AI augmentation.

Cybersecurity: when—not if

Cyber remains a core consideration, though the nature of the discussion is shifting. In the mid-market, pure-play cyber firms are still rare – many remain early-stage or sit within VC portfolios – but security is now baked into every business’s operating model.

There’s a growing maturity around cyber resilience: assume you will be breached. As recent high-profile cases have shown, the real test is how fast you contain the breach, recover, and resume operations. There’s growing demand for tooling that supports cyber incident response and restoration, such as disaster recovery planning, rather than focusing solely on prevention.

Sector performance and buyer behaviour

Buyers are still active in high-quality assets across our sub-sectors with pronounced spikes in SaaS and software, data and information services and IT managed services. Overall buyers have become notably more selective and strategic, focusing on fewer deals with clear long-term value. Heightened due diligence and longer deal timelines reflect that increased caution.

Private equity remains central to the tech market, but with a stronger focus on cash returns, strategic sector theses, and early pipeline planning. Gone are the days of reactive bidding. The best buyers are now working 12–18 months ahead – building conviction, warming up their ICs, and making sure they’re ready when the right asset comes to market.

“

AI will disrupt eventually, but for now, it’s an enabler—if you’ve got your data in shape.”

Wesley Fell-Smith, Partner
and Head of Tech & Tech Services

*Benedict Evans, ‘AI eats the world’ annual presentation, May 2025

Team performance

Our UK tech team had a strong year, advising on 16 transactions with a total value of £2bn. Activity spanned the full spectrum of the sector, from digital transformation and B2B software to IT services and marketplaces. We were particularly proud to have yet again advised on the market leading transaction in the IT services segment sector advising Beech Tree and the other shareholders of Transparency on their secondary buyout by Bowmark.

Cross-border collaboration was a particular strength this year. In one standout example, our UK and Swedish teams joined forces to advise Mecenat – a leading Nordic loyalty platform – on its investment from UK-based private equity firm Inflexion.

16

UK transactions with a total value of

£2bn



One key transaction of note:



TRANSACTION

Transparency on its investment from Bowmark Capital



SELL-SIDE

Undisclosed



ROLE

Adviser to Transparency on its investment from Bowmark Capital

SECTOR

Tech & Tech Services

REGION

UK

Clearwater advises secondary buyout of Microsoft partner to support ambitious growth plans

We advised Transparency, a leading Microsoft technology partner, on its investment from Bowmark Capital, the mid-market private equity firm. The transaction provides an exit for Beech Tree, which invested in the company in 2020. Our team advised the shareholders of Transparency on this transaction.

Transparency is a high-growth Microsoft services partner providing digital transformation solutions focused on cloud infrastructure, application development, cyber security, data and AI. The company has over 260 UK-based employees who together hold more than 1,000 Microsoft technical certifications. It holds all six Microsoft Solution Partner designations as well as Azure Expert MSP status.

Transparency's solutions and services cover Data, AI, Azure, Power Platform, Dynamics, Cyber and Digital Workplace, which it provides to over 500 customers. The combination of its alignment with these high-demand technologies, its strong technical capabilities

and its customer-centric approach, has enabled Transparency to deliver annual organic revenue growth of over 25%. It was also recently ranked as the 17th best technology company to work for in the UK.

Bowmark has a long track record of investing in technology services companies. Its partnership with Transparency will help the company continue its strong growth momentum through investment in data engineering and AI skills, capability expansion into emerging technologies and selective UK and European acquisitions to strengthen Transparency's ability to deliver for its customers.

Beech Tree, being one of the leading lower mid-market investors in the sector, has worked closely with Transparency over the last three and a half years as the company has significantly developed its Microsoft capabilities, expanded its product offering, invested in its people and culture, completed key strategic bolt-on acquisitions and delivered strong organic growth.

Industrials & chemicals

Navigating disruption with sector resilience

The industrials and chemicals sector has faced a near-constant stream of challenges over recent years—from COVID and energy price spikes to geopolitical instability and shifting regulation. Despite this, activity has remained strong for us, particularly among resilient, high-quality businesses with clear market positioning.

Private equity has stepped back somewhat from the sector due to heightened caution and pressure on fund returns. However, strategic buyers have stepped in with confidence, especially those with strong balance sheets looking to acquire niche

capabilities. Businesses that can demonstrate innovation, digital readiness, and strong service models continue to attract robust valuations.

Digitisation is a key driver, with automation, predictive maintenance, and data-driven efficiency becoming major differentiators. Equally, sustainability continues to influence dealmaking—but there's now a sharper focus on evidence. Buyers, particularly impact funds and strategics, are demanding measurable, proven outcomes, not just green ambition.

“

We're seeing real success where traditional sectors are being challenged by new ideas, better technology, and more efficient ways of operating.”



Michael Loudon,
Partner and Head of Industrials & Chemicals



Sector hot spots: infrastructure, defence, and disruption

We've seen particularly strong activity in infrastructure services, driven by investment into power, water, and data centre connectivity. These are resilient, long-term markets that continue to benefit from structural tailwinds.

Other active areas include:



Automotive services, where disruptive business models are challenging traditional value chains



Specialty chemicals, with fragmented markets driving consolidation by large strategics



Waste management, as investors target long-term sustainability and efficiency gains



Defence and industrial technology, increasingly prioritised amid global instability

There's also growing momentum in businesses aligned to water security and decarbonisation, with regulation and investment cycles supporting these themes across multiple geographies.

“

Strong, resilient businesses with a clear market position are finding a way through—despite everything the world's thrown at them.”

Michael Loudon, Partner and Head of Industrials & Chemicals

Team strength and strategic hiring

Our industrials team has continued to grow internationally, building out cross-border sub-sector expertise and deepening collaboration across European offices and with US partner KeyBanc.

Team-building initiatives, such as the pan-European industrials summit in November, have supported knowledge sharing and alignment—benefiting both clients and deal execution.

Key hires this year included senior additions in chemicals and automotive services, most notably Zack Goddard, who was promoted to Partner within the team in April 2025, with further investment expected as the firm deepens coverage in priority areas like infrastructure, building products, and industrial tech.

14

transactions with a total value of

£1.5bn

Looking ahead: resilience, ambition, and momentum

Our industrials team is now advising across the full range of the mid-market, from smaller founder-led businesses to cross-border deals exceeding £430m (€500m). The team is seeing continued success in working with owner-managers, especially those considering a sale due to shifting tax regimes or succession planning.

As geopolitical instability becomes a permanent feature of the landscape, resilience, clarity of strategy, and flexibility will continue to underpin valuations. Our integrated, cross-border team is well-positioned to help clients navigate this environment—and remains ambitious to grow further, both in volume and value.



From grid to growth: Rutland exits JSM with 6.6x return following sale to TowerBrook



TRANSACTION

Majority sale of Rutland Partners-backed JSM Group to TowerBrook Capital Partners



SELL-SIDE

Undisclosed



ROLE

Adviser to the shareholders of JSM Group on its sale to TowerBrook Capital Partners

SECTOR

Industrial & Chemicals

REGION

UK

We advised the shareholders of Rutland Partners (Rutland) backed JSM Group (JSM) on its majority sale to TowerBrook Capital Partners (TowerBrook), delivering a return of over 6.6x (73% IRR) for Rutland.

JSM is a market-leading provider of technical infrastructure services to the UK and Ireland's power and communication markets, with significant future growth opportunities throughout Europe. The business's power division provides high-voltage and extra-high-voltage grid connections to its blue-chip customer base across the data centre, battery storage, and renewables markets. The communications division provides core fibre infrastructure network, data centre, and mobile network services to several longstanding communication customers. JSM is recognised for its differentiated knowledge and expertise in its core markets, strong operational capability, and significant commitment to quality customer service as well as health and safety.

Since Rutland Partners' investment in 2021, alongside JSM's management team, JSM has delivered significant growth, driven particularly by its power division, which has achieved organic sales growth of c.55% p.a. since its acquisition. The business has successfully developed its market-leading position and benefited from

trends surrounding the growing demand for data and connectivity requirements, electrification, and decarbonisation. JSM has developed a large and growing order book, with a pipeline of over €1.4bn (£1.2bn), providing strong forward visibility. The business has also successfully expanded internationally with operations established in both Ireland and Germany, which will further accelerate its growth.

JSM will continue to be led by CEO Stuart Wiltshire, with most of the senior team remaining in the business, as it expands its customer base and further develops into international markets.

TowerBrook is a purpose-driven, transatlantic investment firm with experience investing in businesses across the consumer, financial services, healthcare and technology, media, and service sectors. The firm has a strong history of investing in industrial companies that span a range of sectors, including aerospace, automotive, chemicals, construction, metal recycling, and transformative technologies.

05 CLEARWATER HIGHLIGHTS

Business services

Expanding reach and sub-sector depth

Our Business Services team continues to strengthen its presence across key territories. In the UK, Mark Maunsell was promoted to Partner in April 2025. The partnership also expanded in France and Finland, with strengthened team coverage in Switzerland and Germany.

Our international credibility has been key. Leveraging both our European platform and our US partnership with KeyBanc allows us to deliver the best possible outcomes for clients.

Cross-border deal activity across core segments

The sub-sectors seeing the strongest activity are compliance-led services, within professional services, TICC, and education and training. Many of these businesses operate globally by nature, and our ability to tap into international buyer pools has been central to securing high-value outcomes.

The team completed multiple cross-border transactions over the year, with overseas buyers playing a significant role in deals such as Lomond, CCS Media, Findel and HSL Compliance. The international team's growing presence has helped identify, engage and convert inbound interest in businesses across core sub-sectors.

“

The businesses getting most attention from investors are those that combine recurring revenue with compliance-led services, technology and those that are driving consolidation of a fragmented market via M&A and scalability.”



Rob Burden,
Partner and Head of Business Services

Consistency, collaboration, and a collegiate culture

The international business services team has focused on consistency, collaboration and specialism. We've built a strong reputation in the market for delivering results across professional services, TICC, education and training, fire and security, and tech-enabled business models in particular.

23

UK transactions with a total value of

£1.7bn

The success of the business services sector is rooted in the strength and stability of the team—a team that stays close to clients, brings deep insight into complex markets, and continues to build long-term relationships that lead to repeat mandates.

Our expanding global footprint has played a major role in this success, with offices in key economic hubs across Europe enabling seamless cross-border execution. International reach, combined with local knowledge, continues to deliver a competitive edge.

“

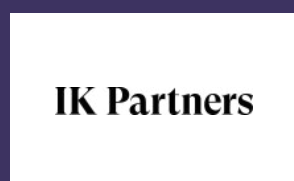
We now have Business Services specialists across all our key markets, which enables us to operate as one cohesive team across borders.”

Rob Burden,

Partner and Head of Business Services



One key transaction of note:



TRANSACTION

HSL Compliance secures investment from IK Partners

SELL-SIDE

Undisclosed

ROLE

Adviser to the shareholders of HSL Compliance

SECTOR

Business Services

REGION

UK

IK Partners (IK), a European private equity firm, has signed an agreement to invest in HSL Compliance (HSL), a leading provider of environmental compliance services in the UK, alongside the management team and existing investor LDC who are both reinvesting as part of the transaction.

We have advised the shareholders of HSL on the investment.

Headquartered in Herefordshire and founded in 1976, HSL is a leading UK environmental testing, inspection, certification and compliance (TICC) company that provides a range of services across water hygiene, water treatment and other compliance activities. The company boasts extensive national coverage with 19 offices across the UK and Ireland and employs approximately 650 people who serve a diversified base of more than 370 customers across a variety of private and public sectors, including food and beverage, manufacturing, facilities management, healthcare and education.

Since LDC's investment in 2019, HSL has quadrupled pro-forma revenues to £77 million and doubled headcount to 650 employees, establishing itself as a high-quality business capable of meeting the needs of nationally or regionally complex estates seeking a full-service provider for water hygiene and treatment services, alongside fire

and air compliance services. With LDC's support and follow-on funding, HSL has delivered a successful M&A programme and completed 11 bolt-on acquisitions, significantly increasing the breadth of its UK coverage and client base.

In partnership with IK, HSL will aim to lead the market in delivering solutions that keep its clients' people protected, their businesses compliant and their environments safe. Through its extensive experience of investing in TICC platforms, IK will work closely with the HSL management team to accelerate growth both organically and through further consolidation of its target markets.

More about the process

We advised on all aspects of the transaction and ran a highly competitive process which delivered a fantastic outcome for the shareholders. The deal further strengthens our position in the TICC sector which continues to be a highly active and attractive market for M&A.



Healthcare

A broad and diverse market

We continue to view the healthcare sector through three core lenses: care provider services, medical products & devices and pharma services, and we've found that each of these is responding differently to a changing political and economic climate.

Investor interest in pharma services remains universally strong, supported by a gradual recovery in spending from global pharmaceutical companies and due to the high growth nature of many of the clients we work with that serve that global end market. Care services businesses have faced uncertainty due to policy changes, national insurance increases, and wider NHS and Local Authority pressures, although this is creating opportunities for the best quality operators to take market share. Meanwhile, medical products and devices continue to attract investment, particularly where companies have niche product IP and/or are expanding into international markets.

A key theme running through the sector is the growing shift toward private pay and employer-funded healthcare. Long NHS waiting lists and ongoing access issues are driving more individuals and businesses to explore private options – boosting interest in areas such as occupational health and private medical treatment.

How NHS pressures are shaping the market

Many of the businesses we work with are directly responding to gaps in NHS service provision. From diagnostics businesses, to insourcing companies, through to mental health and neurodiversity services, private providers are stepping in to deliver care where the public sector is consistently failing to meet demand.

Positive developments include the Independent Partnership Agreement that was formed by the Government and IHPN, which appears to be creating scope for more collaboration between the independent sector and NHS. The Labour government has re-asserted their commitment to patient choice, including via private sector providers and 'Right to Choose'.

The opportunity for increased collaboration is likely to create significant momentum in the future, against a backdrop of slowed M&A activity in 2024.

What investors want to see

While overall deal volumes were down in 2024, appetite remains strong for high-quality, differentiated businesses. Tech-enabled care models, and AI-driven solutions are attracting the most interest—particularly where they can demonstrate real commercial application.

Similarly, leading specialist care providers will remain of interest to investors and acquirers, in particular where they are backed by freehold estates, or at the other end of the spectrum, where they embrace digital health/telecare as a means of delivery. Despite much criticism of the Care Quality Commission in the past year, being able to demonstrate solid regulatory compliance remains important to investors.

In an environment where healthcare buyers are increasingly selective, matching the right opportunity with the right investor is more critical than ever. Across the broader sector, we track approximately 40 healthcare sub-sectors – understanding investors' appetite to each is key to getting deals done.

Market reset, renewed momentum

The team achieved a record-breaking year in 2024, earning recognition as Corporate Financier of the Year at the HealthInvestor Awards 2024. Whilst the last 12 months have been quieter, it is a reflection of sector-wide uncertainty and macroeconomic headwinds. Investors and business owners alike have spent time recalibrating, taking stock of how budget changes, regulation, and government strategy might affect them in the medium term. Healthcare portfolios have been slow to churn.

Despite the slower year, momentum is building again. We saw a sharp rise in larger healthcare mandates in the second half of 2024, and pitch activity in H1 2025 reached record levels. This resurgence gives us strong confidence in deal volumes through to the end of 2026.

Reflecting our desire to continue investing in the sector, in summer 2024 we strengthened our team with the strategic hire of Krushi Hindocha, a senior healthcare M&A professional with deep expertise in care and social care. Based in Birmingham, Krushi brings 17 years of experience and is already helping expand our regional footprint and sector coverage.

“

After a record year for our healthcare team in FY 23/24, 24/25 was undoubtedly quieter across the whole market – but a resurgence seems to be underway. We’re currently seeing more new pitch opportunities and mandates than at any point last year.”



David Weavers, Partner and Head of Healthcare



**Corporate Financier of
the Year 2024 winner**

**HealthInvestor
Awards 2024** 



One key transaction of note:

The logo for Baird, consisting of a blue parallelogram shape to the left of the word "BAIRD" in a white sans-serif font.

TRANSACTION

Investment in Newmarket Strategy from Baird Capital

BUY-SIDE

Undisclosed

ROLE

Adviser to Baird Capital on its investment in Newmarket Strategy

SECTOR

Healthcare

REGION

UK

We advised Baird Capital on its investment in Newmarket Strategy (Newmarket), an independent life sciences consultancy and market access specialist. The investment from Baird Capital will support Newmarket's continued growth as an independent leader in pharmaceutical services and healthcare advisory.

Founded in 2021, Newmarket provides deep market access as well as commercial and policy expertise to the health and life sciences sector. The business works with clients to assess market opportunities, secure reimbursement from national and local payors, and drive the uptake of health innovations. Newmarket's clients include global pharmaceuticals and biotech, med-tech, diagnostics, digital health, private equity, and healthcare services providers.

Our team provided Baird Capital with M&A services and strategic analysis to support the transaction.





Consumer

Navigating a tough market with standout results

The consumer sector has faced ongoing challenges over the past year, with discretionary spending under pressure and investor sentiment mixed. Despite this, our consumer team has delivered an exceptional performance. Our focused, strategic approach has enabled the team to find opportunities where others have struggled.

9

UK transactions with a total value of

£534m

One of the most notable trends last year was the shift in consumer spending away from big-ticket items and towards leisure and experiences—particularly travel. The team has capitalised on this, completing eight travel-related deals in the UK alone over the past two years, more than any other mid-market adviser.

A balanced view of digital and physical retail

While digital transformation remains a core theme in the consumer sector, the story has evolved. As the cost of online customer acquisition has risen inexorably—driven by spend on platforms like Google and Meta—many consumer brands are reassessing their channel strategies. There's now a growing recognition that offline distribution can be more cost-effective than online, and that retail & wholesale distribution play a vital role in brand building and customer engagement. Investors, too, have become more balanced in their views—seeing value in omnichannel strategies where bricks-and-mortar and digital work in tandem.

At the same time, while sustainability remains important to many consumers, the market has matured. There's less novelty around eco-positioning alone, and more focus on building brands that deliver on multiple fronts—from design and product quality to ethics and impact.

“

Digital acquisition costs are now so high that brands are recognising physical retail has a real place again. Offline customer acquisition can be far more effective.”



Christopher Jones,
Managing Partner
and Head of Consumer

Building a team that leads the market

Under the leadership of Christopher Jones, our consumer team has grown rapidly and effectively over the past two years. Key hires—Charlie Graham and Charlotte Astleford as Directors, and Lucy Clifford as Senior Associate (since promoted to Associate Director) have strengthened the team's capability and helped it take share from competitors in a tough market. The team continues to gain recognition and deliver results by staying focused on the areas where deals are most likely to happen—and backing that focus with deep sector knowledge and exceptional execution.

“

Since I joined two and a half years ago, we've brought in senior talent and we're now taking share from competitors.”

Christopher Jones, Managing Partner and Head of Consumer

One key transaction of note:



TRANSACTION

ECI Partners on its investment in TAG

BUY-SIDE

Undisclosed

ROLE

Adviser to ECI Partners on its investment in TAG

SECTOR

Consumer

REGION

UK



Clearwater has advised ECI Partners (ECI) on its investment in TAG, the market leading high-touch travel management company to the entertainment and corporate markets. The transaction marks a successful exit for investor Apiary Capital.

TAG was founded in 1988 and now employs more than 450 people across the globe. As an award-winning travel and event management company, TAG has redefined the standards for travel in the entertainment industry with specialists providing bespoke, high-end service to some of the biggest names in music, film and TV production, as well as top C-suite and corporate executives.

With a track record of eight successful acquisitions during Apiary's ownership, TAG is poised for further expansion with ECI's backing, bolstering its platform and enhancing its bespoke offering to its client base around the world.

The transaction is Clearwater's fourth completed travel sector transaction since June 2023, evidencing the robust outlook for the sector. These transactions (Direct Ferries, Diversity Travel, TrustedHousesitters and TAG), reinforce Clearwater's position as the leading mid-market M&A adviser to the travel sector.

Clearwater's Debt Advisory team have secured attractive debt financing packages for three of these transactions, an encouraging vote of confidence for the travel industry, which bodes well for the future.



05 CLEARWATER HIGHLIGHTS

Engagement survey results

At the start of 2025, we ran our latest 'Your Say' engagement survey - hearing directly from our UK team of over 140 colleagues across four offices, including Manchester, Leeds, Birmingham and London. The results speak volumes: our people feel connected, empowered, and proud to be part of Clearwater.

An incredible 100% of our team told us they're proud to work here, up from 98% in 2023. And 95% said they're actively engaged—a truly standout result, especially at a time when employee engagement is declining across the wider market. We saw positive movement across nearly all areas, reaching 94% - a clear sign that our investment in cross-regional workstreams is making a real difference.

97% of colleagues said they understand how their role contributes to our success, while 98% feel recognised as individuals and 97% feel empowered in their day-to-day work.

These results reflect the strength of our culture and the impact of our commitment to inclusive leadership.

We're incredibly proud of this feedback—but we're not complacent. We know there's always more we can do, and we're committed to acting on the insights we've gained. By continuing to listen, learn, and evolve, we'll keep building a workplace where people feel supported, challenged, and able to thrive.

These results give us every reason to be proud—and even more motivation to keep raising the bar.

100%

of our team are proud to work for Clearwater

97%

of our team would recommend Clearwater as a great place to work

93%

of our team feel Clearwater makes a positive impact on people, community and environment



05 CLEARWATER HIGHLIGHTS

DE&I and charity at Clearwater

Through our ESG and Impact strategy, we are continuing to advance the ways in which we deliver meaningful and measurable change—for people and for the planet. Our efforts remain focused around four strategic pillars: Sustain, Inspire, Impact and Vision.

Sustain

We achieved a year-on-year reduction in our carbon footprint of 7%, contributing to our target of a 50.4% cut by 2032. We also developed a new sustainable procurement policy and strengthened our sustainable travel practices.

Inspire

45% of new joiners this year were female, supporting our ambition to improve gender balance across the business. We also hosted our international ClearVision conference, welcoming 80 colleagues to explore how we can foster a more inclusive culture.

Impact

As part of our social mobility strategy, we partnered with three charities and organisations—Dallaglio RugbyWorks, Everfi and Access Sport—and delivered 425 hours of volunteering, with 52% of our people taking part.

Vision

ESG continues to be integrated into our transaction process, helping clients identify opportunities to enhance value through strong sustainability narratives.

We're committed to fostering an inclusive environment where everyone can thrive. ClearVision, our internal DE&I network, plays a central role in driving culture change across the business—serving as a collective voice to advance inclusion, diversity, and equity, and ensuring these priorities are fully aligned with our broader strategic goals.

Through ClearVision and our growing community of DE&I Champions, we continue to build momentum and deliver tangible results.

Training and development

Our commitment to learning and development remains a core part of our people strategy. We offer a comprehensive training pathway spanning every career stage—from international technical programmes for junior colleagues to our firmwide Leadership Accelerator initiative.

Over the past 12 months, more than 400 colleagues have participated in international training events, with additional learning delivered across local offices. This continued investment in personal and professional growth is a key part of our ambition to be the home of talent in mid-market M&A.

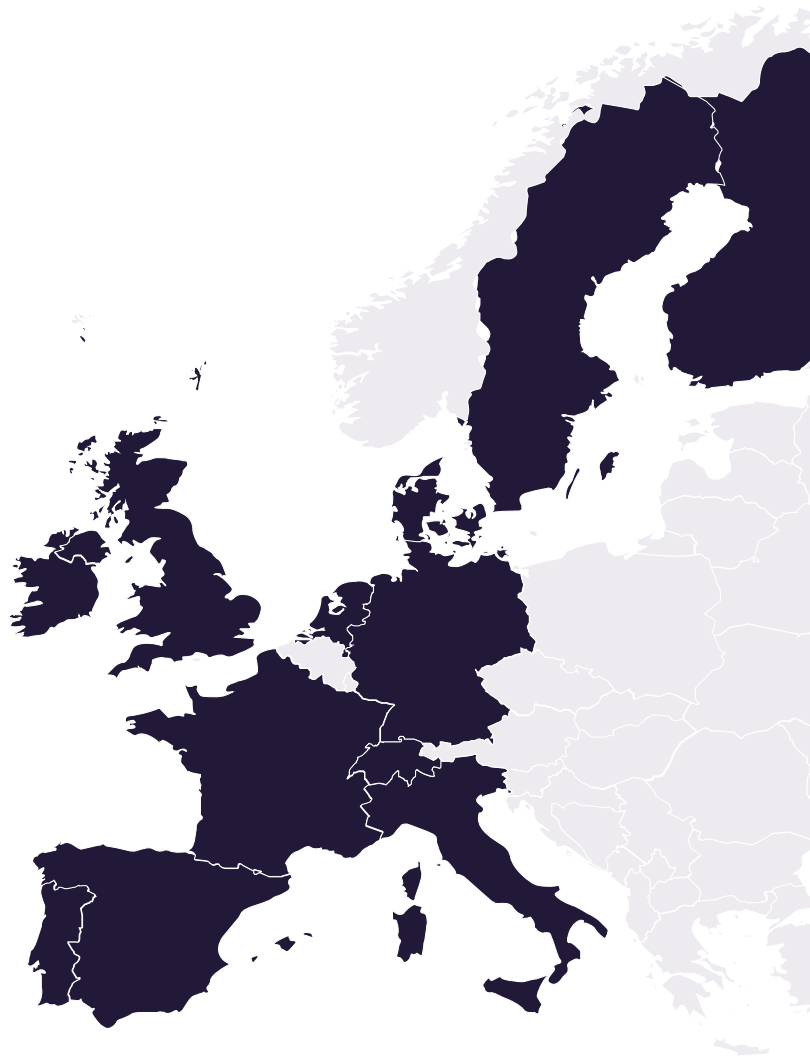
About Clearwater

At Clearwater, we are dedicated to ensuring that every business meets its true potential.

With over 20 years of experience, we've been helping great businesses achieve more by providing expert, tailored advice to unlock opportunities and create lasting success.

We know the hard work that goes into building a business, and we work tirelessly to make sure your efforts are rewarded. As an independent adviser, we prioritise transparency and trust, so you can be confident we'll always look after your business.

Specialising in the mid-market sector, where specialist guidance is often overlooked, we have a proven track record of unleashing potential and unlocking the future for ambitious businesses. Whether working locally or leveraging our global reach, we deliver bespoke, high-quality services to meet the unique needs of our clients.



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2024/25