

Fire Safety

2024 M&A UPDATE



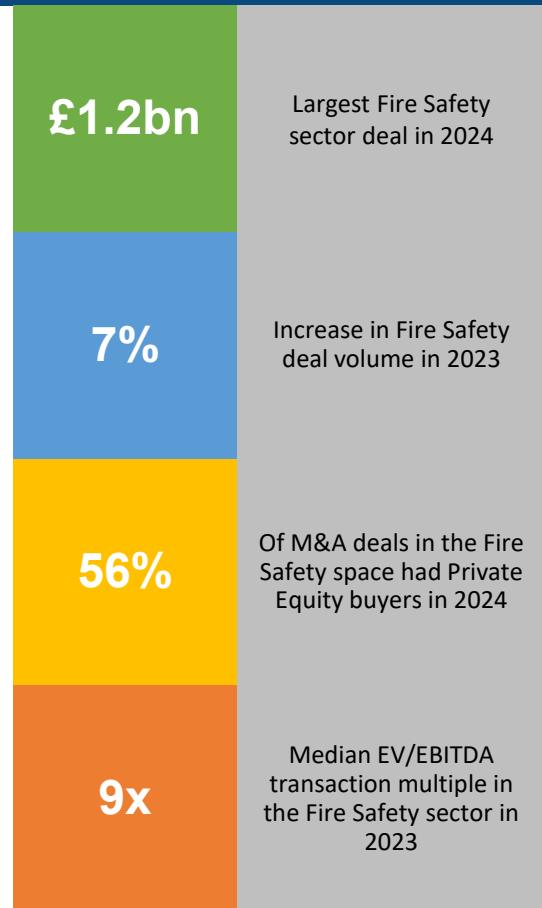
Market Comment

The first half of 2024 has seen an increase in completed M&A transactions in the fire safety sector, surpassing the levels of the latter half of 2023. As the global economy continues its recovery and uncertainty fades, we at Bluebox anticipate this positive trend to persist through the second half of 2024.

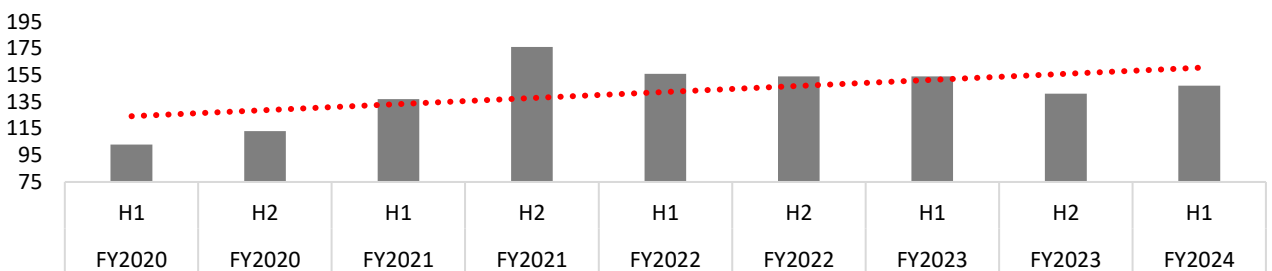
While 2023 experienced a significant decline in overall transaction volume¹, particularly in private equity acquisitions, the fire safety sector proved resilient, outperforming the broader market and remaining a highly attractive space for private equity investment.

The UK fire safety market is notably fragmented, comprising many firms offering a broad range of services across both active and passive fire safety, both of which have continued to perform well. Despite the global M&A market contracting by 15% in 2023, the fire safety market recorded a 7% increase in deal volume compared to 2022, highlighting the sector's strength.

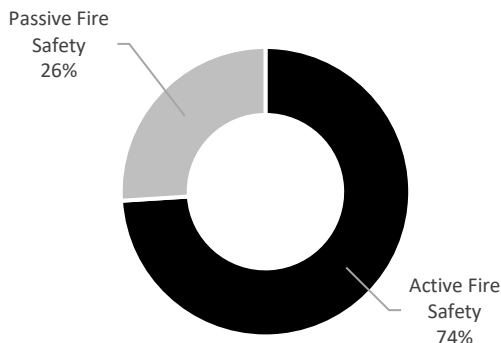
Several key challenges that affected M&A activity in 2023—such as high inflation, interest rate volatility, and difficulties in passing on price increases to consumers²—have since stabilised. With investors holding record levels of capital that need to be deployed³, the outlook for M&A in 2024 and beyond appears strong, signaling a robust recovery on the horizon.



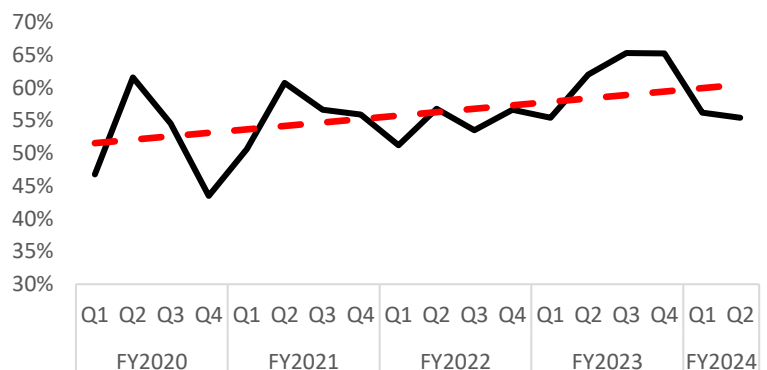
Total Fire Safety Deals



The Active Fire Safety Market is Considerably Larger by Revenue⁴



Private Equity Buyers Make Up The Majority of Completed Transactions⁵

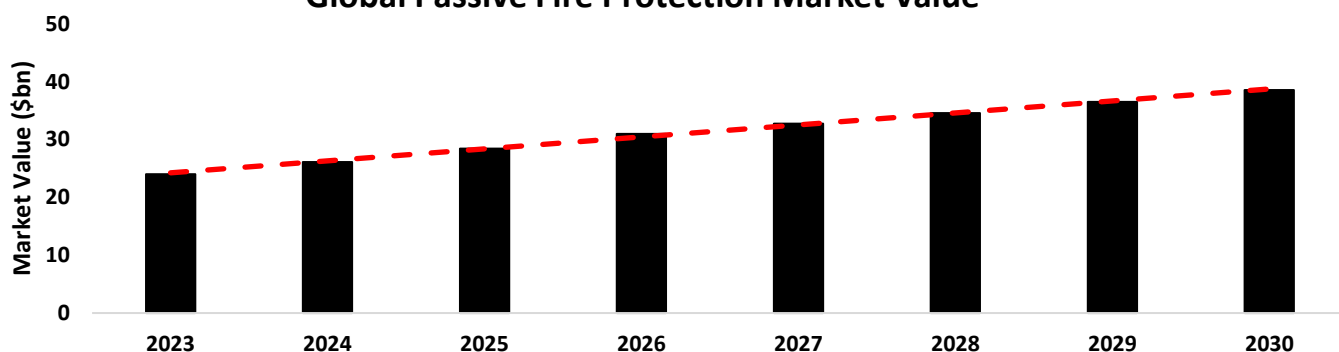


Insights

1. Market Drivers (Legislation)

Recent fire safety reforms have increased spending in the sector. New Building Regulations mandate sprinkler systems in developments over 11 meters tall. The Fire Safety Regulations, effective January 2023, require fire door inspections every three months for buildings over 11 meters and monthly checks for detection and suppression systems in buildings over 18 meters. These changes enhance safety measures and boost demand in the fire safety industry. Passive fire protection as a segment is seeing the biggest benefit from these legislative changes and is forecast to be worth \$31bn globally by 2026⁶.

Global Passive Fire Protection Market Value^{6,7}



2. Market Size and Fragmentation

The fragmented fire and security alarms sector is driving consolidation, with larger companies seeking to expand their market share and geographic reach. Mergers and acquisitions offer an efficient way to scale, diversify, and reduce competition.

3. Technological Advances

Historically a non-technical sector, the fire safety market is going through a transition whereby operators are incorporating technology in their service offerings including, but not limited to, using sensors, wireless systems and AI to detect and mitigate against potential dangers at a quicker rate. As such, companies operating in the space are increasingly looking to acquire firms that possess state-of-the-art technologies in order to bolster their offerings. Accordingly, we have seen an uptick in deal activity.

4. Market Drivers (Recession Resilience)

Given the requirement for building owners to ensure their buildings remain fire safety compliant, as well as the vital services provided by operators in the market, expenditure from clients has grown year on year consistently, regardless of broader macroeconomic conditions. As a result, the sector is expected to experience a c. 4.5% CAGR to 2028.

5. Shift Towards Integrated Solutions

The fire safety market is constantly evolving with new methods of fire detection, prevention, stopping, testing and extinguishing being developed. In order to remain competitive and offer a full, integrated service, fire safety companies have been increasingly acquisitive in an attempt to bolster their portfolio of services.

2024's Standout Deals⁵

Date	Target	Description	Acquirer	Deal size
Jul-24	Normec	Provider of fire testing, inspection and certification services	astorg.	£1.2bn
Jul-24	Carrier Industrial Fire Business Segment	Provider of fire detection services	Sentinel CAPITAL PARTNERS	£1.1bn
Feb-24	Presto TILLSAMMANS RÄDDAR VI LIV	Fire safety service and product provider	Adelis Equity HARBOURVEST	£undisclosed (c. 1,500 employees)
Jan-24	eurofeu	Manufacturer of fire extinguishers, emergency units, smoke extraction, and fire detection systems	ik	£undisclosed (c. 2000 employees)
Jan-24	AMERICAN PACIFIC™	Manufacturer of passive fire protection materials	NewMarket	£0.6bn

Most Active PEs Since the Start of 2023 (as of 19.08.2024)

Most Active PEs Globally since 2023 – regarding both platform plays and bolt-on acquisitions⁵

Firm	Past 6mo Acquisitions	Past 12mo Acquisitions	Acquisitions since 2023
ALTAS	16	23	36
PARTNERS GROUP	16	23	36
LGP LEONARD GREEN & PARTNERS	16	23	31
Riverside.	1	7	10
EMK Capital	2	7	9

Case Studies in the Fire Safety space

FR Consultants acquired by RSK

FR Consultants is the UK's leading fire safety and façade-risk consultancy, providing a comprehensive service for complete legislation compliance.

“Having established the FRC business to be a leader in its field, our objective was to identify a strategic partner who could assist us in taking the business to the next level. In identifying and securing a great deal with RSK, Bluebox have done just that. Their experience and guidance throughout the transaction was exemplary. We were extremely impressed from the start with their abilities to identify a broad range of both domestic and International strategic partners, and from there they managed the exercise with aplomb. We are very grateful for their support and we couldn't recommend them highly enough.”

Dorian Lawrence, Managing Director of FR Consultants



Fireco acquired by Lagercrantz

Fireco is a UK-based manufacturer and designer of state-of-the-art, fire doors, door retainers and mass fire notification systems.

“Bluebox managed the process excellently from start to finish. Having been highly recommended by our tax advisors, we were impressed with their ability to identify a range of international parties who could take Fireco to the next level. The advice offered throughout was invaluable and they expertly negotiated and managed a transaction with Lagercrantz. We are very grateful for their support and would certainly recommend them to any business owner considering the sale of their private business.”

James Wheeler, Managing Director of Fireco



Contact Us

The Bluebox team are highly experienced in providing specialised strategic advice to shareholders, entrepreneurs and management teams across all aspects of M&A, raising funds and enhancing a company's valuation. We tailor our approach to fit the specific needs of our clients, ensuring we deliver positive outcomes that build lasting value.

If you would like to discuss any of the matters raised in our paper or are seeking a broader conversation, then please do not hesitate to reach out to Jonathan and the team.



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