

J&A Sell-Side M&A Report

# Site Remediation and Environmental Solutions Sector M&A Transactions and Valuations

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## AUTHORS

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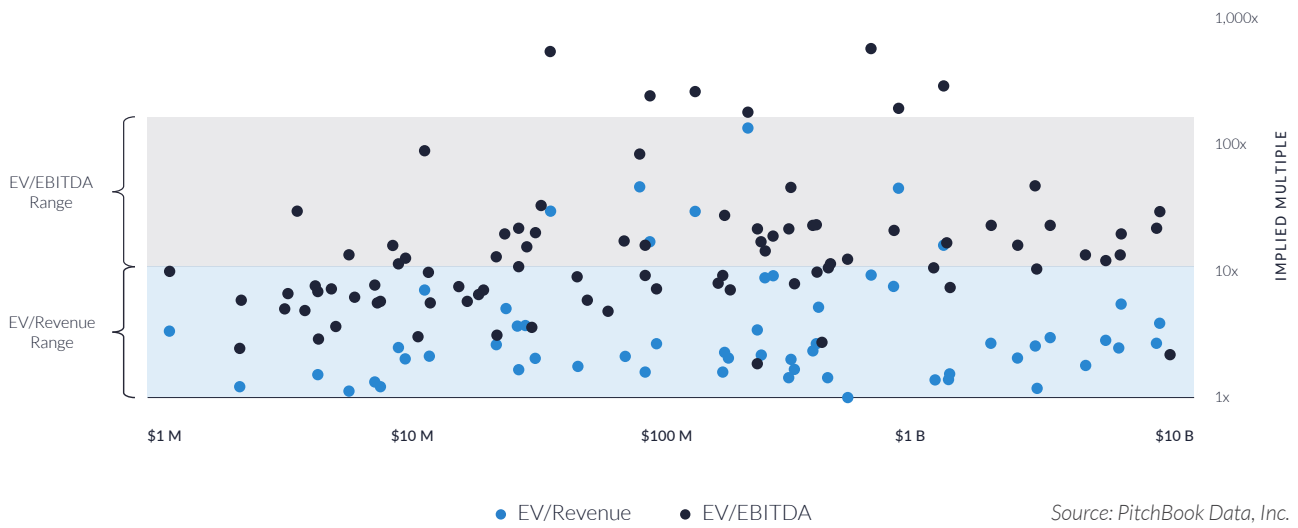
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Between Q1 2020 and Q4 2024, increasing global environmental awareness and stricter regulatory frameworks drove significant growth in the site remediation and environmental solutions sector. Companies developed innovative approaches to remediation, waste management, and sustainability, advancing technologies and solutions in the process. These efforts prompted businesses to invest in mergers and acquisitions, reshaping the sector's competitive landscape.

This report analyzes transaction trends, valuation metrics, and regional dynamics in the site remediation and environmental solutions sector. Investors and market participants used valuation multiples such as EV/revenue and EV/EBITDA to assess scalability, operational efficiency, and environmental impact. Companies executed significant transactions, including Clean Harbors' acquisition of HEPACO, KKR and Corporación Financiera Alba's investment in ERM International Group, and Meridiam and Global Infrastructure Partners' buyout of Suez Environment. These deals highlight how businesses enhanced technological capabilities, expanded geographic reach, and achieved environmental sustainability goals. These deals demonstrate how strategic investments shaped market leadership and provide actionable insights for investors, stakeholders, and policymakers in this rapidly evolving field.

## Transaction Valuation Multiples in the Site Remediation and Environmental Solutions Sector Analysis (Q1 2020 – Q4 2024)



\*The X- and Y-axes have been converted to a logarithmic scale to better visually represent the data.

EV / REVENUE			
MEAN 3 X	MEDIAN 2 X	MINIMUM 2 X	MAXIMUM 137 X
EV / EBITDA			
MEAN 9 X	MEDIAN 13 X	MINIMUM 18 X	MAXIMUM 565 X

- Valuation multiples are based on a sample set of private and public M&A transactions in the site remediation and environmental solutions sector, using data collected on January 13, 2025.
- Larger companies with enterprise values exceeding \$1 billion typically show EV/revenue multiples between 0x and 5x and EV/EBITDA multiples ranging from 2x to

30x. These reflect their predictable cash flows, mature operations, and lower risk profiles. This relationship between size and stability demonstrates how larger firms trade at more conservative valuations due to their operational steadiness and established market positions, which reduce investor risk and limit the premiums paid for growth potential.

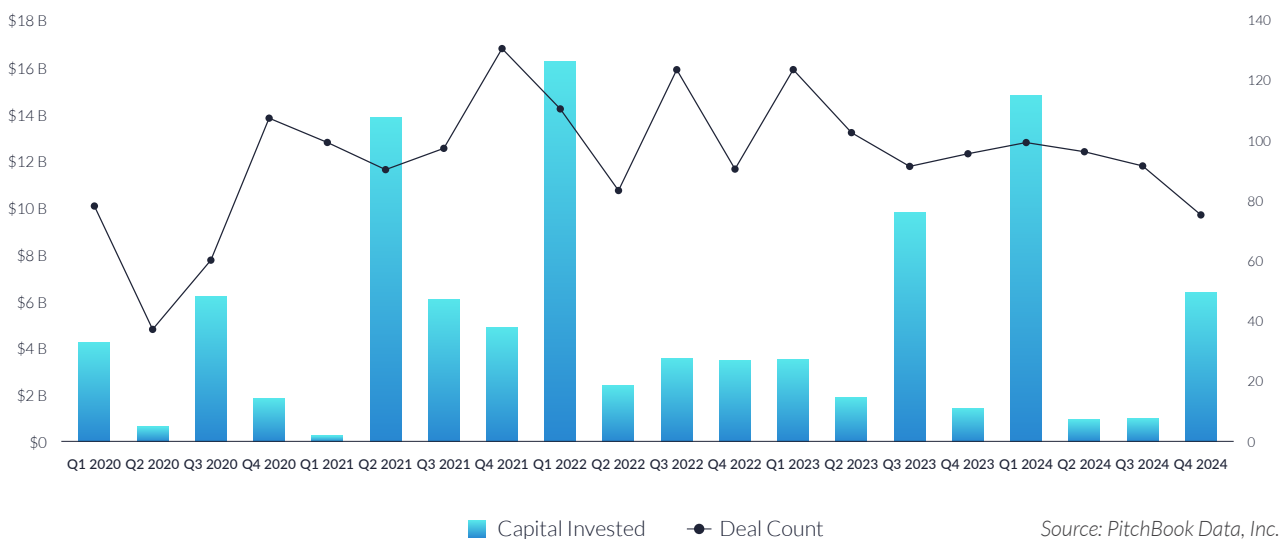
- Smaller companies with EVs below \$500 million show highly variable valuation multiples, with EV/revenue often exceeding 10x and EV/EBITDA extending beyond 100x in outlier cases. This reflects the market's willingness to pay speculative growth-driven premiums, particularly for high-growth industries or early-stage ventures, despite the heightened uncertainty and risks associated with their less predictable performance.
- Profitability plays a crucial role in valuation, as EV/EBITDA multiples consistently exceed EV/revenue multiples, highlighting the importance of operational efficiency and cash flow potential. For instance, companies with moderate EV/revenue ratios often show significantly higher EV/EBITDA ratios when profitability is constrained, making EBITDA-based metrics a clearer indicator of performance, particularly for larger, more established firms.



## CAPITAL MARKETS ACTIVITIES

The data highlights transaction trends, valuation metrics, and regional dynamics in the site remediation and environmental solutions sector. Advanced remediation technologies, sustainable waste management, and real-time monitoring have driven M&A activity and shaped valuations. By advancing cleanup technologies and ecological restoration, the sector promotes public health, sustainability, and economic revitalization. Investors are adopting diverse strategies to meet the growing demand for efficient environmental solutions, reshaping M&A dynamics and fostering innovation.

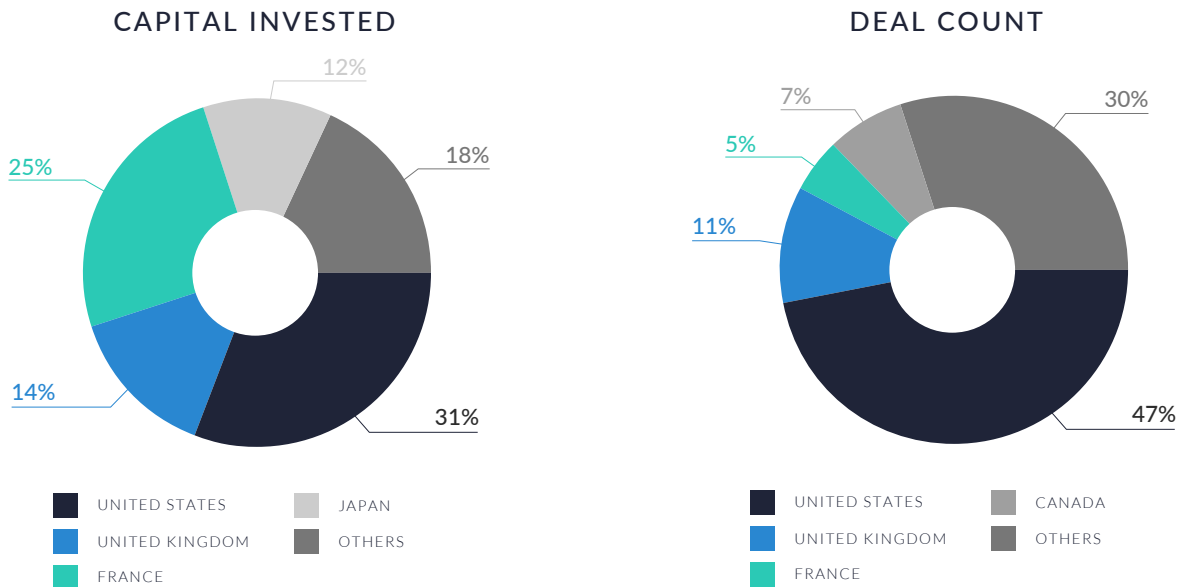
### Announced M&A Transactions in the Site Remediation and Environmental Solutions Sector (Q1 2020 – Q4 2024)



- Over the 20 quarters, investors put approximately \$103 billion into 1,876 deals, reflecting an active market for site remediation and environmental solutions. The average capital invested per quarter is approximately \$55 million, with an average of 94 deals per quarter.
- Capital invested varies widely across quarters, ranging from as low as \$288 million in Q1 2021 to peaks like \$16 billion in Q1 2022 and \$15 billion in Q1 2024. These fluctuations likely reflect major transactions or sector trends during specific periods. Notably, the highest investment quarters coincide with moderate to high deal counts, indicating significant high-value deals or strategic shifts in investment focus during these periods.
- Deal counts remain relatively stable compared to capital investment, with quarterly figures generally ranging between 75 and 130 deals. This consistency highlights robust market engagement regardless of investment scale. The highest deal count of 130 in Q4 2021 coincides with moderate capital investment of approximately \$5 billion, reflecting smaller average deal sizes that quarter compared to others with fewer but higher-value deals.

The graphs below present the geographic distribution of transactions, providing additional detail on regional trends and investment dynamics.

## Breakdown of Announced M&A Transactions in the Site Remediation and Environmental Solutions Sector by Country (Q1 2020 – Q4 2024)



Source: PitchBook Data, Inc.

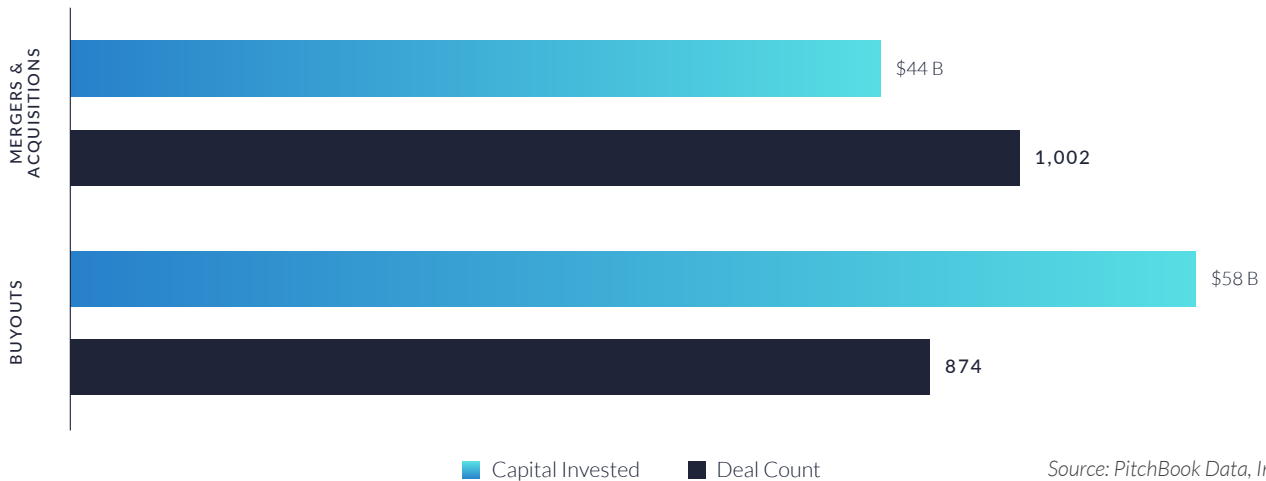
- US-based investors dominate the market, contributing 31% of the total capital invested. They focus on larger, high-value investments, targeting high-growth or high-stakes opportunities in established markets and sectors that require substantial financial resources. France follows with 25% of capital invested, showcasing its strong global presence and emphasis on strategic, larger-scale investments. The UK and Japan, contributing 14% and 12%, respectively, make significant yet more selective investments, prioritizing quality over volume.
- The US leads the deal-making landscape with 47% of the total deal count, actively participating in a wide range of smaller-scale

investments. In contrast, countries like the United Kingdom, which contributed 11%, and Canada, which made up 7%, adopted a more conservative approach, engaging in fewer deals but focusing on higher-quality investments.

- Other markets account for 18% of capital invested and 30% of the deal count, signaling growing global diversification, particularly in emerging markets and smaller economies. While these countries contribute less capital, they account for a larger share of deal activity, indicating an increase in smaller, more frequent transactions. This trend reflects rising interest from international investors in sectors or regions with untapped growth potential.

The deal-type dynamics below set the stage for understanding how capital flows and strategic priorities shape the site remediation and environmental solutions sector growth and landscape.

## Breakdown of Announced M&A Transactions in the Site Remediation and Environmental Solutions Sector by Deal Type (Q1 2020 – Q3 2024)



- M&A transactions, totaling 1,002 deals and accounting for 53% of total activity, reflect the sector's emphasis on consolidation, strategic partnerships, and market expansion. This trend highlights how M&A facilitates industry integration and operational scaling. The prominence of M&A underscores companies' focus on achieving growth through synergies and improved market positioning.
- Buyout deals, comprising 874 transactions and 47% of total activity, reflect strong investor interest in value creation. This significant share highlights the sector's appeal to private equity firms and strategic buyers seeking long-term growth opportunities. The focus on buyouts underscores a drive to take control of operations, optimize efficiencies, and enhance profitability.
- The near-equal distribution between M&A and buyout deals highlights diverse strategic priorities within the sector. While buyouts focus on restructuring and scaling businesses, mergers emphasize combining complementary capabilities. This balance reflects the sector's dynamism, showcasing how stakeholders adopt varied strategies to capitalize on market opportunities. The diversity in deal types underscores investors' flexibility and adaptability in navigating market conditions.

## M&A TRANSACTIONS CASE STUDIES

Three key M&A transactions in the site remediation and environmental solutions sector highlight strategic growth through expanded market presence, enhanced capabilities, and strengthened service offerings. These deals focused on regional expansion, technological integration, and complementary customer segments. Investors leveraged targeted strategies to drive scalability and long-term growth, and capitalize on the rising demand for sustainable solutions. Through these acquisitions, companies reinforced their leadership in the evolving environmental services industry, driving operational efficiencies and innovative practices.



### CASE STUDY 01 HEPACO

**HEPACO**

HEPACO, headquartered in North Carolina, is a leading environmental and emergency services company specializing in cleanup and remediation. It provides emergency response, environmental remediation, maritime services, wastewater treatment, and other industrial services. HEPACO operates at multiple locations across the United States.

TRANSACTION TYPE

DEAL DATE

ACQUIRER

M&A

MARCH 22, 2024

CLEAN HARBORS

ENTERPRISE VALUE

EBITDA MULTIPLE

\$400 MILLION

UNDISCLOSED



## TRANSACTION STRUCTURE

Clean Harbors financed its \$400 million acquisition of HEPACO using proceeds from a recently completed \$500 million expansion of its Term Loan facility. This financing structure allowed Clean Harbors to pay for the transaction upfront while preserving additional funds for future needs.

## MARKET AND CUSTOMER SEGMENTS COMBINATION

The integration of HEPACO into Clean Harbors expanded the combined entity's market reach, particularly in the Southeastern and Mid-Atlantic United States, where HEPACO has a strong presence. This combination allowed Clean Harbors to leverage HEPACO's established customer base across industries such as manufacturing, utilities, transportation, and government. The alignment of both companies' services strengthened their capacity to provide comprehensive solutions, including emergency response, industrial cleaning, and environmental remediation, to a diverse range of clients.

## ACQUISITION STRATEGIC RATIONALE

The acquisition aligned with Clean Harbors' long-term strategy to strengthen its environmental services segment and enhance its field services business. By acquiring HEPACO, Clean Harbors gained significant operational expertise, regional presence, and a workforce trained in emergency response and environmental remediation. Additionally, the acquisition enabled Clean Harbors to cross-sell its broader suite of environmental and industrial services to HEPACO's client base. The deal reflected Clean Harbors' commitment to expanding its market share, increasing revenue streams, and maintaining leadership in the environmental services sector. This strategic move positioned Clean Harbors to capitalize on the growing demand for sustainable waste management and environmental cleanup solutions across North America.

### KEY INTANGIBLE ASSETS



Established  
Client Relationships



Specialized Expertise  
and Workforce



Reputation and  
Brand Value



Geographic  
Expansion



Service  
Portfolio Synergy



Revenue and  
Growth Opportunities

### TRANSACTION RATIONALE



## CASE STUDY 02

# SUEZ ENVIRONMENT



Suez Environment, a France-based subsidiary of Veolia, was a global leader in water, waste, and remediation solutions. The company specialized in water treatment, waste recovery, recycling, remediation, and environmental consulting. It actively promoted resource conservation and circular economy practices through innovative technologies.

### TRANSACTION TYPE

BUYOUT

### DEAL DATE

JANUARY 31, 2022

### ACQUIRER

MERIDIAM, GLOBAL  
INFRASTRUCTURE  
PARTNERS, CAISSE DES  
DEPOTS GROUP AND  
CNP ASSURANCES

### ENTERPRISE VALUE

\$15 BILLION

### EBITDA MULTIPLE

UNDISCLOSED

## TRANSACTION STRUCTURE

A consortium acquired the company through a \$15 billion LBO on January 31, 2022. Following the acquisition, Meridiam and GIP each held a 40% stake, while Caisse des Dépôts Group and CNP Assurances jointly held the remaining 20%.

## MARKET AND CUSTOMER SEGMENTS COMBINATION

The acquisition enabled the newly structured Suez to cater to a wide range of markets, focusing on water and waste management services that meet the growing demand in sectors with strict environmental and regulatory requirements. This transaction expanded the combined entity’s presence in key regions and enhanced its service offerings to both public and private sector clients worldwide.

## ACQUISITION STRATEGIC RATIONALE

The acquisition advanced Veolia’s long-term strategy to optimize market share by divesting non-core assets and concentrating on its highest-growth areas. Focusing on essential environmental services, such as water and waste management, reinforced Suez’s leadership in these sectors. Additionally, the involvement of investors like Meridiam, GIP, and Caisse des Dépôts Group provided financial resources and strategic guidance, driving innovation and supporting long-term growth in the environmental services industry.

### KEY INTANGIBLE ASSETS



Technological Expertise and Innovation



Brand Reputation



Specialized Workforce



Regulatory Compliance and Competition



Focused Strategic Growth



Financial and Strategic Backing

### TRANSACTION RATIONALE



## CASE STUDY 03

# ERM



ERM International Group (Environmental Resources Management), based in the UK, leads globally in environmental, health, safety, risk, remediation, and sustainability consulting. The company helps businesses tackle sustainability challenges, ensure regulatory compliance, remediate contaminated sites, and manage risks. It offers services such as ESG advisory, biodiversity solutions, and climate strategies.

#### TRANSACTION TYPE

BUYOUT

#### DEAL DATE

AUGUST 3, 2021

#### ACQUIRER

KOHLBERG KRAVIS  
ROBERTS (KKR) AND  
CORPORACIÓN  
FINANCIERA ALBA

#### ENTERPRISE VALUE

\$2 BILLION

#### EBITDA MULTIPLE

23 X

## TRANSACTION STRUCTURE

KKR acquired a majority stake in ERM International Group for approximately \$2 billion. The acquisition was supported by approximately \$900 million in debt financing. As part of the leveraged buyout, Corporación Financiera Alba invested around \$295 million, securing a 15% indirect shareholding in ERM.

## MARKET AND CUSTOMER SEGMENTS COMBINATION

The acquisition combined ERM’s global expertise in environmental and sustainability consulting with KKR’s focus on ESG-aligned investments. ERM’s services, which catered to industries like energy, mining, and manufacturing, were complemented by KKR’s financial resources and strategic vision. Corporación Financiera Alba strengthened the transaction with its focus on sustainable, long-term investments.

## ACQUISITION STRATEGIC RATIONALE

The acquisition supported KKR’s sustainability goals by integrating ERM’s expertise in environmental consulting and remediation. It provided growth opportunities by enabling ERM to expand its service offerings and geographic presence, supported by KKR’s financial backing. The transaction also emphasized the rising importance of ESG and environmental compliance, positioning ERM to drive long-term value creation for its clients and investors.

### KEY INTANGIBLE ASSETS



Environmental Expertise



Strong Client Relationships



Global Brand and Market Presence

### TRANSACTION RATIONALE



Enhanced Value Creation



Market Expansion



Strengthening Leadership



The site remediation and environmental solutions sector is undergoing a significant transformation, driven by the need to address global environmental challenges, comply with evolving regulations, and adopt innovative technologies. M&A activity in the sector has focused on expanding technological capabilities, enhancing service offerings, and achieving greater operational efficiencies. Key transactions have highlighted the industry's commitment to sustainability, resource conservation, and environmental stewardship.

As organizations respond to the growing demand for effective remediation and sustainability solutions, they increasingly use M&A as a critical strategy to achieve synergies, foster innovation, and expand market reach. The sector's increasing focus on transformative solutions underscores its pivotal role in advancing environmental goals while driving economic value. Looking ahead, investors and stakeholders are set to capitalize on M&A opportunities, positioning themselves to meet emerging environmental priorities and secure competitive advantages in a rapidly evolving global market.

# JAHANI & ASSOCIATES

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