

Opportunities in Environmental Services

REPORT | Q3 2025

What's Included:

- 01** **Environmental Services Market Overview**: Get up to speed on the environmental services sector, such as its taxonomy and value chain.
- 02** **Subsector Overview**: Learn more about the subsectors within environmental services and what their growth outlook looks like.
- 03** **Market Landscape**: Connect with our team to explore recent sector activity and key investment opportunities.

Environmental Services Sector Overview

Environmental Services: Setting the Stage

The environmental services sector is experiencing a significant uptick in investor activity. Attracted to the highly resilient demand drivers, enormous public and private investment, nondiscretionary (and often compliance-driven) services, and large addressable market, investors view environmental services as an exciting and durable industry within which to deploy capital.

The industry is highly fragmented, in both the products and services offered as well as the businesses that make up the environmental services landscape. From waste disposal and processing to resource management, the environmental services sector presents investors with an incredibly diverse set of investment opportunities. Private capital has taken notice, with several platform investments in recent years as investors look for different ways to enter the sector and establish market positioning.

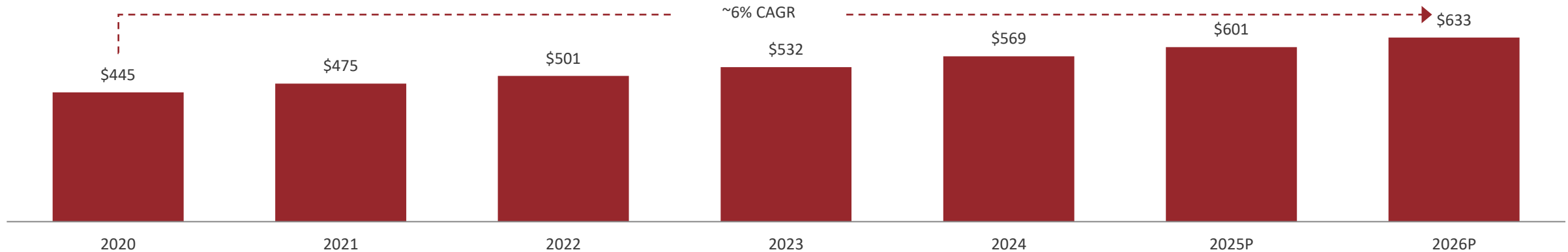
Exceptional Industry Momentum

The environmental services sector is expected to exceed \$600B by 2026¹, driven by exciting, durable megatrends. For one, enormous investment has been made to modernize critical infrastructure and accelerate the adoption of safer, healthier service methods. The Inflation Reduction Act (IRA) allocated more than \$70B to the environmental, agricultural, and water industries, while the Infrastructure Investment and Jobs Act (IIJA) allocated \$50B for updates to water infrastructure and another \$50B for climate resiliency measures. Federal, state, and local officials continue to view infrastructure improvements, environmental protection, and public health and safety as top priorities.

This report is intended to provide an overview of the U.S. market for environmental services, highlight strong tailwinds underpinning the growth outlook in the sector, identify potential acquisition opportunities, and provide insight into the key considerations for investors as they consider investments in the sector.

Massive, Fast-Growing Market¹

(\$ in Billions)



Powerful Industry Dynamics Support Go-Forward Growth

Critical, Non-Deferrable Services

Environmental services provide essential, nondiscretionary services that ensure the health, safety, and ongoing function of businesses and communities; often mandated by federal or local legislation, services ensure regulatory compliance, consumer confidence, and thriving economies.

Services are often delivered on a recurring schedule, offering unique visibility into repeatable revenue streams with largely inelastic demand characteristics.

Changing Regulatory Landscape

As risks are identified across natural and built environments, regulators put in place new rules and regulations that limit risk exposure and mandate services to ensure safety and compliance.

Businesses offering products or services bundled with compliance features are particularly well-positioned for growth given the high premium placed on community health and safety.

Massive Government Investment

The IIJA and the IRA are transformative for the environmental services sector, despite challenges introduced by other factors like DOGE's actions. Their investments are driving innovation and decarbonization, with state and private sector leadership playing a critical role in mitigating federal disruptions.

Degrading infrastructure and the pressing need for infrastructure build-out are creating a sustained long-term demand for investment.

Sustainability and Reuse

Businesses are increasingly looking for ways to more efficiently create products while minimizing or reusing waste to limit costs and find new revenue streams.

Beneficial reuse, a key component of the **circular economy**, leverages waste streams as inputs while simultaneously mitigating or eliminating environmental impacts.

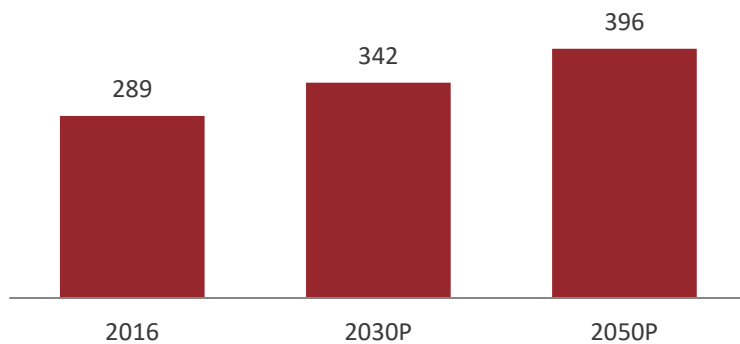
Tech-Enablement and Modernization

There is significant demand for technology that can better manage and monitor resources at all stages of the environmental value chain, driving greater efficiencies and promoting safer practices.

Technologies range from biological processes to products and modules that can transform the way resources and waste are treated, handled, and disposed.

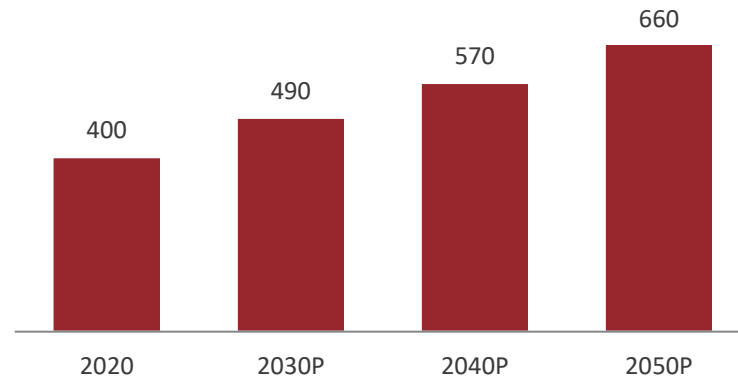
Growing North American Waste Generation¹

(NA Waste Generation, Millions of Tons)



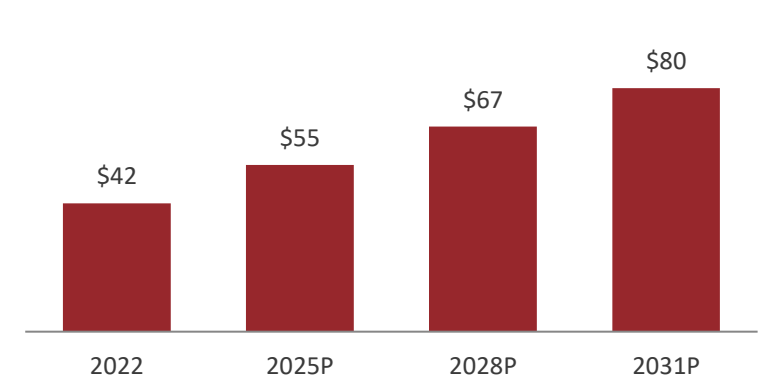
Upward Trending Global Recycling Activity²

(Global Recycled Municipal Waste, Millions of Tons)



Waste-to-Energy Market Size³

(\$ in Billions)



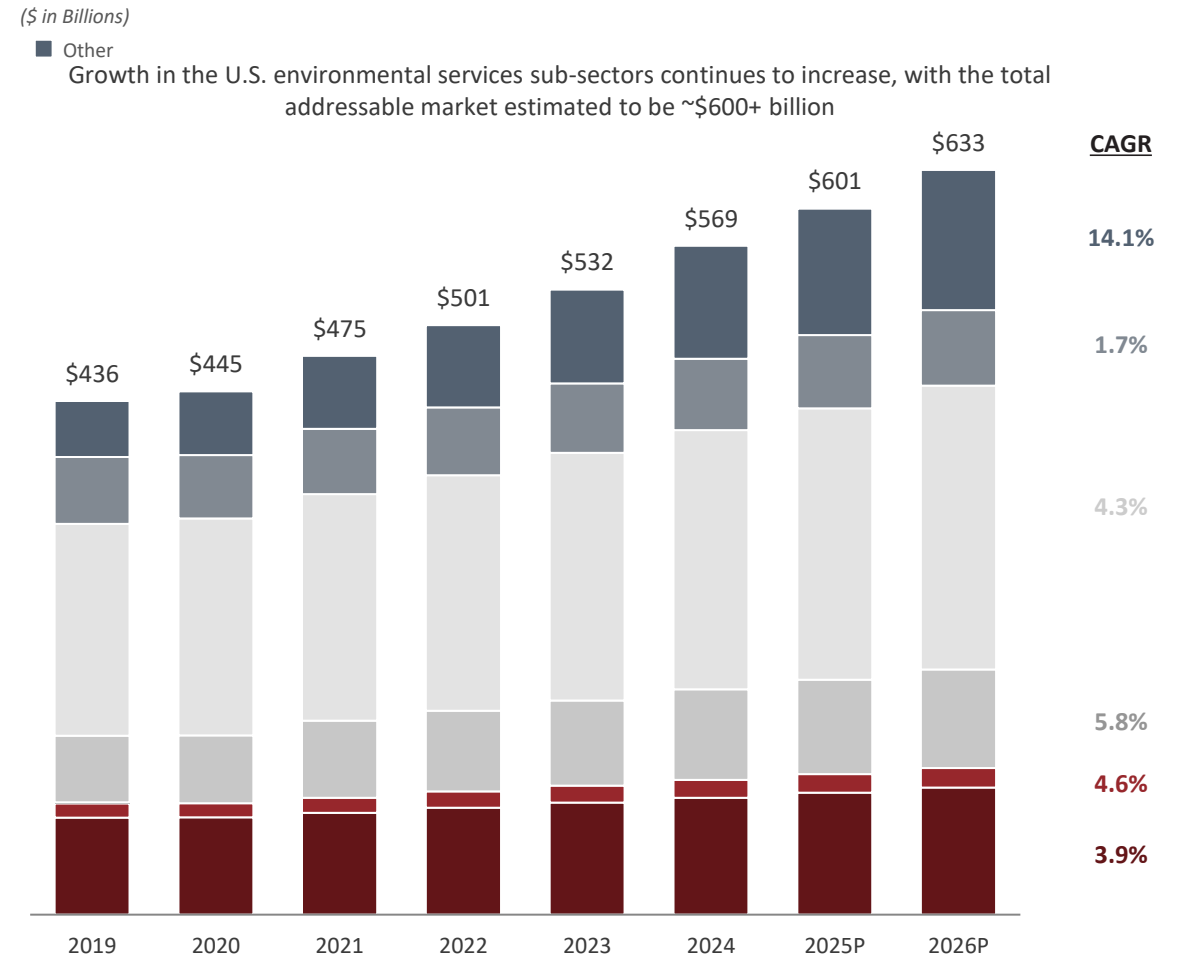
Environmental Services Taxonomy

The environmental services sector covers a broad swathe of the economy, offering a vast range of attractive sub-sectors and service types to businesses and investors

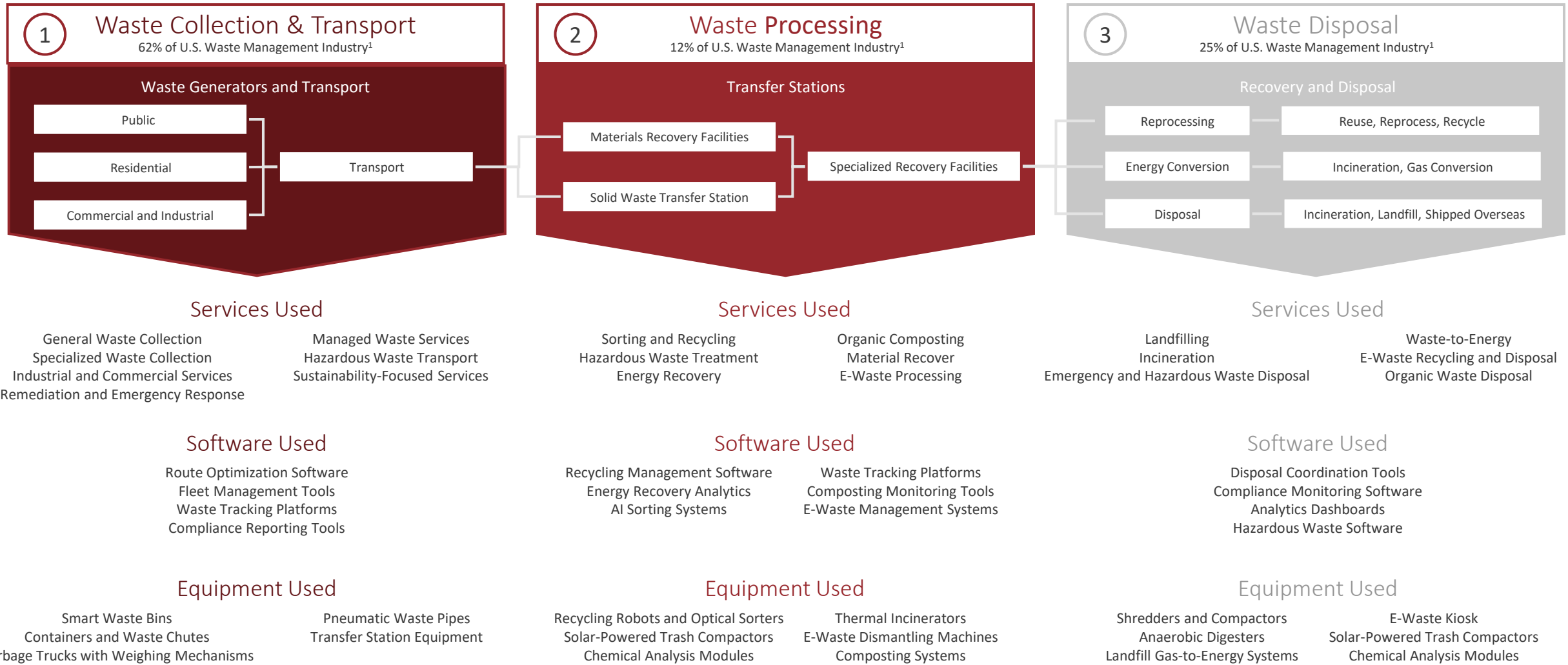
Environmental Services Sub-Sectors

 <p>Solid Waste Management and Recycling</p>	<ul style="list-style-type: none"> › Collection, processing, and disposal of solid waste and commercial collection of recyclables
 <p>Diversified Waste Management and Recycling</p>	<ul style="list-style-type: none"> › Diversified services and equipment for handling, storing or transporting specialty solid, liquid, and other industrial waste
 <p>Industrial, Hazardous Waste, and Specialty Services</p>	<ul style="list-style-type: none"> › Other industrial and specialized services, including remediation, industrial cleaning, and hazardous waste management
 <p>Water-Related Services</p>	<ul style="list-style-type: none"> › Equipment and services for the delivery and treatment of water and wastewater
 <p>Environmental Testing, Consulting, and Engineering</p>	<ul style="list-style-type: none"> › Engineering, consulting, and design of environmental projects › Provide testing and analysis of environmental samples

Environmental Services Sub-Sectors Market Dynamics¹



Environmental Services Value Chain



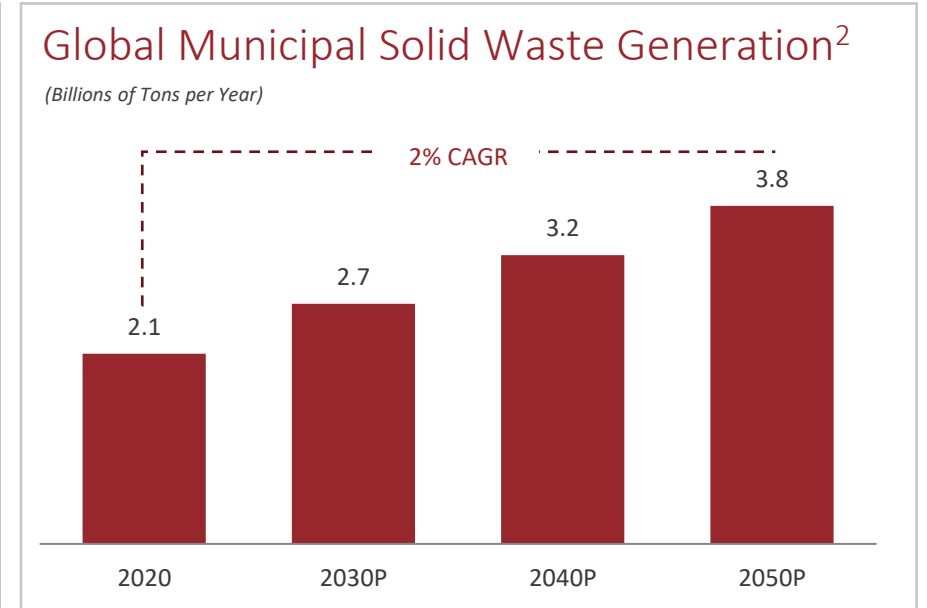
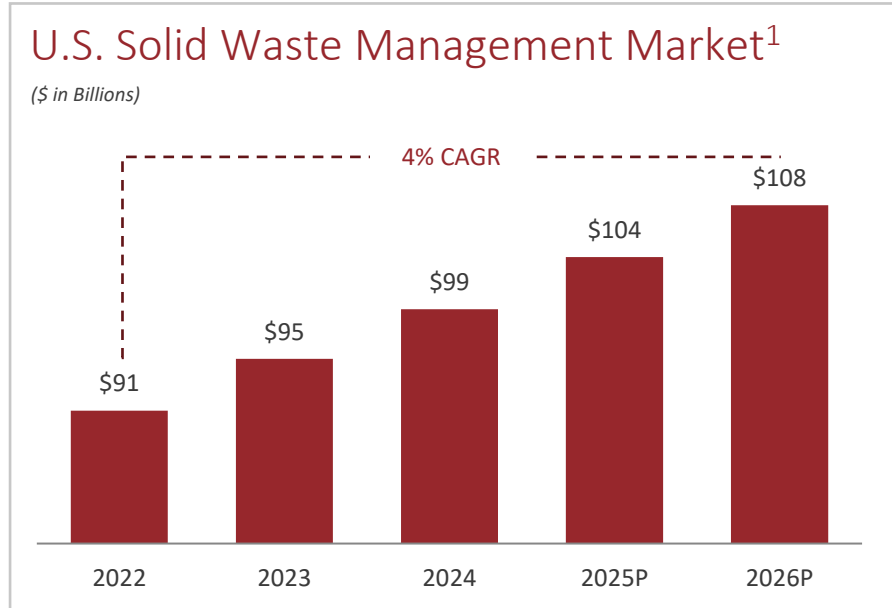
Environmental Services Landscape Scorecard

Key Market Segments	Range of Business		Market Drivers	Level of Consolidation	Level of Outsourcing
Solid Waste Management & Recycling	<ul style="list-style-type: none"> › Collection and Disposal › Processing and Reuse › Waste Reduction and Monitoring 	<ul style="list-style-type: none"> › Roll-off and Bulk Removal › Commercial and Residential Pickup 	<ul style="list-style-type: none"> › Increased industrialization, urbanization, and regulatory pressures are driving growth › Growing emphasis on resource conservation 		
Diversified Waste Management & Recycling	<ul style="list-style-type: none"> › Plastics and Recyclables › Non-Hazardous Liquid Waste › Medical Waste › Metals and Mining Waste 	<ul style="list-style-type: none"> › Chemical Waste › Oil and Grease Trap Services › Organics, Compost, and Anaerobic Digestion › Batteries and e-Waste 	<ul style="list-style-type: none"> › Shifting consumer sentiment as well as increasing population and human activity › Growth in industrial and manufacturing activity leading to rise in waste generation 		
Industrial, Hazardous Waste, and Specialty Services	<ul style="list-style-type: none"> › Tech-Enabled Waste Monitoring › Emissions Management and Sequestration › Hazardous Waste Management 	<ul style="list-style-type: none"> › Storm and Disaster Recovery › Equipment Rentals › Tank Cleaning and Repair › Environmental Remediation › Industrial Cleaning 	<ul style="list-style-type: none"> › Variety of end market drivers including technology modernization, demand for higher quality waste services, and more complex waste streams › Increased regulation due to rising use of chemical waste and hazardous materials 		
Water-Related Services	<ul style="list-style-type: none"> › Municipal Operations and Maintenance › Engineering, Repair, and Construction › Water Tank Management 	<ul style="list-style-type: none"> › Compliance and Testing › Metering, Monitoring, and Analytics › Resource Management › Processing and Filtration 	<ul style="list-style-type: none"> › Evolving climate conditions and population growth make the industry ripe for innovation › Aging infrastructure and increased government spending are driving water quality awareness 		
Environmental Testing, Consulting, & Engineering	<ul style="list-style-type: none"> › Site Analysis and Management › Water, Soil, and Air Quality Assessment 	<ul style="list-style-type: none"> › Brownfield Remediation › Process Safety and Risk Management › Ecological Services 	<ul style="list-style-type: none"> › Stringent Government Regulations › Many legacy contamination cleanup initiatives underway › Increase in extreme natural events 		

Solid Waste Management and Recycling

Sector Overview

Growing populations and economies inevitably generate more waste. Waste management and recycling are invaluable services to the ongoing function of businesses and communities as they consume and dispose of materials. From waste hauling to disposal, recycling, and reuse, there is an exceptionally long waste value chain in which investors and businesses can partake. Providers with vertically integrated offerings – particularly those that help customers meet sustainability targets while minimizing costs and business interruptions – are particularly well-positioned for long-term growth.



Key Industry Drivers and Considerations



Population and Economic Growth

GDP and population growth drive waste generation creating an urgent need for waste management providers, particularly in regions struggling to find adequate waste disposal capacity



Shift in Waste Management Approaches

Solid waste management has trended toward a focus on recycling and compost, creating additional value-creation opportunities for providers able to offer more sophisticated and diverse cradle-to-grave services



Limited Disposal Capacity

Disposal facilities are becoming overburdened by waste, with large cities in particular running out of the space needed for safe disposal; difficulties around new siting and permitting create further challenges for the waste industry



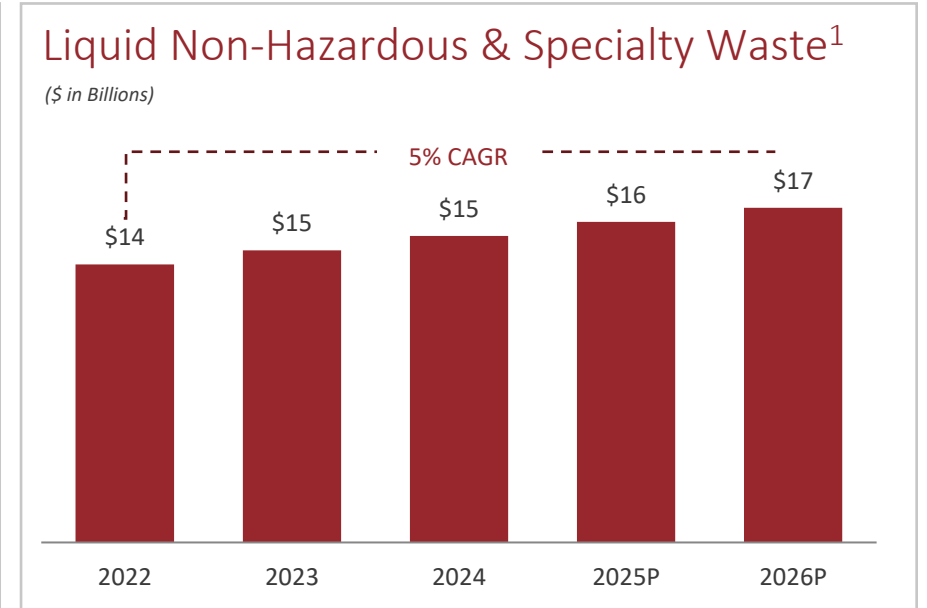
Growing Emphasis on Resource Conservation

While waste has traditionally ended up at large-scale disposal sites, businesses and communities have begun to pay close attention to the responsible management and reuse of waste, limiting unnecessary waste and potential impacts on communities

Diversified Waste Management and Recycling

Sector Overview

Outside of traditional solid waste exists a broad range of other waste types generated by commercial, consumer, medical, nuclear, and agricultural activities. Liquid waste and food grease require careful, specialized handling. Similarly, organic matter presents an enormous opportunity, especially for those with the ability to reuse or reintroduce materials, whether through composting, anaerobic digestion, or other means. Lastly, hazardous waste management, including medical waste, metals, mining, and chemical waste, requires highly specialized skill sets to ensure compliance with stringent rules and regulations as well as the safety and well-being of operators.



Key Industry Drivers and Considerations



Complex, Burdensome Regulatory Environment

Strict oversight and regulation of diversified waste streams, requiring recurring, scheduled service and offering providers reliable long-term contracts or MSAs



Vendor Consolidation

Businesses with diverse waste streams look to one-stop-shop providers that allow for service consolidation. As such, businesses with broad, integrated solution sets stand to benefit, and the fragmented nature of the industry allows platforms to quickly add new service lines



Shift in Waste Practices

The circular economy has taken center stage for many businesses as they look to reduce unnecessary waste and better reintegrate resources into their supply chains as new revenue streams



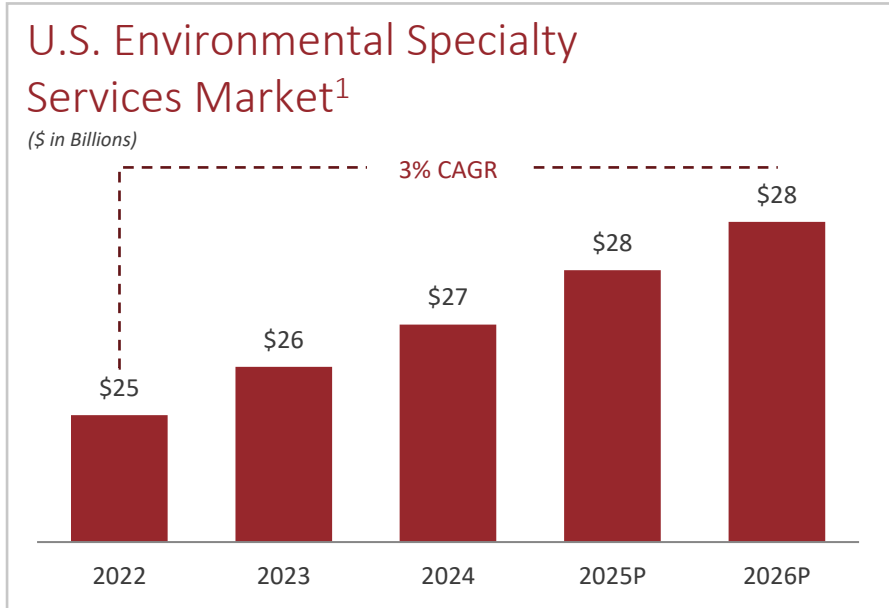
Increasing Domestic Manufacturing

Significant investment has been made to reshore critical manufacturing processes, creating a surge in chemical, manufacturing, and industrial waste

Industrial, Hazardous Waste, and Specialty Services

Sector Overview

Due to the immense scope of the environmental services industry, there are limitless ways in which businesses and investors can participate. New technologies – from hardware to software to AI – stand to disrupt virtually all components of the value chain, and businesses are searching for new, creative ways to limit waste and drive material reuse. Additionally, given the danger of substances related to industrial processes, the sector is tightly regulated, allowing providers to differentiate themselves on service quality and reliability. ESG considerations at the corporate and consumer level are similarly driving new approaches as providers look to satisfy demand for more responsible and ethical methods.



Key Industry Drivers and Considerations



Technology Modernization

Monitoring and reporting technologies have captured customers' attention for their ability to drive cost savings and operational efficiencies



Increased Industrial Activity

Rapid urbanization and infrastructure development have led to increased industrial and manufacturing activities driving a substantial rise in waste generation, including hazardous, non-hazardous, and e-waste



Increasing Regulatory Complexities

With a greater focus on sustainable development, increasing government initiatives and regulations to manage hazardous waste are pushing waste management providers to expand their offerings



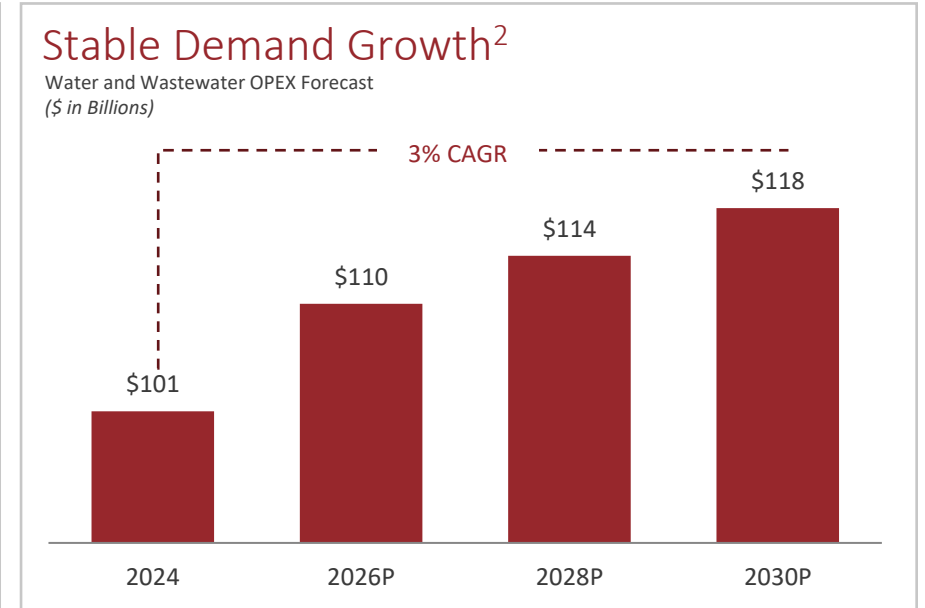
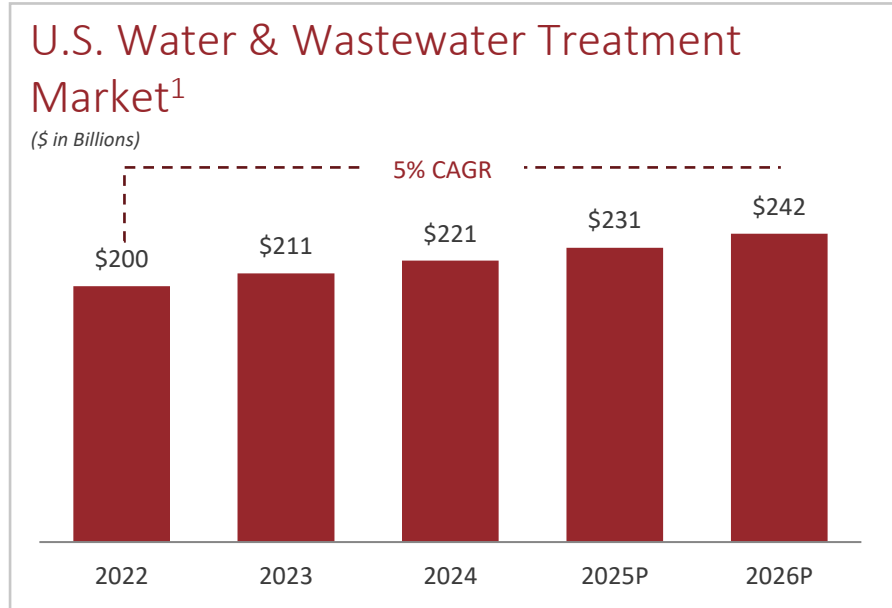
More Complex Waste Streams

New services, products, and materials create new opportunities for thoughtful waste management practices. As economies grow and technologies are discovered, those on the cutting edge will be best positioned to capture unforeseen demand

Water-Related Services

Sector Overview

Water touches virtually every corner of the economy as an indispensable resource across services, products, and communities. Water infrastructure – critical to providing safe drinking water and safely transporting stormwater and wastewater – is in a state of disrepair across the U.S., requiring massive investment to rehabilitate, build out, and modernize. With municipal budgets tightened, utilities and local providers have looked increasingly toward specialized, outsourced service providers to offload critical infrastructure construction, maintenance, and operations, offering enormous opportunity for new sector entrants.



Key Industry Drivers and Considerations



Aging Infrastructure

Across the U.S., the average water pipe is more than 45 years old. In many instances, pipes and facilities are well beyond their useful life, requiring significant investment to replace or rehabilitate and ensure public access to clean water



Evolving Climate Conditions

Warmer temperatures and drought have placed a focus on the conservation and effective use of water, while evolving regulatory mandates require greater oversight and treatment of water



Population Shift and Growth

As U.S. populations grow and demographic shifts occur, there is an increased strain on water infrastructure that is not sufficiently equipped to support large populations, resulting in areas requiring significant upgrades or entirely new systems



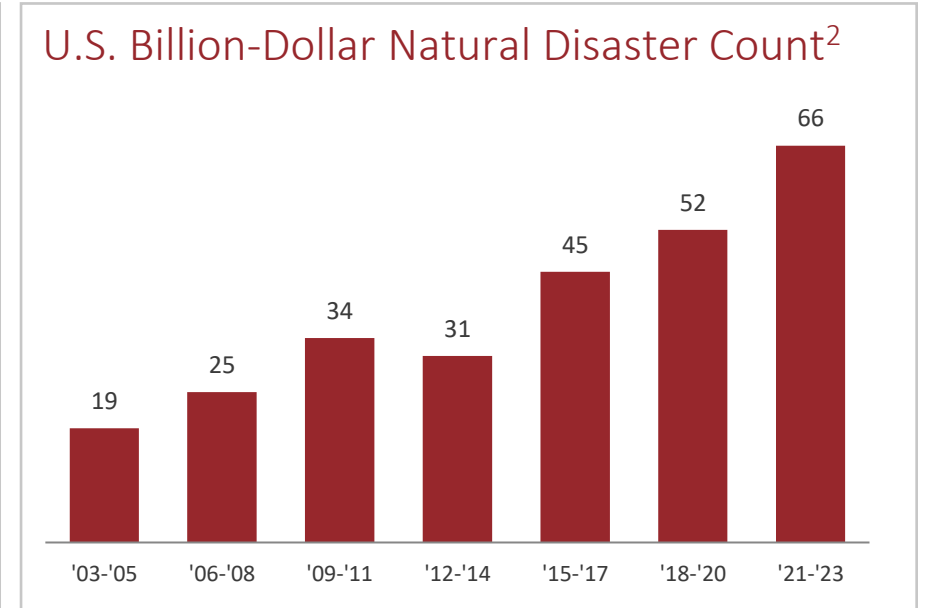
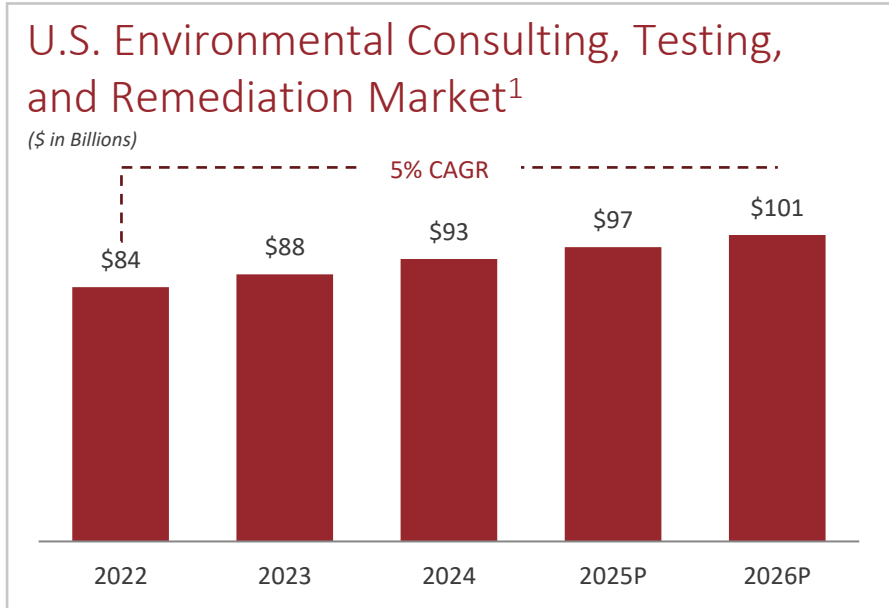
Government Investment

Federal and state governments have earmarked billions for investment in local water systems to allay public health concerns and will likely continue to funnel immense investment toward the rehabilitation, improvement, and build of critical water infrastructure

Environmental Testing, Consulting, and Engineering

Sector Overview

The preservation and rehabilitation of our air, water, and land remain a top priority for governments and communities. As such, there is a massive market for businesses providing sophisticated, specialized services that responsibly care for critical habitats. Monitoring and prevention – to avoid potential public health and safety crises – remain critical first order priorities. So too does the cleanup of pollution and disaster events. A truly non-cyclical sector, the consulting, testing, and remediation industry offer investors an attractive opportunity to play a massive market with resilient demand characteristics.



Key Industry Drivers and Considerations



Stringent Government Regulations

With growing climate change concerns, governments are implementing stringent policies, driving environmental remediation businesses to remove pollutants, leading to a rising demand for specialized environmental consulting and testing services



Legacy Contamination Cleanup

Given the increased scrutiny, there are various initiatives underway to remediate abandoned hazardous waste sites and tackle legacy pollution issues



Increase in Extreme Natural Events

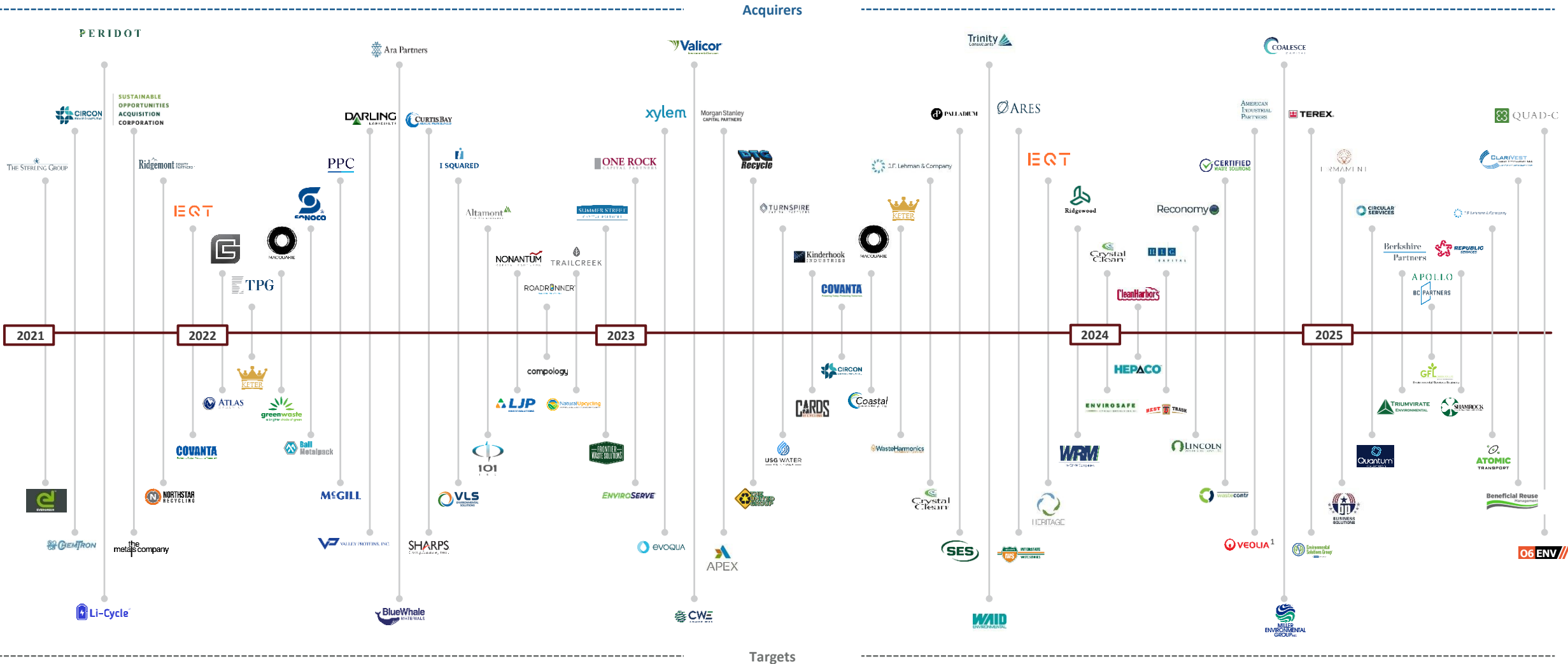
Climate impacts have caused more disaster events, driving the need for large-scale, multibillion-dollar recovery and reclamation efforts. As weather events intensify, so too will efforts to repair and remediate impacted communities



Expansion of Adjacent Industries

As the construction, energy, and manufacturing industries continue to expand rapidly, the demand for advanced environmental assessments from consulting services and impact mitigation services continues to rise

Sustained Acquisition Appetite Among Buyers



Private Equity Activity Growing Rapidly Along with Valuations

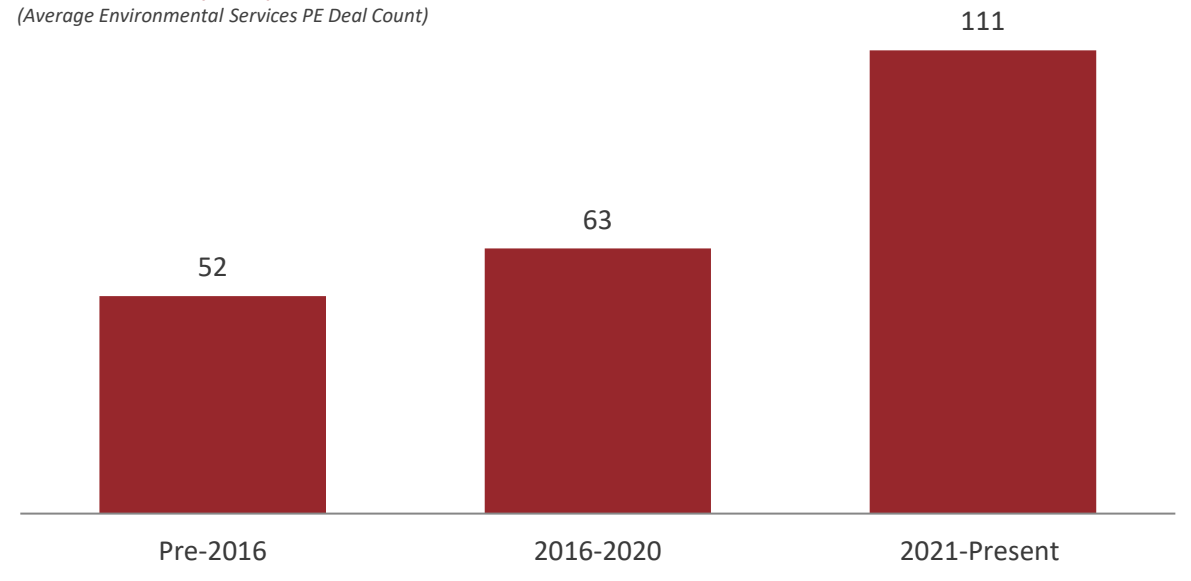
Since 2016, private equity activity in the environmental services sector has grown considerably. The reasons for this are multifaceted:

- › Powerful tailwinds and megatrends reshaping the industry provide a strong foundation for investor theses and a long-term trajectory for growth
- › The fragmented state of the market allows investors to execute “buy-and-build” strategies and grow their businesses' geographic and service capabilities through carefully executed M&A efforts
- › Successful investments have provided investors with a template for how to successfully manage investments in the sector

With significant investment capital available, deal count by private equity has grown considerably, with a record number of transactions in each of the past five years. This trend is expected to continue, if not accelerate, given current market dynamics. Not surprisingly, valuation trends have risen in parallel to private equity activity, particularly within the environmental services sector. With more competition for deals, sellers are in the enviable position of having a broader range of exit options, and the ability to continue to grow their businesses as part of a broader platform can be an attractive proposition.

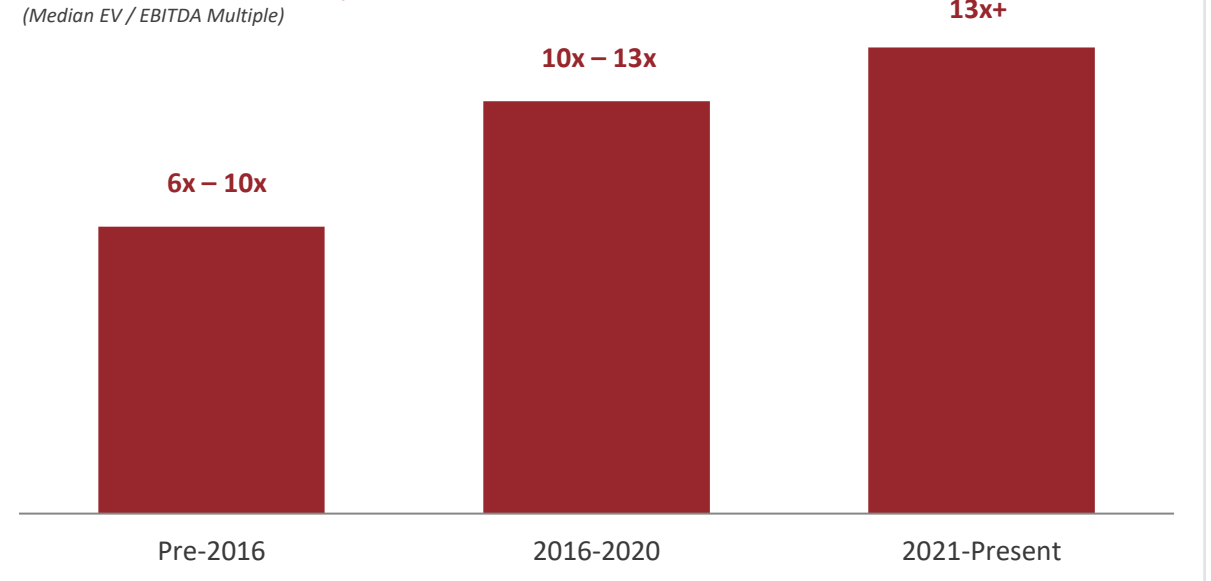
Steady Uptick in Environmental Services Private Equity Deals¹

(Average Environmental Services PE Deal Count)



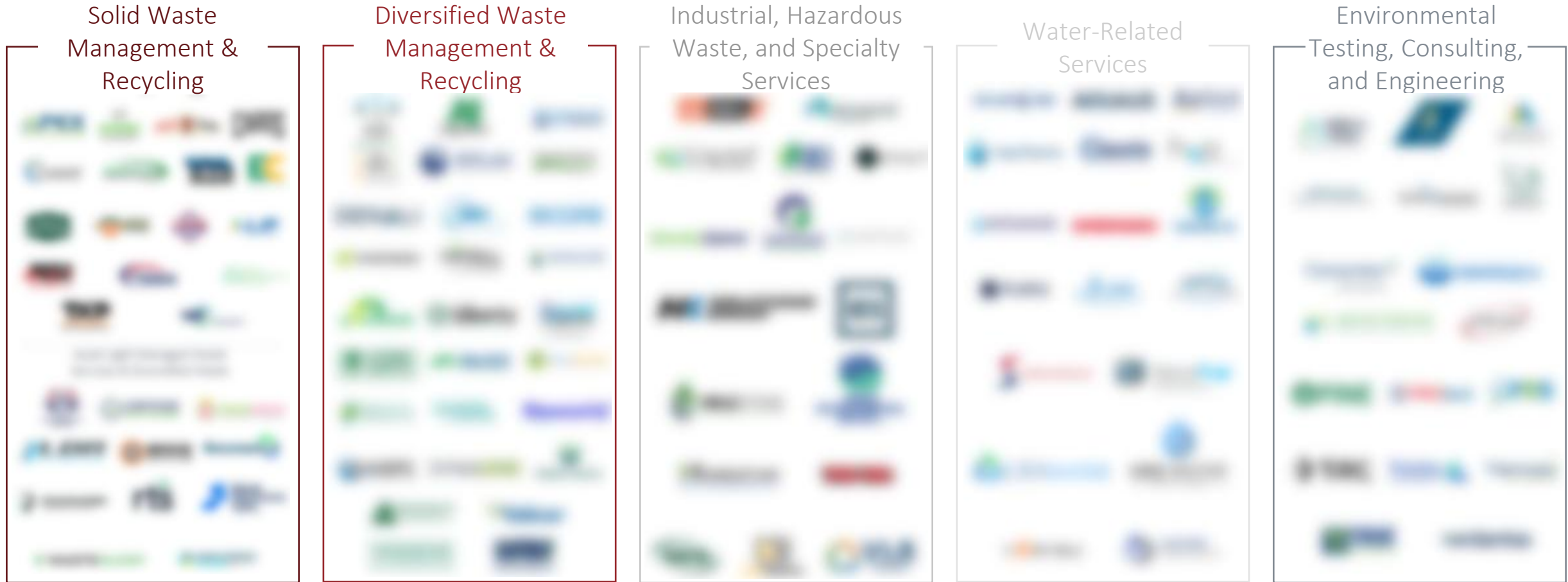
Environmental Services Valuations Continue to Rise Materially

(Median EV / EBITDA Multiple)



Current Market Landscape

The environmental services sector remains fragmented with market participants ranging from highly specialized technical players to diversified national players offering a large complementary suite of services.



To view the full market map, please contact: EPiEnvironmentalServicesTeam@harriswilliams.com

Considerations for Investors in North American Environmental Services Market

What Should Investors Be Looking For?



Technical Expertise



Proven Track Record of Organic and Inorganic Growth



Exceptional History of Safety and Compliance



End Market Diversity



Depth of Customer Relationships



Geographic Scale and Route Density



Double Bottom Line Impact Service Provider



Dedicated Training and Workforce Development



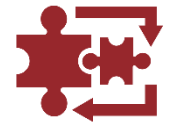
Turnkey Solution Offerings



Technology-enabled Services



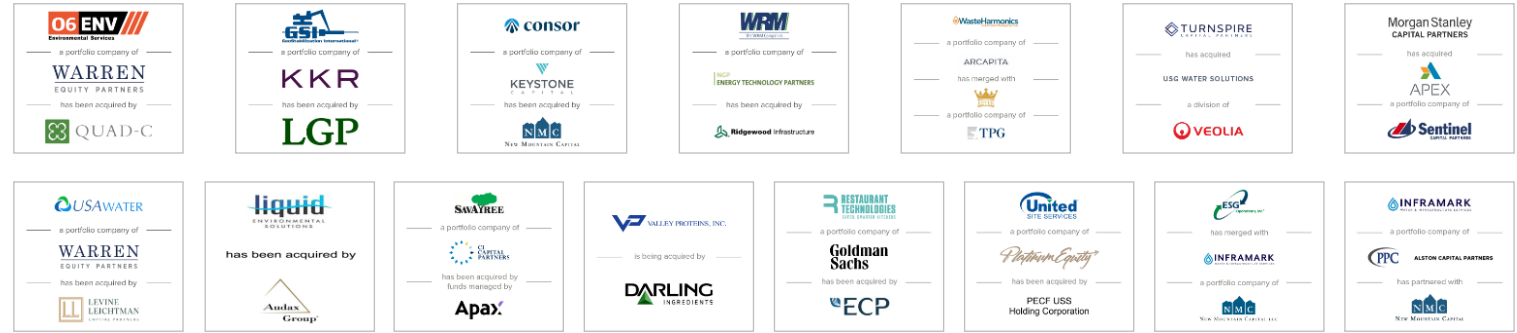
Sales Pipeline Development and Conversion



M&A Capabilities

Our Team

Recent Harris Williams Environmental Services Activity



Environmental Services

- › Solid Waste Management and Recycling
- › Diversified Waste Management and Recycling
- › Industrial, Hazardous Waste, and Specialty Services
- › Water-Related Services
- › Environmental Testing, Consulting, and Engineering

Connect With Our Team

Learn more about our experience unlocking value for great businesses in the environmental services sector.

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