



Autumn 2026 edition

The Security Business Owner's Guide to Selling

What your business could sell for, who is buying right now, and what to do over the next twelve months.



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The market now

Deals, regulation and costs shaping security sales this autumn.

What it is worth

How buyers price a security business, and what moves the price.

Your next twelve months

A practical checklist to get ready, whenever you choose to sell.

This guide tells you what your security business could sell for, who is buying it right now, and what to do over the next twelve months to sell it well.

01	Your market right now	3
	Buyers with fresh capital are active on both sides of the sector, and three dated deadlines between now and spring 2027 decide how a security business looks in their checks.	
02	Tax, rates and the deal climate	7
	Every security sale in the UK this autumn happens against the same backdrop: an 18% tax rate on the first £1m of gain for owners who qualify for Business Asset Disposal Relief, already in force, a Budget in Oct 2026 that could move the tax on selling again, borrowing that has stopped getting cheaper, and buyers with money who are choosing carefully.	
03	What buyers value in a security business	11
	Recurring monitoring revenue, current approval and a team that stays are what buyers pay for; the split between systems and guarding decides everything else.	
04	What your business could be worth	15
	Security businesses are priced at a number of years of adjusted profit, and how many years depends mostly on how much of the income is recurring, approved and independent of you.	
05	Who is buying	19
	Integrated national groups, investor-backed groups, listed security groups and trade buyers are all active, and they price the same business differently.	
06	Preparing to sell: the 12-month checklist	22
	Most of the value in a sale is created in the year before it, and the 2026 to 2027 deadlines give that year a clear list.	
07	How a confidential sale works	25
	A sale runs in seven stages, and nothing is shared with a buyer without your approval.	

01

Chapter 01

Your market right now

Buyers with fresh capital are active on both sides of the sector, and three dated deadlines between now and spring 2027 decide how a security business looks in their checks.

The numbers

1.5m

Phone lines still on the analogue network the alarm industry has signalled over for decades

Openreach, Jul 2026

350,000

Business premises among them, with security systems named as a service at risk

Openreach, Jul 2026

179,000

Premises the regulator expects to fall within Martyn's Law

SIA strategic plan, Jun 2026

70%

Share of 2025 UK fire and security deals made by buyers owned by investment firms, up from 57%

UK fire and security M&A review, 2026

£3.1bn

Recommended cash offer by OCS for Mitie, approved by shareholders in September

OCS and Mitie, Jul 2026

£25

Approved Contractor Scheme fee per licensable officer deployed, up from £15

SIA, Jun 2026

What lands when

Oct 2026

Final 40% rise in legacy line rental on the old copper network (Oct)

Oct 2026

SIA consultation on new licence qualifications closes (Oct)

Autumn 2026

SIA publishes its final Martyn's Law section 12 guidance

Jan 2027

Analogue PSTN retired, with no extension (Jan 2027)

Q1 2027

OCS acquisition of Mitie expected to complete

Spring 2027

Martyn's Law expected to commence; premises have three months to notify the SIA

Spring 2027

SIA Business Approval Scheme, the successor to the ACS, ready for pilots

2027

New licence-linked qualifications launch, later in the year

Who is buying

OCS

City Group Security, 600 staff (May 2026); recommended offer for Mitie (Jul 2026)

Ranger Fire and Security

Majority investment from Inflexion (Jun 2026); CIA and AKD Fire and Security (Jul 2026)

Croma

Added Security Technology, Portsmouth, about £1.74m (Aug 2026)

Mitie

Integrating Marlowe; £700m cross-sell pipeline reported (Jul 2026)

Complii

Tay Fire and Security, Nottingham, its 20th deal (May 2026)

From the conversations I have with security business owners, the question is rarely whether buyers exist. It is whether the business in front of them will look the way a buyer needs it to look over the next eighteen months.

That window contains three fixed dates: the end of the analogue phone network, the start of Martyn's Law, and the reset of how the regulator approves security businesses. Each one changes what a buyer checks and what they pay for.

What follows is what has actually happened, dated and sourced, and what each development means if you are thinking about a sale. None of it commits you to anything.

The copper network runs out at the end of Jan 2027

Openreach said at the end of Jul 2026 that around 1.5 million lines were still running on the old copper network, including roughly 350,000 business premises, and that there is no extension to the deadline. Its own list of services still relying on the old network includes security systems, alongside payment terminals and lift alarms. For a monitored book, that is a dated failure point sitting inside the customer base.

The pressure is also financial. Openreach has been raising wholesale line rental on legacy lines in stages through 2026: 20% from Apr, a further 40% from Jul and a final 40% from Oct 2026, which roughly doubles the cost of keeping an analogue line against last year. A customer still paying for a copper alarm line is paying more each quarter to stay put, which makes the migration conversation easier for the installer.

Openreach data reported in Sep 2026 put London at 235,934 lines still to switch, with Leeds, Manchester, Sheffield and Bristol each between roughly 44,000 and 62,000.

For a seller, the consequence for due diligence, the buyer's detailed check of your business, is simple. A buyer will ask how many monitored accounts still signal over PSTN, what the plan and cost is to move them, and who pays.

Accounts already on dual-path IP and cellular signalling are clean earnings; accounts still on copper are a cost to fix that the buyer will either take off the price or ask you to clear before completion. Owners who finish the migration before they go to market remove a question rather than negotiate around it.

Martyn's Law: the rules are nearly final

The Terrorism (Protection of Premises) Act 2025 received Royal Assent in Apr 2025. Since then the machinery has been switched on in stages.

The SIA's guidance and advice powers came into force in Jun 2026. Regulations setting out how premises must notify the regulator were made in Jul 2026 and laid before Parliament in Jul 2026: once the duties commence, a qualifying premises has three months to notify the SIA, and any change must be reported within 28 days.

The SIA closed its consultation on its section 12 guidance with nearly 200 detailed responses, and says the final guidance lands in autumn 2026, with the law expected to come into force from spring 2027. Its update in Sep 2026 added that an online scope tool will be available in the new year, templates for standard and enhanced tier premises will follow over the coming months, and a second round of pilot assessments starts this autumn.

The regulator expects around 179,000 premises in scope: about 155,000 standard tier (200 or more people) and about 24,000 enhanced tier (800 or more), plus almost a thousand music festivals. The standard tier is mainly about procedures: evacuation, invacuation, lockdown and communication. The enhanced tier adds protective measures, including monitoring of the premises and its surroundings, which is where CCTV, access control and trained staff come in.

For a seller the point is evidence, not a pitch about new demand. A buyer will give credit for Martyn's Law work that is already contracted or quoted with named venues, and very little for a general claim that the law will help. If you have enhanced tier customers, document what you supply them and when their plans are due.

The regulator is resetting how it approves security firms

The SIA published its 2026 to 2029 strategic plan and its annual business plan in Jun 2026. There are 719 companies in the Approved Contractor Scheme, and 517,144 active individual licences as of February 2026, held by more than 458,000 people. The plan says the SIA is replacing the ACS with a new Business Approval Scheme, designed so it can move into mandatory business licensing if ministers decide to introduce it, and the business plan has the new scheme's digital service ready for pilots in spring 2027.

Mandatory business licensing is not decided, and I would not describe it as coming. What is decided is that approval is being rebuilt and a public register of security businesses is planned.

A buyer will ask how your current ACS status carries into the new scheme, and whether your records would pass a tougher assessment. Firms already meeting the bar are the ones a tighter regime favours.

The cost side has moved too. From Jun 2026 the ACS fee per licensable individual deployed rose from £15 to £25, and the individual licence fee has been £204 since Apr.

In Aug 2026 the SIA opened a consultation, closing Oct 2026, on new licence qualifications including an independent English language test, a security-specific first aid qualification and stronger conflict management training, with the new qualifications launching later in 2027. Training a new officer will take longer and cost more.

Who has bought what in 2025 and 2026

The largest move is at the top. In Jul 2026 OCS announced a recommended cash offer for Mitie at up to 221.6p a share, valuing it at about £3.1bn and creating a group with combined revenue of around £8.5bn. Mitie shareholders approved the scheme in Sep 2026, with 99.74% of votes cast at the court meeting in favour, and completion is expected in the first quarter of 2027, subject to regulatory approval and court sanction.

Both sides have been buying security. OCS completed City Group Security in May 2026: founded in 1993, among the top 30 UK security businesses, about 600 staff, providing static guarding, canine security, mobile patrols, keyholding and alarm response.

Mitie's trading update in Jul 2026 showed Business Services revenue up 23% to £829m in the quarter, helped by security wins and the Marlowe acquisition, with a Marlowe cross-sell pipeline of about £700m of annual contract value. Integrated buyers are proving that selling systems and compliance into guarding and FM clients works, which is why they keep paying for systems businesses with a clean client list.

Further down the market, the buy-and-build platforms are spending new money: groups that buy one sizeable firm and keep adding smaller ones to it. Most are backed by private equity, investment firms that buy companies with pooled money and sell them on within a few years. Inflexion made a majority investment in Ranger Fire and Security in June 2026, with the previous backer Hyperion reinvesting; Ranger had by then acquired 25 businesses, employing more than 500 people with revenue above £75m. In Jul 2026 Ranger announced two more: CIA Fire and Security in Cirencester, trading since 1982, and AKD Fire and Security in Cumbria, both maintenance-led regional firms offering intruder alarms, CCTV and fire systems.

Published prices for small systems businesses are rare, which makes one recent deal worth reading closely. In Aug 2026 the AIM-listed Croma group completed its purchase of Added Security Technology in Portsmouth, an access control, door entry and locksmith business trading for more than 30 years, for about £1.74m.

The buyer's figures for the target were revenue of £1.8m and adjusted EBITDA (broadly, yearly profit from the day-to-day work before loan interest, tax and the wear on equipment) of £0.3m, which works out at roughly 5.8 times adjusted EBITDA. The target brought a recently renewed ten-year council contract and a family succession plan, two things that made it straightforward to buy.

Labour and cost pressure on guarding

Guarding margins move with the wage floor. The National Living Wage rose 4.1% to £12.71 an hour in April 2026, and the Low Pay Commission's published projection for April 2027 is a range of £13.02 to £13.34, with a central estimate of £13.18; its formal recommendation is due later this year.

From Apr 2026 Statutory Sick Pay became payable from the first day of absence, with the lower earnings threshold removed. These sit on top of the employer National Insurance changes of April 2025, when the rate rose to 15% and the threshold fell to £5,000.

A buyer reading a guarding book will therefore look first at pricing mechanisms. Contracts that pass wage increases through each April protect the margin a buyer is paying for; contracts fixed for three years at old rates do not. The same buyer will look at absence and staff turnover now that sick pay starts on day one.

Buyers separate the guarding book from the monitoring book before they price anything; owners should too.

What this means for timing a sale

Three things point the same way. There is new capital chasing owner-managed systems and fire and security businesses, and the sector remains fragmented enough that consolidators, the groups growing by acquisition, are expected to keep buying smaller regional providers.

The deadlines landing between now and spring 2027 give well-prepared firms a clear, dated story to tell a buyer. And the largest national group will spend 2027 integrating a takeover, which gives other buyers room.

The practical conclusion is that preparation matters more than the calendar. A business that goes to market with its PSTN migration finished, its monitoring contracts documented, its approval position clear and its guarding contracts tied to wage rises gives a buyer very little to discount. A business that goes to market with those questions open will find the buyer answering them on its behalf, at a price.

02

Chapter 02

Tax, rates and the deal climate

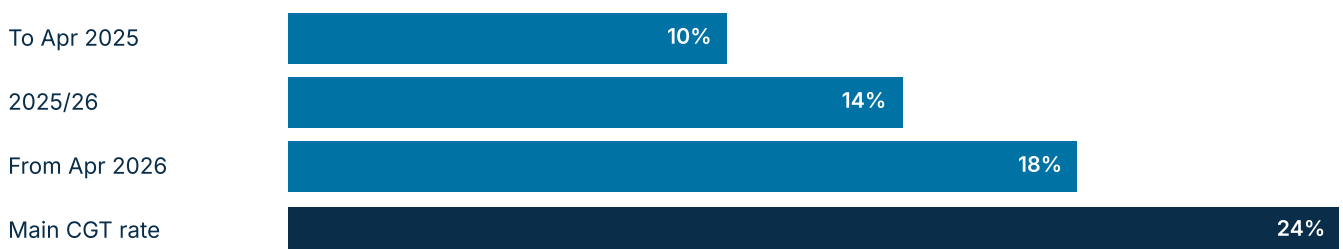
Every security sale in the UK this autumn happens against the same backdrop: an 18% tax rate on the first £1m of gain for owners who qualify for Business Asset Disposal Relief, already in force, a Budget in Oct 2026 that could move the tax on selling again, borrowing that has stopped getting cheaper, and buyers with money who are choosing carefully.

18% Business Asset Disposal Relief (BADR), the tax relief for owners selling a business they work in: its rate from Apr 2026 HMRC, HS275 (2026)	24% Main rate of Capital Gains Tax, the tax on the gain when you sell, for a higher-rate taxpayer, since Oct 2024 HM Treasury, CGT rates of tax	3.75% Bank Rate, held in Sep 2026, with three of nine votes for a rise Bank of England, Sep 2026	Oct Date of the 2026 Budget, confirmed by the Chancellor HM Treasury, Jul 2026
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The BADR tax rate has finished rising, for now

Business Asset Disposal Relief is the relief most owner-managers rely on when they sell. It taxes qualifying gains, up to a lifetime limit of £1m, at a reduced rate. That rate was 10% for disposals up to Apr 2025, 14% for disposals in the 2025/26 tax year, and it has been 18% for disposals from Apr 2026. The phased increase that was announced in October 2024 is now complete, so an owner who qualifies now pays more tax on the same gain than two years ago.

The BADR rate on the first £1m of qualifying gains



Source: HMRC, HS275 Business Asset Disposal Relief (2026); HM Treasury, Capital Gains Tax rates of tax.

What sets the rate is the date of the sale in the tax sense. In a share sale, where the buyer takes the shares in your company, that is normally the day the contract becomes binding with no conditions left to meet, not the day the money arrives. The other route is an asset sale, where the buyer buys the vans, kit and contracts rather than your shares. HMRC's own guidance has rules aimed at contracts timed to get ahead of the rate changes, so a deal agreed in one tax year and completed in the next is not a simple question. That is a conversation for your tax adviser early in the process, not once you reach heads of terms, the short document that sets out the main points of the deal before the lawyers draft the contract.

The gap between 18% and 24% on the first £1m of gain is worth £60,000 to a higher-rate seller, and it is the gap most owners are now watching.

What it means in money

Take an owner who is a higher-rate taxpayer, qualifies for BADR and makes a £2m gain on the sale of their company. The first £1m is taxed at 18%, which is £180,000. The second £1m is taxed at the main rate of 24%, which is £240,000. The total bill is £420,000 before any other allowances. Without BADR, the whole £2m at 24% would cost £480,000.

Gain of £2m, higher-rate taxpayer	Tax
First £1m at the 18% BADR rate	£180,000
Remaining £1m at the 24% main rate	£240,000
Total with BADR	£420,000
The same gain with no BADR	£480,000

Illustration only, using the rates published by HM Treasury and HMRC. Your own position depends on your income, your shareholding, how long you have held it and the structure of the deal.

The Budget in Oct 2026

The Chancellor, John Healey, confirmed at the end of Jul 2026 that his first Budget will be delivered in Oct 2026, with a fresh forecast from the Office for Budget Responsibility on the same day. Nothing about Capital Gains Tax has been announced. It is, though, one of the most discussed areas of possible change, partly because the government has committed not to raise income tax, VAT or employee National Insurance in this Parliament.

Right now

Nobody outside the Treasury knows what the Budget will contain, and a sale cannot be started, run and completed in five weeks. What owners can control is readiness: accounts that stand up, a clean shareholding and a clear picture of what the business is worth. An owner who is ready can move quickly when the rules are known; one who is not has no choice to make.

Source: HM Treasury, Chancellor's letter to the Treasury Select Committee, Jul 2026.

Inheritance tax and the business you keep

Selling is not the only way out, and inheritance tax has changed the arithmetic for owners who expect to pass the business on. From Apr 2026, Business Property Relief gives 100% relief on qualifying business property only up to £2.5m per person, with 50% relief above that. Spouses and civil partners can pass up to £5m between them. For a larger family business, holding on is no longer automatically free of inheritance tax, which is one reason more owners are weighing a sale against succession.

Source: HM Treasury and HMRC, Agricultural property relief and business property relief changes.

Interest rates have stopped falling

The Bank of England held Bank Rate at 3.75% in Sep 2026. Six members voted to hold and three voted for a rise to 4%. CPI inflation was 3.1% in August, and the Bank expects it to reach around 3¾% in the last quarter of 2026 and slightly above 4% early in 2027, mainly because of energy prices. The next decision is due in Nov 2026.

This matters to a seller because most acquisitions are part funded by debt. When the cost of that debt stops falling, buyers look harder at cash conversion and the quality of recurring income, and they are more likely to bridge a gap on price by paying part of it later: on fixed dates, which is deferred consideration, or only if the business hits agreed targets, which is an earn-out. A business with dependable contracted revenue is the one that keeps its price in that climate.

Source: Bank of England, Monetary Policy Summary, September 2026.

The cost of employing people has gone up twice

Since Apr 2025, employers have paid National Insurance at 15% rather than 13.8%, starting from £5,000 of each employee's earnings rather than £9,100. From Apr 2026, the National Living Wage for workers aged 21 and over rose by 4.1% to £12.71 an hour. For a labour-heavy security business these are permanent costs, and a buyer will want to see that your prices and contracts have caught up with them.

15%

Employer National Insurance rate, from £5,000 of earnings

HMRC, rates and thresholds 2026 to 2027

£12.71

National Living Wage per hour from Apr 2026, up 4.1%

Department for Business and Trade

Employment law is changing in stages

The Employment Rights Act 2025 is being brought in over two years. Statutory Sick Pay became payable from the first day of absence in Apr 2026. From Oct 2026, employees have six months rather than three to bring most tribunal claims. From January 2027, the qualifying period for unfair dismissal is due to fall from two years to six months, and new rules on zero-hours contracts follow later in 2027. A buyer inherits all of this either way: in a share sale your company stays the employer, and in an asset sale TUPE, the rules that move staff to a new employer on their existing terms, carries your team across. So clear contracts, up-to-date policies and a tidy record of disputes now carry real weight when a buyer checks your business before it commits.

Source: Department for Business and Trade, Plan to Make Work Pay and Employment Rights Act: timeline update, updated Sep 2026. All future dates remain subject to Parliament.

Buyers have money, and they are choosing carefully

UK deal value roughly doubled in the first half of 2026 compared with a year earlier, while the number of deals fell by about 13%. The large transactions pulled the value up; the count tells the truer story for owner-managed businesses. There is plenty of capital looking for good companies, and buyers are spending more time on each one before they commit.

For anyone who owns a security business, that cuts both ways. A well-run business with recurring contracts, a team that does not depend on the owner and clean records is likely to draw more than one interested party. A business that needs explaining will find buyers slower and more cautious than they were two or three years ago.

Source: City A.M., UK M&A in the first half of 2026, Sep 2026.

03

Chapter 03

What buyers value in a security business

Recurring monitoring revenue, current approval and a team that stays are what buyers pay for; the split between systems and guarding decides everything else.

Two security businesses with the same turnover can be valued very differently. The difference usually comes down to how much of the income will still be there in a year without anyone having to win it again, and how much risk the buyer inherits on the day the business changes hands.

It helps to be clear about which side of the sector you sit on. Electronic security, covering intruder alarms installed to BS EN 50131, CCTV, access control and monitored systems, is led by recurring monitoring revenue and tends to carry higher margins.

Manned guarding is labour-intensive, runs on thinner margins and is valued more modestly. Many businesses do both, and a buyer will price each part separately.

The monitored-account book and RMR

This is the core prize in a systems business. Monitored intruder, fire, CCTV and lone-worker accounts produce a monthly or annual fee that is predictable and sticky. Buyers look closely at the monitoring fees the book brings in each month, known as RMR (recurring monthly revenue), and at the size and quality of the book behind it: how many accounts, how long they have been with you, what they pay and how many cancel each year.

Add annual maintenance contracts on installed systems and you have income a buyer can rely on from the first day. A business built on that base is worth more than one waiting for the next installation, because monitoring income keeps paying after the job is finished.

Right now

Openreach reported around 1.5 million lines still on the analogue network at the end of July, including about 350,000 business premises, with the switch-off fixed for Jan 2027. A monitored book where every account already signals over IP and cellular paths reads as clean earnings. Accounts still on copper read as work the buyer will have to fund.

Source: Openreach, Jul 2026

NSI or SSAIB approval

Third-party approval is the clearest quality signal a buyer looks for. Approval from the National Security Inspectorate, at NSI Gold, or from the SSAIB is what allows a company to obtain and hold police Unique Reference Numbers for monitored intruder alarms under National Police Chiefs' Council policy. Without URNs there is no police response, and without police response a large part of the commercial market is closed.

Approval also opens insurance-specified work and larger commercial and public sector contracts. Accreditation does not win you the premium on its own, but its absence removes you from the shortlist.

SIA approval on the guarding side

On the guarding side, licensed officers and Approved Contractor Scheme status are what keep you eligible for serious contracts. There were 719 ACS companies when the SIA published its strategic plan in June 2026, 70 of them with more than 250 licensable staff and 150 with ten or fewer.

Right now

The SIA is replacing the Approved Contractor Scheme with a new Business Approval Scheme, with the digital service due for pilots in spring 2027, and has said the design can move into mandatory business licensing if ministers decide to introduce it. A buyer will want to know that your approval position carries across.

Source: SIA strategic plan and business plan, Jun 2026

Standards and the quality of installed systems

Buyers look for work done to the recognised standards: intruder and hold-up alarms to BS EN 50131, alarm confirmation and false alarm management to BS 8243, CCTV to BS EN 62676, access control to BS EN 60839, and monitoring from an alarm receiving centre working to BS 8591. Systems installed and documented to standard, with low false alarm rates and orderly maintenance records, carry less remediation risk after completion, and a buyer will price that.

The revenue mix

When a buyer looks at your turnover, the real question is how much of it will still be there next year without new sales. A business weighted towards monitoring and maintenance income attracts stronger and more predictable offers than one depending on a pipeline of one-off installations. The higher the recurring share, the higher the multiple, the number of years of profit a buyer will pay.

For a guarding book, the equivalent question is contract length, renewal history and whether pricing moves with wages. A five-year contract with a yearly price rise built in is a different asset from a rolling arrangement priced three years ago.

Retention and attrition

Attrition, the share of monitored accounts that cancel each year, tells a buyer how much of the book they are really buying. A book that renews year after year, backed by written contracts rather than rolling verbal arrangements, is a large part of what a buyer pays for. On the guarding side, buyers look at contract retention in the same way, and at how many contracts have been re-tendered and kept.

Owner dependency and the team

Every buyer will ask whether the business runs without you. If you hold the key client relationships, do the surveys and quotes and provide the technical sign-off, the business has an owner dependency problem, and a buyer will price it in.

Your people matter alongside that. Engineers and officers screened to BS 7858, properly qualified and retained, with clean vetting records, signal a business a buyer can take on with confidence. In guarding, officers move between providers under TUPE whenever a contract changes hands, so employment records and contracts will be read line by line.

Right now

The SIA is consulting until Oct 2026 on new licence qualifications, including an independent English language test and a security-specific first aid qualification, with new qualifications launching later in 2027. A retained, licensed and vetted workforce becomes harder to replace, so buyers will value it more.

Source: SIA, Aug 2026

Rate your business

Factor	Pushes value up	Pushes value down
NSI or SSAIB approval	NSI Gold or SSAIB held, audits current	None held, or lapsed
Recurring monitoring revenue	Large, documented monitored book	Mostly one-off installations
Signalling	Accounts on IP and cellular paths	Accounts still on analogue lines
Attrition	Low and stable, written contracts	High churn, verbal arrangements
Standards and false alarms	BS EN 50131, low false alarm rates	Undocumented, high false alarms
Guarding contracts	Indexed to wage rises, ACS approved	Fixed prices, no approval
Owner dependency	Runs without you	You do everything
Team	BS 7858 vetted, licensed, retained	High turnover, gaps in records

This is not a formal assessment. It is a quick way to see where the business sits and where work before a sale would add value.

04

Chapter 04

What your business could be worth

Security businesses are priced at a number of years of adjusted profit, and how many years depends mostly on how much of the income is recurring, approved and independent of you.

Buyers separate the monitoring book from the rest of the business before they price anything, and they look at it harder than anything else you own. Beyond it, a buyer works out what the business earns in a normal year, then decides how many years of those earnings to pay for today.

SDE and EBITDA

Seller's Discretionary Earnings, SDE, is the total financial benefit a single owner-operator takes from the business. It starts with net profit and adds back the owner's salary, personal expenses run through the company, one-off costs and anything else that would not continue under a new owner. It is the usual basis for smaller businesses where the owner is also the main operator.

EBITDA, earnings before interest, tax, depreciation and amortisation, shows the operating profit of the business before financing and accounting choices. It is the measure most professional buyers use, and it is normally adjusted for the same one-off and owner items. In security, buyers look particularly hard at how much of that EBITDA is underpinned by recurring monitoring and maintenance income.

What a multiple means

When someone says a business is worth five times earnings, they mean the price is five times annual adjusted EBITDA (or SDE). The multiple is the buyer's view of how certain the income is and how easily it grows. Two businesses with identical profits can sit several points apart on the multiple because one has a monitored book and NSI Gold approval and the other depends on the owner and the next installation.

The ranges buyers work within

Industry benchmarks from business sales for UK security businesses in 2026 fall into broad bands. They are observations of the market, not a price for any particular business.

Type of business	Typical range
Manned guarding	3x to 8x EBITDA; well-run firms more commonly 3.5x to 6.5x
Small owner-managed alarm monitoring firm	3x to 5x EBITDA
Integrated electronic security business	6x to 10x EBITDA
Scaled, private equity backed platform with high recurring revenue	10x to 15x EBITDA or more
Monitoring book valued on recurring revenue	30x to 45x the monitoring fees it brings in each month (RMR)

Size moves the number as well. For systems businesses the same benchmarks put £1m to £3m turnover typically at 3.5x to 4.5x EBITDA, £3m to £10m at 5x to 6.5x, and £10m to £50m at 7x to 9x. Larger businesses attract more buyers, carry less key person risk and can support more borrowing, so the multiple rises with scale.

Typical EBITDA multiple for systems businesses by turnover, midpoint of range



Source: industry benchmarks from business sales, 2026 (midpoints of 3.5x to 4.5x, 5x to 6.5x and 7x to 9x)

Right now

One of the few published prices for a small UK systems business this year: Croma paid about £1.74m for Added Security Technology, an access control and door entry business with revenue of £1.8m and adjusted EBITDA of £0.3m. That is roughly 5.8 times adjusted EBITDA, for a business with a long council contract and a settled succession.

Source: Business Sale, reporting the buyer's announcement, Aug 2026

What the acquirers' own figures show

Most deals in this sector are private and the price is never published. The exceptions usually come from listed buyers, who often publish the terms.

Mitie paid £19.1m in May 2023 for R H Irving Industrials, an electronic and perimeter security specialist with EBITDA of £2.4m, close to eight times. Croma's purchase of Southern Security Services, announced in Mar 2026, shows how a small deal is put together: £0.55m in total, of which £0.46m was paid in cash on completion and £0.09m deferred against twelve-month earn-out targets, with a freehold property valued at £0.4m included in the price.

Those two points bracket the sector reasonably well. A specialist systems business with scale and contracts that survive a change of owner sits towards the upper end of the integrated range. A small local firm is priced nearer the lower bands, often with part of the price deferred.

Worked example

The figures below are illustrative, not a market quote.

An illustrative electronic security business

Turnover	£2,000,000
Adjusted EBITDA	£300,000
Recurring monitoring and maintenance share	55% of turnover
Approval	NSI Gold
Signalling	All monitored accounts on dual-path IP and cellular
Owner role	Managing director; does not carry out installations
At 3.5x adjusted EBITDA	£1,050,000
At 4.0x adjusted EBITDA	£1,200,000
At 4.5x adjusted EBITDA	£1,350,000

For a business of this size, the benchmark band is 3.5x to 4.5x. The recurring share, the approval and the finished PSTN migration are the arguments for the top of that band. If the owner still did every survey, or a third of the monitored accounts were still on copper lines, the same business would be negotiating towards the bottom of it, and probably with more of the price deferred.

A buyer will often cross-check the monitoring book on its own, using a different yardstick: monthly monitoring income rather than yearly profit. If this business had monthly RMR of £9,000, the benchmark band of 30x to 45x monthly RMR would value the book alone at £270,000 to £405,000. That check tells the buyer how much of the price is resting on recurring income and how much on the installation side.

What moves the multiple

These push it up:

- ☐ A large, documented monitored book with low attrition and written contracts
- ☐ NSI Gold or SSAIB approval, with current audits and police-responded accounts
- ☐ Every monitored account migrated off analogue signalling before the switch-off
- ☐ A revenue mix weighted to monitoring and maintenance
- ☐ Guarding contracts that pass wage increases through each April
- ☐ A management team that runs the business without you

These pull it down:

- ☐ Reliance on one-off installations and reactive call-outs
- ☐ Lapsed or missing approval
- ☐ High attrition or verbal monitoring arrangements
- ☐ Accounts still on copper lines with no costed migration plan
- ☐ Fixed-price guarding contracts written before the recent wage rises
- ☐ An owner who holds the relationships, the pricing and the sign-off

Right now

Guarding costs reset each April. The National Living Wage rose to £12.71 an hour in April 2026, and the Low Pay Commission's projection for April 2027 is £13.02 to £13.34. A buyer will run next year's wage bill against your contract prices before settling on a multiple.

Source: Personnel Today, Apr 2026

Structure matters as much as the headline

The headline price is only part of the offer. Buyers in this sector commonly pay part of the consideration on completion and defer the rest, sometimes against earn-out targets tied to revenue or account retention.

A slightly lower headline with more paid on completion can be worth more than a higher number that depends on targets you no longer control. Share or asset sale, and the treatment of monitoring contracts and TUPE transfers, also shape what you actually receive; the tax side is covered in the separate UK chapter of this guide.

05

Chapter 05

Who is buying

Integrated national groups, investor-backed groups, listed security groups and trade buyers are all active, and they price the same business differently.

Knowing who buys security businesses, and why, helps you judge which buyer will value what you have built. The sector gives owners more buyer types than they usually assume, and 2025 and 2026 have produced clear evidence of each.

70%

of 2025 UK fire and security deals made by private equity backed buyers

UK fire and security M&A review, 2026

25

businesses acquired by Ranger Fire and Security by June 2026

Inflexion, Jun 2026

600

staff joining OCS with City Group Security

OCS, May 2026

Integrated national groups

Large facilities and security groups buy capability and density. OCS added City Group Security in May 2026, bringing about 600 staff, a canine operation and more coverage in London and the South East, after completing Top Security in Ireland in March. Mitie spent 2025 buying Marlowe, the testing, inspection and certification group spanning fire and security systems, and is now selling those services into its existing clients.

What they look for: contracts that transfer cleanly, approval, a workforce that stays through the change of owner, and capability they can cross-sell. What to expect: a structured process, strong interest in sector coverage and density, and management often retained for a period.

Right now

Mitie shareholders approved the recommended £3.1bn offer from OCS in Sep 2026, with completion expected in the first quarter of 2027. While the two groups integrate, their appetite for small bolt-ons, smaller firms added to a group they already run, may slow, and their clients and staff may move. Other buyers will be watching both.

Source: Investing.com, reporting the scheme meeting results, Sep 2026

Private equity backed buy-and-build platforms

The most active buyers of small and medium fire and security businesses are platforms backed by private equity. In 2025 they drove 70% of UK fire and security deals, up from 57% in 2024, and the same review describes the market as still highly fragmented, with consolidators expected to keep buying smaller regional providers.

Share of UK fire and security deals made by private equity backed buyers



Source: UK fire and security sector M&A review 2025

Ranger Fire and Security is the clearest current example. It completed Partnership Fire and Security in Dorset in January 2026 and Centurion Fire and Security in Huddersfield in February, took a majority investment from Inflexion in June, and in Jul 2026 announced CIA Fire and Security in Cirencester and AKD Fire and Security in Cumbria.

Both of those are long-established, maintenance-led firms offering intruder alarms, CCTV and fire systems. Complii, a building compliance group, made its 20th acquisition in May 2026 with Tay Fire and Security in Nottingham.

What they look for: recurring revenue, current approval, orderly account and asset records, and a business that slots into a regional hub. What to expect: data-led due diligence, part of the price often deferred or rolled into the platform, and a keen interest in how many monitored accounts are already on digital signalling.

Listed security groups

Smaller listed groups buy too, and they publish the price. Croma, which has sold its manned guarding business and now concentrates on electronic security and locksmithing, bought Southern Security Services in March 2026 and Added Security Technology in Portsmouth in August 2026. Buyers of this kind want businesses that add a region or a specialism and bring long contracts with them.

Right now

Added Security Technology came with a recently renewed ten-year council contract and a family member ready to take over as the founder retired. Croma called it its largest acquisition since it sold its guarding arm. Long contracts and a clear succession plan are what made a small business attractive to a listed buyer.

Source: Business Sale, Aug 2026

Monitoring and alarm receiving centre operators

Operators of alarm receiving centres grow by acquiring monitored-account books and moving them onto their own platforms. When they buy, they are buying your RMR directly.

What they look for: genuine recurring revenue, low attrition, accounts that migrate cleanly and signalling that will still work after the end of Jan 2027. What to expect: close attention to the book, and strong interest in a well-retained account base.

Trade buyers and regional operators

Other security firms buy to enter a new area or add a capability, such as access control to an alarm business or in-house monitoring to an install-only operation. They understand the work and value the contracts, which can make the transition smoother. They can also benchmark you against their own operation, so they tend to negotiate carefully.

Management buyouts and individuals

Where continuity for staff and clients matters most, a sale to your own management team, or to an experienced individual, can be the right route. These buyers often need part of the price deferred or funded by lenders, so the timetable is longer and the structure matters more. A settled team with the relationships already delegated makes this route realistic.

What they all want

- | | |
|--|--|
| ☐ Certainty of income: a documented monitored book, recurring maintenance and guarding contracts that rise with wages | ☐ Clean records: accounts, contracts, approval certificates and false alarm history that tell one story |
| ☐ The right people: vetted, licensed, qualified and staying | ☐ A business that runs without the owner |

The right buyer depends on what matters most to you. If price is the priority, competition between a platform and an integrated group usually produces it. If continuity for your people matters more, a trade buyer, a business in your own trade, or your own management may suit better.

06

Chapter 06

Preparing to sell: the 12-month checklist

Most of the value in a sale is created in the year before it, and the 2026 to 2027 deadlines give that year a clear list.

The difference between a prepared sale and a rushed one shows up in the offers. Most of the steps below take six to twelve months and cost relatively little, and the timetable this year adds some specific items to the usual list.

Right now

The analogue network closes at the end of Jan 2027 and the final legacy line rental rise lands in Oct 2026. If you plan to sell in 2027, finishing your own customers' signalling migration this winter is the single most useful thing you can do for your valuation.

Source: Openreach, Jul 2026; The Register, Feb 2026

Accounts

- ☐ Three years of clean, filed accounts, with recurring monitoring and maintenance income shown separately from installation income
- ☐ Personal expenses separated from business costs, and adjusted EBITDA prepared with every add-back documented (each cost a new owner would not carry that you add back to profit)
- ☐ Guarding income shown by contract, with margin after the April 2026 wage and sick pay changes
- ☐ Management accounts that reconcile to the filed figures

The monitored book and signalling

- ☐ One schedule listing every monitored account: fee, start date, renewal date, signalling path and attrition history
- ☐ Every account still on analogue PSTN signalling identified, costed and migrated before the end of Jan 2027
- ☐ Every monitoring and maintenance contract in writing, with scope, term, fee and renewal date
- ☐ Change-of-control clauses, which let a customer end a contract when the owner changes, identified in key contracts

Approval and standards

- ☐ NSI Gold or SSAIB approval current, with audit dates and any non-conformities closed
- ☐ URN and false alarm records in order, since police response depends on them
- ☐ Installation and maintenance records aligned to BS EN 50131, BS 8243 and the CCTV and access control standards
- ☐ ACS status current, and a note of how you will move into the SIA's new Business Approval Scheme
- ☐ CCTV data protection documentation current, including retention and access policies

Right now

The ACS fee rose to £25 per licensable individual deployed in Jun 2026, and the SIA is replacing the ACS with a Business Approval Scheme due for pilots in spring 2027. Keep your approval evidence in one place; a buyer will ask to see it.

Source: SIA, May 2026 and Jun 2026

People and contracts

- ☐ BS 7858 screening files complete for every engineer and officer
- ☐ SIA licences tracked, with renewal dates, for everyone who needs one
- ☐ Employment contracts and TUPE-relevant records complete for any guarding workforce
- ☐ Guarding contracts reviewed for a clause that raises prices with wages, with renegotiation started where there is none
- ☐ A number two in place who can run operations and hold client relationships

Martyn's Law work

- ☐ Customers likely to be in the enhanced tier (800 or more people) identified
- ☐ Quotes and contracts for Martyn's Law related work documented with dates and values
- ☐ Any advisory or training offer written down, so a buyer can see it rather than take it on trust

Your role

- ☐ Client relationships, surveys, quoting and technical sign-off handed to others
- ☐ A two-week absence taken as a test, with a note of what stopped while you were away
- ☐ A clear view of what you want after the sale: a clean break, a handover period or a continuing role

Quick wins and longer work

In the first one to three months: tidy account and asset records, migrate remaining analogue accounts, bring down false alarm rates and file anything overdue. From three to six months: put verbal monitoring arrangements into writing, document processes and start handing over quoting and relationships. From six to twelve months: reduce owner dependency, grow the monitored book and renew key contracts early.

Owners who finish the migration before they go to market remove a question rather than negotiate around it.

07

Chapter 07

How a confidential sale works

A sale runs in seven stages, and nothing is shared with a buyer without your approval.

How long it takes depends mostly on the buyers and on diligence. Some move faster where there is strong interest; others take longer if due diligence is complex.

1. A confidential conversation

A discussion about the business, your goals and whether the timing is right. Nothing is shared with anyone at this stage.

2. Assessment

A review of your accounts, monitored book and RMR, contracts, approval status, signalling position, vetting records and compliance history, so the strengths and the questions are clear before a buyer sees anything.

3. Valuation and preparation

A realistic valuation range, and an anonymised information memorandum: the detailed document buyers read, describing the business without identifying it.

4. Buyer approach

Suitable buyers are identified across integrated groups, private equity backed platforms, listed groups, monitoring operators, trade buyers and individuals. You approve the list. Every party signs a non-disclosure agreement, promising to keep what it learns confidential, before receiving any detail.

5. Meetings and offers

Serious buyers meet you, review the operation and make offers. Price, structure and terms are negotiated, including how much is paid on completion and how much is deferred.

6. Due diligence

Once you and the buyer agree heads of terms, the short document setting out the price and main points of the deal, the buyer's advisers review accounts, contracts, approval, account attrition, signalling compliance and employment records, including any TUPE transfer.

7. Completion

Contracts are signed, funds transfer and the agreed handover begins, usually with you staying for a period so staff, clients and monitored accounts move across smoothly.

At every stage, nothing happens without your agreement, and staff, clients and competitors learn nothing until you decide they should. Every deal word in this guide is explained in plain English at securitybusinessforsale.co.uk/glossary.

Start with a conversation

If you are weighing up a sale, now or in a few years, a confidential conversation costs nothing and commits you to nothing. Simon will tell you honestly what buyers would look at in your business, what it could be worth and whether now is the right time.

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Call Simon directly

Email

enquiries@securitybusinessforsale.co.uk

Online

securitybusinessforsale.co.uk
Free, confidential valuation

01

A confidential call

You talk to Simon about the business and what you want from a sale. Nothing is shared with anyone.

02

An honest view

What buyers would look at, what the business could be worth, and what would move the figure.

03

Your decision

Sell now, prepare for later, or do nothing. There is no obligation either way.



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