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UK MARKET INTELLIGENCE SERVICE

**UK Environmental
Consulting Market**

SAMPLE REPORT

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This report was researched and edited by:

Liz Trew

Editorial Director
Market Intelligence Service

Ross Griffiths

Senior Analyst

Stuart Foxon

Research Director

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If you have any queries, comments or feedback, please contact:

Liz Trew

Email: liz@environment-analyst.com

Tel: 020 3603 2106

Environment Analyst Ltd
Talbot House
Market Street
Shrewsbury
SY1 1LG
United Kingdom

Web: www.environment-analyst.com

Tel: 01743 818008 (switchboard)

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2.1 Environment Analyst

Environment Analyst (EA) is a publishing and business research organisation with a remit to track performance and opportunities within the environmental services sector, with a particular focus on the environmental consulting (EC) and related support services market. Our two core products are:

- Market Intelligence Service – Global
- Market Intelligence Service – UK

These subscription services include many reports issued throughout the year, and around 60 competitor profiles. Additionally, they include environmental services business news (global and UK channels) and Market and Company Insight features.

For more information, please visit www.environment-analyst.com.

Environment Analyst also publishes the Development + Infrastructure specialist news and information service incorporating the respected trade magazine Brownfield Briefing. And we run conferences, awards and other events for the environmental services sector. For more information, please visit www.environment-analyst.com/dis/.

2.2 Report methodology and definitions

For details about the methodology and definitions used to compile this report and others in the UK Market Intelligence Service series, please download the Methodology and Definitions document from the EA website [www.environment-analyst.com/uk-mis?year=2017].

Our overarching research methodology allows for continuous adjustment of market totals and market forecasts in light of revised company performance data, economic growth projections, and policy and other announcements impacting on the fortunes of the environmental consultancy sector.

2.3 Acknowledgements

We are very grateful to the environmental consultancy firms that have assisted us by completing our surveys, participating in email/phone/face-to-face interviews and verifying/commenting on their company profiles. Our thanks go to all who have helped.

2.4 Accessing other reports and profiles in the series

Subscribers to the EA's UK Market Intelligence Service can also download the Company Profiles and other reports in this series separately from the special download page [www.environment-analyst.com/uk-mis].

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5. Financial trends

- **Average revenue growth accelerates to just shy of 6% in 2018** – UK EC revenues for the survey sample increased by a mean (unweighted) average of 5.8% last year, up 2.5 percentage points per annum (ppa) from the average growth indicated for 2017 (3.3%). The results from prior surveys are indicated in the figure below as are the growth rates projected by this year's respondents for the next couple of years, with further acceleration in growth anticipated in 2019.
- **Large vs smaller firms converge in top line performance** – going against the result last year when small firms (those with <€10m EC revenues) were noticeably trailing their larger counterparts (>€10m revenues), the 2018 survey points to a convergence in growth of both groups at just shy of 6% in 2018. However, the large firm respondents are projecting higher rates going forward in 2019 and 2020.
- **What may this mean for actual EC market growth?** EA's calculated organic growth rate for the UK EC market in 2017 (based on our full analysis of the Top 100 firms and beyond) was in fact higher than the Market Trends Survey growth rates for last year indicated it might be, at 5.1%, when the survey figures pointed to a figure of around 3.3% - although the large firm participants were almost spot on with their 3% growth expectation for that year. For 2018 we are expecting the market growth to rise in at 4.7% (a little slower than the preceding year because of the Brexit effect), although both large and small players alike in this survey seem to be a little more optimistic than the EA forecast suggests.
- **Only 14% say their EC business contracted last year** (down from 17.6% in the 2018 survey) - over one in ten of the survey respondents indicate negative growth for their EC business over the twelve months, while four in ten belong to the group observing a moderate 0-5% increase. The fortunate three in ten have achieved double-digit growth.

Fig 5 Average UK revenue growth, 2010-2020e



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Fig 9 Average mean profitability (based on pre-tax or operating margins), 2015-2019e



SOURCE: ENVOYMENT ANALYST

Fig 10 Average profitability trends range (based on pre-tax or operating margins), 2015-2019e



SOURCE: ENVOYMENT ANALYST

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Fig 20 Revenue prospects across second 4 of 12 service areas, comparison 2010-2019



Fig 21 Revenue prospects across third 4 of 12 service areas, comparison 2010-2019



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9. Strategic trends

This section provides a summary of the market trends survey results relating to the main business drivers and pressures for environmental consultancies operating in the UK. In the survey, respondents were asked to identify which drivers, disruptors and risks will have more or less impact on their business and market demand over the next five years (see figures below).

Fig 36 Strategic business drivers for next 5 years



SOURCE: ENVIRONMENT ANALYST

- **Legislation/government policies** have been viewed as a significant driver or driver (opportunities), with 62% viewing it as a significant driver or driver. This is perhaps unsurprising given the need to reset the environmental regulatory framework following the Brexit vote this year. Again, the ramifications of Brexit are being viewed as opportunities as firms plan to remain active on the continent. However, this factor was viewed as a significant constraint or constraint (Party was still in office) by 18% of respondents. It was also viewed as a significant constraint or constraint (lower now than in the past) by 18% of respondents.
- **Overseas opportunities** were viewed as a significant driver or driver (the most common response) by 18% of respondents. It was also viewed as a significant constraint or constraint (just a constraint) by 18% of respondents.

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Fig 56 Global regions mean revenue prospects for next 5 years

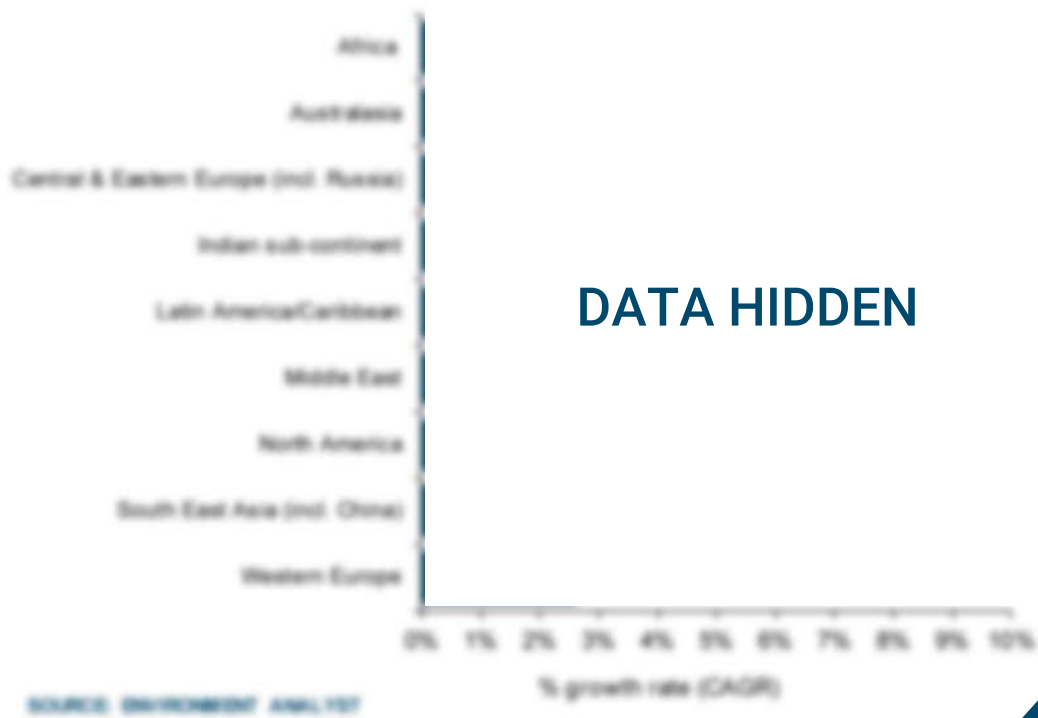


Fig 57 Global regions revenue prospects for next 5 years, comparison 2010-2019



*This chart compares... with the same...