

Why Private Equity Interest in Waste Remediation Hasn't Slowed

Regulation, fragmentation, and operational upside are creating an attractive investment landscape.

Private equity interest in waste remediation remains strong, and the window to build a platform is still open. Sponsor activity has been robust across businesses handling regulated hazardous and non-hazardous waste streams – businesses involved in remediation, transportation, disposal, brokerage, and other related environmental services (industrial cleaning, TICC, etc.). While these companies operate at different points along the value chain, they benefit from many of the same attractive investment conditions: demand driven by regulation, fragmented competitive landscapes with room for consolidation, and founder-owned businesses with operational improvement opportunities.

Despite continued consolidation, recent deals show that sponsors still have an opportunity to enter the market before it becomes too saturated with sponsor activity. To test this view, we spoke with private equity investors active in the sector. Their perspectives appear throughout, shared without attribution.

> *"From an investor perspective, there's a lot to like about waste remediation, transport, and disposal, a sector that is growing 4-6% per annum. At their core, these are nondiscretionary services with strict requirements from the EPA and state/local governments that have to be met regardless of economic conditions. A good portion of demand is scheduled and recurring, so there's a steady, baseline level of cash flow that you can expect from businesses in the space. There's real opportunity for companies to differentiate on service quality and responsiveness, so it's not a race to the bottom on price, and there's often meaningful opportunity to professionalize go-to-market and account management functions in founder-owned businesses to drive organic growth above industry levels."*
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> **— Partner, middle market private equity firm focused on service businesses**

Regulation creates both the demand and the moat

Companies that generate regulated waste are required to transport and dispose of it in defined ways, and only certified, permitted operators can perform these activities. That does two things at once:

1. Makes the services non-discretionary and non-deferable, because a generator cannot skip disposal when budgets tighten.
2. Raises a barrier that keeps low-cost entrants out, because a new competitor cannot undercut on price without the permits and certifications to carry the waste.

> *"The permits, safety records, and customer approvals required to serve compliance-driven demand can take years to build, which creates barriers to entry."*
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> **— Principal, private equity firm partnering with founder-led businesses**

A larger regulatory tailwind is on the horizon

The sector's demand base could expand well beyond its current size depending on how the EPA classifies per- and polyfluoroalkyl substances (PFAS) going forward. Federal regulators designated the two most common PFAS compounds as hazardous substances in 2024 under The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), which gave the EPA and states the legal authority to compel the investigation and clean up of abandoned or inactive "Superfund" sites. A further step has been proposed that would classify PFAS under the Resource Conservation and Recovery Act of 1976 (RCRA), which would require cradle-to-grave tracking, remediation, and disposal of PFAS generated by active sites. Its path and timing are not settled, and current rules remain a state-by-state patchwork. If PFAS were classified as a RCRA hazardous waste, it would create significant demand for qualified providers to test, remediate, transport, and dispose of PFAS from an estimated 40,000+ active sites in the U.S.

The service-provider level still has room for consolidation

The disposal end of the value chain is already consolidated. Disposal is asset-heavy and large public operators (Waste Management, Republic, Clean Harbors, Veolia, etc.) own much of the landfill and treatment capacity. The service-provider level looks different, however. Transport, remediation, emergency response, and industrial cleaning are handled by many small, often founder-owned businesses, a large share of which have never taken outside capital.

That fragmentation is the opportunity. A sponsor can acquire a platform and build it through M&A, adding geographic coverage and capability that individual operators cannot reach on their own.

> *"We've seen that when large strategics acquire smaller companies, their focus is usually on density and synergies rather than the full customer base, leaving room for nimbler independents to grow organically and win on service with customers who feel underserved."*
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> **— Principal, private equity firm partnering with founder-led businesses**

Value creation follows a few repeatable routes

Across our recent work in the sector, several value-creation levers are consistently cited.

- **Professionalization:** Many of these businesses have expanded through word-of-mouth and inbound demand with no outbound sales function and heavy dependence on the founder. Building a repeatable commercial engine and reducing key-person risk converts a strong local business into one that can scale.
- **Service expansion:** An operator with established customer relationships can move from a single transaction into adjacent, higher-value work beyond remediation. Examples include on-site consultative services (e.g., landfill diversion for different waste streams), required testing/inspection, and recurring industrial cleaning.
- **Vertical integration:** An operator that can remediate, transport, and dispose can both price competitively and capture additional margin. Extending permitted disposal capacity into new geographies lowers transport cost and lets the operator capture more of each customer's spend, including customers that work across several states.

The viability and attractiveness of these value-creation levers can often depend on the waste stream(s) being serviced and/or the end-market focus of a particular waste and environmental services business.

Asset intensity is not for all sponsors

Parts of this value chain, particularly disposal and some service-provider work (e.g., vac-truck businesses), require meaningful capital expenditure to grow, which does not suit every sponsor model. The constraint is manageable. Operators can rent equipment rather than buy it, trading a few points of job-level profitability for the flexibility to serve new demand without committing capital before that demand proves durable. Sponsors weighing entry should decide up front how much asset intensity they are willing to carry and structure accordingly.

The window is open now

> *"In the lower middle market, there's a real opportunity to partner with a founder and grow a business from mid-single-digit EBITDA to $20+ million. At that scale, there's deep demand from both middle-market private equity and strategic acquirers."*
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> **— Principal, private equity firm partnering with founder-led businesses**

Waste remediation is benefiting from several trends that private equity finds particularly attractive: regulatory demand, fragmented markets, defensible competitive positions, and multiple pathways to value creation. The sector is still early enough in its consolidation for opportunity identification. The supply of independent, founder-owned targets is deep, regulation continues to support demand and keep entrants out, and a potential PFAS mandate sits as upside rather than as priced-in expectation (a combination unlikely to last). As more sponsors recognize the setup, the list of available targets will likely thin and entry multiples will rise. Sponsors who have previously considered the space should devote time to evaluate now, before the next wave of deals thins the field.



Mike Kirwan
Partner
Mike.Kirwan@IGSInsights.com

Representative Engagements

BOSTON GREEN COMPANY, INC.	DAR PRO SOLUTIONS	06 ENV Environmental Services	**CONFIDENTIAL CLIENT, DEAL NOT CLOSED**
HAZARDOUS WASTE REMEDIATION & TRANSPORT	BROWN GREASE COLLECTION & PROCESSING	HAZARDOUS WASTE REMEDIATION / REMOVAL	NON-HAZARDOUS SOLID WASTE BROKERAGE
Commercial due diligence	Commercial due diligence	Commercial due diligence	Sell-side market study
WASTE HARMONICS	American Waste Management Services, Inc.	PULSE Supply Chain Solutions, Inc.	**CONFIDENTIAL CLIENT, DEAL NOT CLOSED**
MULTI-SITE SOLID WASTE BROKERAGE	C&I WASTE BROKERAGE	ELECTRONIC WASTE RECYCLING	CONTAMINATED SOIL REMEDIATION, BROKERAGE, & DISPOSAL
Commercial due diligence	Commercial due diligence	Sell-side market study	Commercial due diligence
VENTURE METALS+	VPG VERSATILE PROCESSING GROUP	Alliance Environmental Group	**CONFIDENTIAL CLIENT, DEAL NOT CLOSED**
SCRAP METAL RECYCLING	SCRAP METAL RECYCLING	ENVIRONMENTAL REMEDIATION SERVICES	EMERGENCY SPILL RESPONSE BROKERAGE
Commercial due diligence	Commercial due diligence	Sell-side market study	Commercial due diligence
NORTHSTAR RECYCLING	Komar	WASTEQUIP	PRS Pioneer RECYCLING SERVICES
RECYCLING & LANDFILL DIVERSION	WASTE PROCESSING CAPITAL EQUIPMENT	WASTE MANAGEMENT EQUIPMENT PROVIDER	POST-CONSUMER RECYCLING
Sell-side market study	Commercial due diligence	Commercial due diligence	Commercial due diligence