Eclipse
Corporate Finance

HEALTHCARE SECTOR RESEARCH

SEPTEMBER 2026

Adult specialist care M&A landscape in 2026

How the buyer market has changed, where capital is being deployed and what drives value for owners

For owners and shareholders of adult specialist care businesses

LEARNING DISABILITIES AUTISM MENTAL HEALTH ABI COMPLEX CARE

The market is active but consolidation has changed shape

The market most owners remember was shaped by a relatively concentrated group of national and private equity-backed consolidators, acquiring repeatedly and competing with each other for the same businesses.

Those groups have not disappeared. Achieve Together, Cygnet, Consensus Support and Eden Futures remain visible, and privately owned groups including National Care Group and Potens continue to acquire. They are, however, generally less dominant and less consistently acquisitive than during the earlier cycle.

The buyer market around them is now considerably wider. It includes established national groups, privately owned operators, regional and medium-sized providers, newer private equity-backed platforms, and buyers looking for one specific geography or service capability. For an owner, that changes who to approach and what to test before agreeing to anything.

ECLIPSE MARKET VIEW

The question is no longer which national consolidators are acquiring. It is which buyers genuinely fit the business and have the funding and appetite to complete.

SCOPE

Services for working-age adults with learning disabilities, autism, complex mental-health needs, acquired brain injuries, neurological conditions and major physical disabilities, across residential care, specialist nursing and supported living. Children's services, mainstream elderly care and non-specialist domiciliary care are excluded.

FOUR QUESTIONS THIS REPORT ADDRESSES

01 Who is buying adult specialist care businesses?

02 Why has the buyer market become more fragmented?

03 What will determine the value of my business?

04 How should I prepare if I may consider a transaction?

The buyer pool has broadened, while the largest consolidators account for a smaller proportion of activity

73

buyers identified across more than 80 transactions between January 2025 and September 2026

9

of those buyers acquired more than once. Most appeared only once.

<25%

of transactions were completed by repeat buyers, rather than by a few high-volume groups

THE EARLIER MARKET

A relatively concentrated buyer population

Repeated buy-and-build activity

Strong competition from established national groups

Sponsor-backed platforms expanding rapidly

THE CURRENT MARKET

A wider population of potential buyers

More regional and medium-sized operators

More selective geographic and capability-led acquisitions

Greater variation in funding and ability to complete

Fewer major platform changes of control

WHO IS ACTIVE

Established national groups

Achieve Together, Cygnet, Consensus Support, Eden Futures

Privately owned operators

National Care Group, Potens

Newer private equity-backed platforms

Mysa Care, backed by Downing, and other regional platform builders

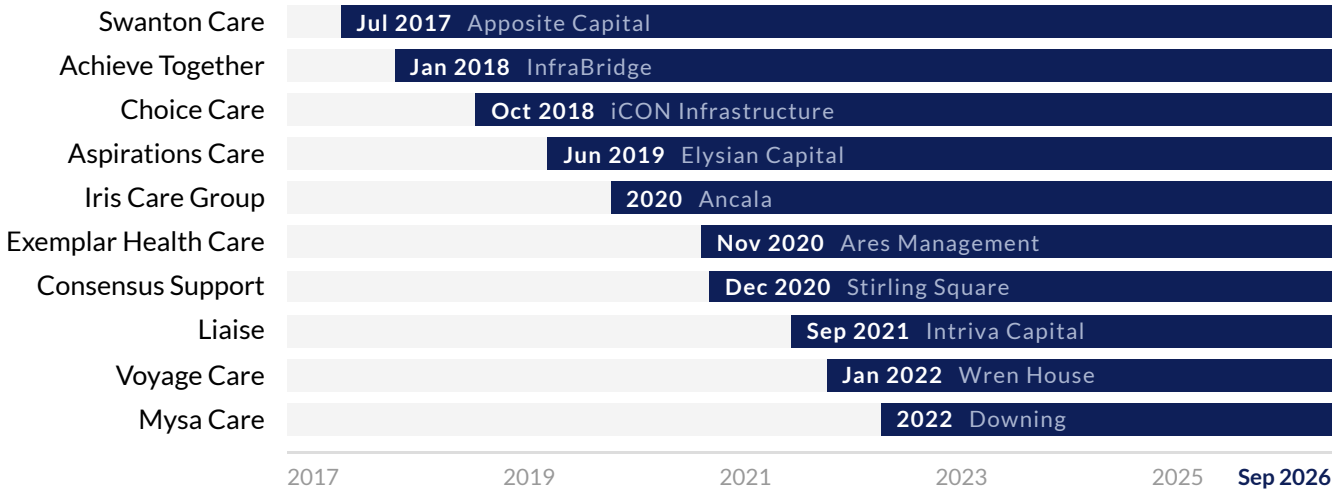
> WHAT THIS MEANS FOR AN OWNER
>
> The most recognisable national buyer is not necessarily the party with the strongest strategic rationale, or the greatest willingness to pay. A process built only around familiar names risks missing the buyer to whom the business matters most.

Liquidity at the top of the market has been episodic

Several significant sponsor and infrastructure-backed platforms have now been held for extended periods. Long holding periods can influence how capital is allocated, which acquisitions are prioritised and how a group prepares for eventual liquidity. That is likely to be one factor behind more selective acquisition activity, though it is not the only explanation.

SELECTED PRIVATE EQUITY AND INFRASTRUCTURE INVESTMENT PERIODS

HELD TO SEP 2026



SELECTED RECENT CAPITAL EVENTS

FEB 2026

Sovereign Capital Partners invests in Apollo Home Healthcare, supporting geographic expansion, infrastructure and selective acquisitions.

FEB 2026

Achieve Together completes a £400 million refinancing.

MAY 2026

Lifeways completes a £90 million refinancing, following its earlier restructuring and transfer of ownership to lenders.

JUN 2026

STAR Capital takes a majority investment in Glenholme Specialist Care.

Recent investments in Apollo Home Healthcare and Glenholme demonstrate that new capital is still entering the market where the platform and growth proposition are compelling.

WHAT THIS MEANS FOR AN OWNER

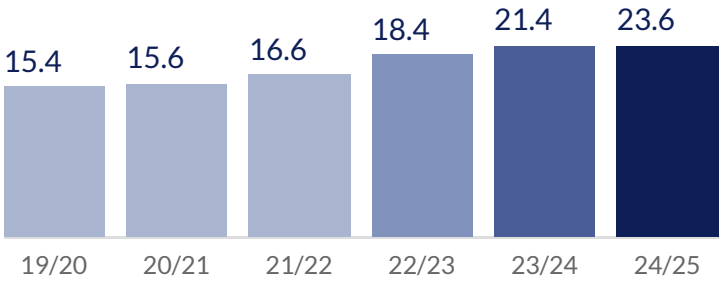
Capital has not disappeared, but it is being deployed selectively. The reputation of an established acquirer does not necessarily indicate its current appetite, funding or internal capacity to complete an acquisition.

Demand is strong, but execution decides whether it becomes sustainable earnings

Commissioner spending on adult social care continues to rise, and appropriate provision for people with complex needs remains difficult to develop in many areas. Whether that demand turns into sustainable profit depends on staffing, fees, quality and day-to-day operating execution.

ENGLISH LONG-TERM SUPPORT EXPENDITURE

£BN, CASH TERMS



Figures show local authority gross current expenditure in cash terms. Growth reflects a combination of higher fee rates and changes in the volume and complexity of care commissioned, so it should not be interpreted as equivalent growth in care capacity. Total adult social care gross current expenditure reached £29.4 billion in 2024/25.

WORKING-AGE LONG-TERM CARE £11.5bn

OF WHICH

Learning-disability support	£7.7bn
Physical support	£2.1bn
Mental-health support	£1.5bn

WHERE THE PRESSURE SITS

Wage inflation

The National Living Wage rose from £11.44 to £12.21 in April 2025 and to £12.71 in April 2026, with employer National Insurance adding further cost.

Vacancies

The English adult social-care vacancy rate was 6.2 per cent in 2025/26, around 96,000 posts. This is better than in recent years, but remains above the vacancy rate across the wider economy.

Agency usage

Cover bought at agency rates protects the rota but erodes margin, and buyers treat persistent reliance as an earnings risk.

Commissioner fee pressure

Uplifts are negotiated locally and do not always keep pace with pay awards, so fee growth does not necessarily mean that margins are maintained.

Regulation and property

Suitable property, planning consent, registration and experienced registered management all take time to assemble, which is why appropriate capacity stays scarce.

WHAT THIS MEANS FOR AN OWNER

National demand does not make every service attractive. Buyers want appropriate, well-located and well-operated capacity meeting a demonstrable local need, and they will look for evidence of it.

What makes one specialist care business more valuable than another?

Buyers generally value a specialist care business by applying a negotiated multiple to the sustainable EBITDA they believe they will inherit. EBITDA means earnings before interest, tax, depreciation and amortisation: a measure of trading profit. Both halves of that calculation, the multiple and the earnings, move with the quality and risk profile of the business.

THE PRINCIPAL VALUATION DRIVERS

01 **Regulatory quality and safeguarding**
Inspection history and safeguarding record set the tone of the whole diligence process.

02 **Fees, acuity and enhanced-care funding**
Whether the fee properly funds the staffing the placement requires, including 1:1 and 2:1 support.

03 **Occupancy and referral history**
Evidence of continuing local demand, not a single strong year of occupancy.

04 **Staffing stability and labour cost**
Turnover, vacancies and agency reliance, and whether the cost base is sustainable.

05 **Management depth**
Dependence on the owner or a single registered manager affects both value and structure.

06 **Property**
Tenure, rent, condition, capital expenditure required and suitability for the service model.

07 **Scale, service mix and density**
Local clustering can matter more to a buyer than absolute size.

08 **Commissioner relationships**
Breadth of relationships, and how much depends on one commissioning team.

HIGHER ACUITY IS NOT AUTOMATICALLY HIGHER VALUE

Complex care commands higher fees, but only pays if the fee, the staffing model, the clinical capability and the property all support that complexity sustainably. Acuity beyond what a service is resourced to deliver is a risk, not a premium.

ON MULTIPLES

There is no standard multiple for the sector. The figure is specific to the business, the buyer, the property structure and the circumstances of the transaction, and a range quoted in the abstract is not evidence of what any particular business is worth.

Which EBITDA will a buyer actually value?

Buyers generally apply their multiple to the maintainable EBITDA they believe will remain after completion, not simply the profit reported in the latest accounts.

01	**Reported EBITDA**	Trading profit as presented in the accounts, before any buyer adjustments.
02	**Plus or minus sustainable normalisation adjustments**	Genuine one-off or non-recurring costs may be added back. Personal shareholder costs passing through the business may also be removed where they will genuinely cease. Non-recurring or unsustainable income must be deducted. For example, one-off legal or professional fees, exceptional refinancing costs, personal vehicles or benefits paid for by the business, and non-recurring income or temporary funding. Every adjustment must be evidenced rather than asserted.
03	**Adjusted for the market cost of owner and director roles**	Dividends do not reduce EBITDA and are not an add-back. Maintainable EBITDA must include an appropriate market salary and associated employment costs for work performed by an owner or director, whether that individual remains after completion or the buyer needs to recruit a replacement. Where an owner is already paid through payroll, their remuneration should be normalised to the market cost of the role. Salary, employer National Insurance, pension contributions and employment benefits.
04	**Adjusted for evidenced current run-rate trading**	Current run-rate trading from new services, beds or placements may be reflected only where the service is operational, the placement and fee arrangements are documented, and the associated staffing, property and central costs are included. Pipeline opportunities, unconfirmed placements, fee uplifts still under discussion, hypothetical improvements and buyer-specific synergies are excluded.
05	**Maintainable EBITDA used for valuation**	The sustainable earnings figure to which a buyer applies its valuation multiple.

WHAT A BUYER WILL TEST

These matters help a buyer judge whether the EBITDA is genuinely maintainable. They are not automatic adjustments.

- Recent monthly trading
- Occupancy and void history
- Placement duration and referral demand
- Fee levels and confirmed enhanced-care funding
- Staffing levels and agency reliance
- Property rent and other connected-party arrangements
- Central, regulatory and compliance costs
- Whether the management structure is sustainable without the owner

WHAT THIS MEANS FOR AN OWNER

The adjustments a buyer makes to earnings can affect value as much as, or more than, a change in the headline multiple. Owners who can evidence each adjustment themselves retain greater control over the valuation starting point.

From enterprise value to shareholder proceeds

Maintainable EBITDA
The figure settled on the previous page.

×

Agreed valuation multiple
Negotiated, and specific to the business and the buyer.

=

Enterprise value
The value of the business itself, before cash, debt and other completion items.

FROM ENTERPRISE VALUE TO EQUITY VALUE

	Enterprise value	The starting point, as agreed above.
+	Cash in the business at completion	Added, subject to the agreed completion mechanism and any minimum-cash requirement.
–	Bank debt	Deducted, including acquisition and property finance.
–	Finance leases and other debt-like items	Deducted where both parties agree the item behaves like debt.
–	Corporation tax liability	Deducted to the extent that it relates to profits generated before completion, subject to the agreed completion mechanism.
±	Working-capital adjustment	Added or deducted according to whether working capital at completion is above or below the agreed level.
=	**Equity value to shareholders**	The total value of what the shareholders are selling.

PROPERTY NEEDS ITS OWN ANSWER

Where the company owns freehold property, the structure must state whether that value sits inside the enterprise value, is valued separately, or is retained outside the transaction. Freeholds are not all treated the same way, and the choice materially changes what shareholders receive.

HOW THAT VALUE REACHES THE SHAREHOLDERS

Cash at completion. Paid on the day, and the only certain element.

Deferred consideration. Payable later, on agreed dates.

Earn-out or conditional consideration. Payable only if agreed conditions are met.

Rollover or retained equity. Reinvested rather than received.

WHAT THIS MEANS FOR AN OWNER

Follow the sequence in order: maintainable EBITDA, enterprise value, equity value, then the timing and form of the proceeds. Two offers with the same multiple can produce very different outcomes.

Selective bolt-ons are likely to remain the most common form of activity

Specialist care is intensely local, so a modest acquisition can be strategically significant. Recent activity includes a broad spread of selective bolt-ons, alongside a smaller number of new platform investments. Eden Futures, Mysa Care, Cygnet, Iris Care Group and Choice Care have continued to pursue selective acquisitions, while Sovereign Capital Partners' investment in Apollo Home Healthcare represents fresh institutional capital entering the sector.

WHAT IS DRIVING THOSE ACQUISITIONS

- Local service density
- Commissioner access
- Workforce availability
- Specialist clinical or care capability
- Suitable property
- Entry into a new geography
- Credibility of sustainable earnings

PREPARING THE BUSINESS, AND THE PROCESS

Strengthen the business

Develop management depth beneath the shareholder

Reduce reliance on agency staff

Address regulatory, safeguarding and property issues

Evidence the earnings

Evidence occupancy and referral demand

Maintain clear placement-level or service-level profitability

Document fee arrangements and enhanced-care funding

Prepare credible monthly financial information

Run the right process

Understand which buyers have the strongest strategic rationale

Test buyer funding and ability to complete

Create competitive tension rather than relying on one unsolicited approach

ECLIPSE OUTLOOK

A credible sale market remains. It is broader and more fragmented than before, which makes buyer selection, preparation and transaction structure more important.

A credible market, but preparation and buyer selection matter

ONE

The market remains active

Strong demand and a broader buyer population continue to support transactions involving high-quality specialist care businesses.

TWO

The right buyer may not be the best-known buyer

Regional operators, privately owned groups and developing platforms may have a stronger strategic rationale than a familiar national consolidator.

THREE

Preparation protects value

Maintainable earnings, management depth, regulatory quality, staffing and clear financial information improve buyer confidence and owner choice.

The strongest outcomes come from matching the particular strengths of a specialist care business, and the objectives of its owners, with the buyer, transaction structure and process best suited to them.

Considering the next few years?

Most owners who speak to Eclipse are not preparing for an immediate sale. Understanding the options early shapes those decisions before the pressure of a formal process, and the same work strengthens the business under any ownership.

A CONFIDENTIAL INITIAL ASSESSMENT CAN COVER

- Likely buyer interest
- Valuation considerations
- Maintainable EBITDA
- Transaction options
- Preparation priorities
- Timing

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Eclipse Corporate Finance is a specialist healthcare M&A adviser, advising owners on company sales, private equity investment and succession. On a sale mandate our responsibility is solely to the owners.

This report considers UK adult specialist care market activity between January 2025 and September 2026, together with selected historic ownership periods. It provides general market guidance only and does not constitute a valuation, legal advice, tax advice or investment advice.