



HEALTHCARE MARKET REPORT

AUTUMN 2025

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REDWOODS DOWLING KERR **Welcome**

We extend a warm welcome to the latest edition of our Healthcare Market Report.

As we move through the final half of 2025, the UK healthcare sector continues to present a dynamic landscape of opportunities for operators, investors, and business owners.

Following a year of significant change, this report provides essential insights into emerging trends, economic conditions, and key developments shaping the industry.

At Redwoods Dowling Kerr, we are committed to supporting healthcare businesses throughout the UK. Our specialist expertise ensures clients receive strategic guidance tailored to this rapidly evolving sector.

We wish you continued success in achieving your business goals.

The Year So Far: Delivering Sales Against a Backdrop of Uncertainty

by PAUL J. MILLER
Chairman



In the shifting landscape of 2025, business owners are faced with a multitude of challenges and are grappling with mounting economic pressures - higher operational costs, unpredictable policy shifts, inflationary strains and a complex tax regime. Frequent government interventions and evolving fiscal strategies dampen confidence, creating uncertainty for business owners.

These broad economic pressures have added to the complexity of running healthcare businesses and continue to challenge business owners across the sector.

Despite this, the underlying demand for strategic acquisitions remains strong. The UK's ageing population, a growing prevalence of complex needs, and pressures on public sector capacity all point to a sector that is expanding. Private equity interest in healthcare continues to rise, particularly in supported living and complex care, where the combination of demand resilience and scope for consolidation makes these business assets especially attractive.

SMEs Lead the M&A Market

The UK M&A market for H1 2025 did not reach the highs of 2024, with overall deal volumes falling 16% year-on-year and aggregate values down 51% to £71bn, according to Experian's M&A Review. In Q2, SMEs accounted for nearly 88% of all transactions with disclosed

values, making them the primary driver of market activity.

Investor confidence has remained steady across key sectors such as healthcare throughout 2025, reflecting a clear appetite for quality businesses and signals a mature and forward-looking investment climate.

Inward M&A activity has shown particular strength. According to the latest ONS data, the value of inward M&A - where foreign companies acquire UK businesses - reached £19.2bn in Q1 2025, £12.8bn higher than in Q1 2024, potentially driven by the favourable foreign exchange rate.

The Business Asset Disposal Relief rate increase to 14% in April 2025 encouraged many business sellers to bring forward their plans to complete before these tax changes came into effect.

Experian's MarketIQ rankings named Altius Group the 7th most active adviser in the UK. This underscores our strong presence in mid-market and specialist sectors. As the specialist arm of Altius Group, Redwoods Dowling Kerr continues to lead the way in healthcare sector-focused M&A.

Healthcare Market Diversifies Across Care Segments

Within healthcare, market segments are

experiencing varied growth trajectories as the sector diversifies to meet evolving care needs. Domiciliary care is experiencing particularly strong momentum, with a compound annual growth rate (CAGR) of 5.4% from 2020 to 2025.

This growth reflects the market's diversification toward at-home support, driven by shifting consumer preferences and an ageing population with complex needs. The care home sector is also seeing strong interest with the luxury care home market experiencing robust demand and growth. Larger facilities are adapting their operational models to manage increased energy costs while maintaining service quality. Strong healthcare sector performance creates distinct investment opportunities across segments. Domiciliary care's scalability continues to attract consolidation and private equity investment, while premium residential care benefits from growing demand among families seeking high-quality accommodation and a diverse range of services.

For operators across all segments, businesses with robust compliance records, stable staff teams and consistent cash flow remain highly attractive to buyers.

The Outlook: Q4 and Beyond

At a recent Bank of England meeting attended by an external member of the Monetary Policy Committee, Altius Group's Managing Director, Andrew K. Steen, shared the frustrations of the wider business community. He highlighted the detrimental impact of elevated interest rates and called for this crucial issue – as well as stubborn inflation, high taxation, employer NI costs and jobs losses – to be addressed as priorities.



Continued investment in healthcare may help to buffer demand in this sector. The industry outlook remains positive despite current pressures.

The broader economic outlook for the remainder of 2025 is mixed. According to the ONS, CPI inflation rose to 3.8% in the 12 months to August. The Bank of England base interest rate was reduced to 4% in March, with possibly one further rate reduction later in the year. Independent analysts surveyed by HM Treasury forecast inflation averaging 3.2% in Q4 2025, suggesting that cost pressures are likely to persist.

Economic growth remains modest. The Office for Budget Responsibility forecasts GDP growth of 1.0% in 2025, while the Treasury's average of independent forecasts is slightly higher at 1.1%. The latest figures show a 0.3% quarterly rise in GDP during Q2. Meanwhile, the unemployment rate increased to 4.7% in the three months to July, with job vacancies continuing to fall. These trends point to a complex economic backdrop in which consumer confidence remains fragile.

Continued investment in healthcare may help to buffer demand in this sector. The industry outlook remains positive despite current pressures. Revenue is forecast to grow at a 3.1% CAGR over the five years through 2029-30, reaching £26.9 billion, according to IBIS.

With Business Asset Disposal Relief set to increase to 18% next April, now is the time to talk to us.

Expert Guidance in Uncertain Times

We understand the frustration business owners feel amid the uncertain economic backdrop, but opportunities are accessible. The healthcare market remains strong, offering real potential for business owners and investors alike.

With Business Asset Disposal Relief set to increase to 18% next April, we believe that now is the time to talk to us. While business owners may be uncertain about when to sell, hesitation can lead to missed opportunities.

With uncertainty in taxation policies likely to continue for the next few years, now is the time to evaluate your exit plans with an adviser who is aligned with your goals. Through our detailed appraisal and market insight, we will help you understand your business's true position and prepare confidently for the next step.

With our unrivalled sector knowledge, we are here to guide you through the uncertainty and help turn challenge into opportunity. Whether **considering your business sale** or **needing support on your growth journey**, our team will work with you to achieve your goals.

HEALTHCARE SECTOR: INDUSTRY OUTLOOK



3.1%
Revenue Growth
Forecast

Contact us to discuss your
business sale:

Call 01772 418 546
BusinessSale@redwoodsdk.com

Contact us to discuss your
business acquisition:

Call 01772 418 547
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Delivering Results in a Demanding Market

by ANDREW K. STEEN
Managing Director



Following a year of rising costs, economic uncertainty and a challenging trading environment, Redwoods Dowling Kerr has continued to deliver results across the healthcare sector. With 38 completions already recorded across the UK this year, RDK's specialist Healthcare team remains at the forefront of transactional activity, supporting owners and investors through an increasingly demanding environment.

Our team has managed successful sales across the healthcare spectrum in the UK including residential care, supported living and homecare. A number of these sales are explored in more detail later in this report. In this article, we take a look at the 'buyer profile' and consider the key areas of focus for business owners planning to sell.

Market Overview

Despite economic and regulatory pressures, demand from buyers remains strong and diverse. But every acquirer is different - and profiling analysis help sellers understand the lay of the land:

New entrants remain a prominent force in 2025. RDK see this particularly in the acquisition of smaller homes registered for 3 to 22 service users. Many are motivated by a blend of sector resilience and long-term investment potential, making them very active participants in the lower-capacity segment.

Corporate operators, including both regional and national groups, are the most frequent acquirers of larger 40+ bed homes. Their focus is on portfolio expansion through strategic acquisitions that align with operational scale and efficiency.

Established group buyers are targeting high-performing businesses with strong reputations, often to consolidate market share in specific geographic areas. Private equity investors remain drawn to the sector's stability and favourable demographics, frequently backing scalable, well-run operations.

Sector-adjacent entrants, such as operators from medical, specialist education, or other care-related fields, are increasingly active. They often seek opportunities where their existing expertise can be applied to drive performance and broaden service offerings.

Our team has managed successful sales across the healthcare spectrum in the UK including residential care, supported living and homecare.

RDK HI DEALS 2025 SUMMARY

£32m
Total Value of Sales

1000+
New Registered Buyers

38
Transactions Completed

Across all buyer types, interest spans both operational businesses and properties with redevelopment or conversion potential, reflecting a willingness to invest for immediate income as well as long-term value creation. In homecare, small and medium-sized agencies are in particular demand, with acquirers often looking to diversify from care home or supported living portfolios.

What Acquirers are Looking For

While financial considerations are always important, buyers in today's healthcare market are focusing more than ever on the operational quality and future resilience of the businesses they acquire. A proven track record of regulatory compliance and a solid reputation within the local community remain critical.

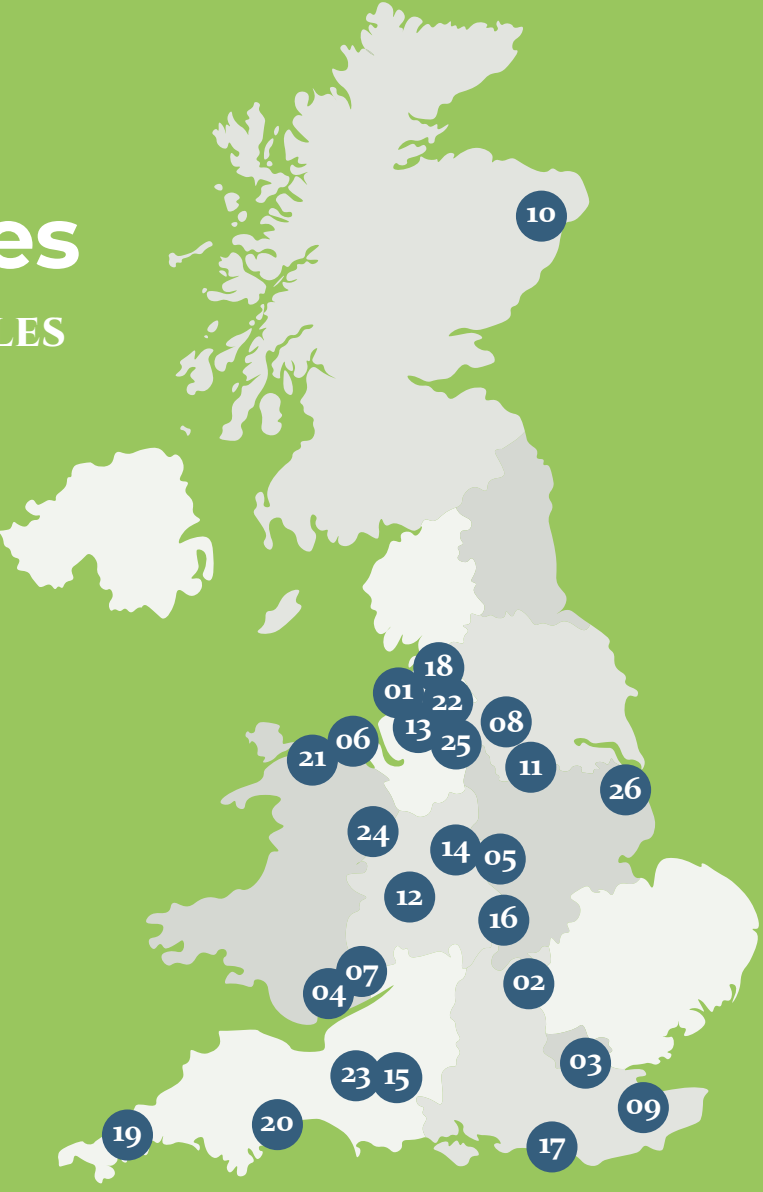
Many are prioritising homes and facilities with modern, adaptable environments that can meet current care standards while allowing for future expansion or reconfiguration. Properties with planning permission for additional capacity or with layouts suitable for supported living conversions are attracting strong interest.

Staffing continuity is also a key factor, with buyers placing value on experienced teams who can maintain quality of care during and after the transition. In addition, strategic location plays a role, particularly in areas with strong demand, favourable demographics, and potential for sustainable occupancy levels.

Ultimately, buyers are looking for businesses that combine quality, compliance, and growth potential - assets that will remain competitive and adaptable in an evolving healthcare landscape.

RDK Sold Businesses

A SELECTION OF RECENT SALES

- 
- 01 Haddon Court Rest Home
- 02 Lomack Health Company Ltd
- 03 A & R Care Ltd
- 04 Enable Care Services Ltd
- 05 St. Marys Nursing Home
- 06 Sapphire Streams Ltd
- 07 GJ Care and Training Ltd
- 08 Care 4 U Care Ltd
- 09 Agacia Care
- 10 Bonnyton House
- 11 The Limes Care Home
- 12 The Haven Care Home
- 13 Integrated Care & Support Services Ltd
- 14 Eltham House
- 15 Angel Holistic Care Ltd
- 16 Caroline Cares For You Ltd
- 17 Greenways Residential Home
- 18 Alfred House Residential Care Home
- 19 Cornwall Health Care Services Ltd
- 20 KPR Care Service Ltd
- 21 Alastair House Ltd
- 22 Best At Home Adult Care Private Ltd
- 23 Angel Holistic Care Ltd
- 24 Gold Standard Care Ltd
- 25 J.O.T Ltd t/a Care Select
- 26 Eastwood House Care Home

A SELECTION OF RDK **Sold Businesses in 2025**



Sapphire Streams Ltd **Group of 2 Care Homes in Wales**

- Registered for 59 residents
- 59 bedrooms with 31 en-suite
- Turnover of £2.6m for y/e 2024
- Further planning permission
- 100% clients from the local authority



St. Mary's Nursing Home **Residential Care Home in West Midlands**

- Registered for 56 residents
- 56 bedrooms all en-suite
- Turnover of £1.9m for y/e 2024
- 'Good' CQC rating
- 10 acres of gardens

A SELECTION OF RDK **Sold Businesses in 2025**



Lomack Health Company **Group of 3 Care Homes in East of England**

- Registered for 14 residents
- 14 rooms across all 3 homes
- Turnover of £1.03m for y/e 2023
- Established for 24 years
- Walking distance of local shops, a swimming pool and parks



The Haven **Residential Care Home** **in West Midlands**

- Registered for 17 residents
- Accessible setting with an excellent reputation
- Turnover of £715k for y/e 2024
- 'Good' CQC Rating

Case Study

PROJECT SPRINGSTEEN

Enable Care Services Limited

3 Residential Care Homes in **Cwmbran, Monmouthshire, Wales**

- ✓ **Residential care homes** provides care for individuals who struggle with independent living, registered for 16 residents.
- ✓ **Superb reputation** within the area with consistently strong CIW reports.
- ✓ **Very high occupancy** rates with an average of 97%.
- ✓ Turnover of **£1.58m** for year-end 2023, with an EBITDA of **£215k**.

Project Springsteen presented a complex deal with a number of challenges. From the outset, a clear game plan was essential. We ensured consistent communication between all parties, particularly when lending delays created complications.

Our proactive approach maintained momentum. The complex deal structure required creative solutions to balance buyer and seller expectations, ultimately leading to a successful completion.

Sold at asking price | **Established trade buyer**



Case Study



PROJECT DRYDEN

A & R Care Limited

2 Residential Care Homes & 2 Flats
in **Croydon, London**

- ✓ **Residential care homes** registered for 66 residents.
- ✓ Special focus on supporting people living with dementia, eating disorders, elderly care, learning disabilities, physical disabilities, and sensory impairment.
- ✓ Holds a **'Good' CQC rating**.
- ✓ Turnover of **£3.7m** for year-end 2024, with an EBITDA of **£1.6m**.

Project Dryden enjoyed multiple viewings and several strong offers, with bids driven by our targeted buyer approach.

The deal itself required careful co-ordination following a late shift in deal structure. Strategic communication and commercial focus were vital. With regulatory considerations and operational continuity at stake, we worked closely with all parties to achieve a smooth, successful outcome.

Through our extensive network the business sold to a PE backed buyer known to us from previous deals.

Multiple buyer enquiries | Short time to completion | PE-backed buyer

A SELECTION OF RDK **Sold Businesses in 2025**

GJ Care and Training Ltd **Homecare Agency in Wales**

- 47 service users
- 520+ hours of care per week
- Excellent social worker relationships
- Turnover of £657k for y/e 2024

Care 4 U Care Ltd **Homecare Agency in South Yorkshire**

- 36 service users
- 500+ hours of care per week
- Long-standing relationships with NHS
- Turnover of £502k for y/e 2024

Integrated Care and Support Services Ltd **Day Care Centre & Homecare Agency in Merseyside**

- Weekly social clubs & monthly day trips
- Rated 'Good' by CQC
- Turnover of £338k for y/e 2024

Caroline Cares for You Ltd **Homecare Agency in Northamptonshire**

- 28 service users
- 100% private client base across 3 counties
- Rated 'Outstanding' by CQC
- Turnover of £324k for y/e 2023

Cornwall Health Care Services Ltd **Homecare Agency in Cornwall**

- 600 hours of care per week
- CQC registered and CHAS registered
- 80% local authority-funded, 20% private clients
- Turnover of £285k for y/e 2023

Best At Home Adult Care Private Ltd **Homecare Agency in Cheshire**

- 330 hours of care per week
- Rated 'Good' by CQC
- Turnover of £227k for y/e 2024

Altius Group News

Altius Champions Unique Kidz



Altius Group donated **£3,000** to **Lancashire charity Unique Kidz and Co**, supporting young people with disabilities.

Unique Kidz and Co, Morecambe, provides children and young adults with disabilities opportunities to socialise, play and grow, while providing families support and respite.

The donation comes from Altius Group's 2024/25 football season fundraiser, with Chairman Paul Miller pledging **£200 per Newcastle United FC goal**.

Chris Pilkington, Corporate Fundraiser for Unique Kidz and Co said:

"We are so pleased to have been chosen as the beneficiary of this amazing donation from Altius Group. A gift of this size will go a long way in supporting the more-than 180 young people, aged 0-30 who access our services.

"With our ambitious development plans to double our capacity and support more young people, we rely on community-minded businesses such as Altius Group to make this a reality. It was a pleasure to tell a few of the young people about this donation, and Altius Group may have inspired a few more NUFC fans at Unique Kidz!"

Altius Group Chairman, Paul Miller added:

"I'm delighted to be able to support Unique Kidz and Co, a small charity which provides a fantastic range of services.

"The team here at Altius enjoy the opportunity to give back to the community and we hope this donation will be of real help to Unique Kidz as they continue their hard work to make a difference in the lives of young people with disabilities."



Altius Group Joins Foremost Private Equity Industry Body



In January this year, Altius announced its membership of The British Venture Capital and Private Equity Association (BVCA).

This strategic move strengthens Altius Group's engagement with the UK's private equity and venture capital sectors, joining an influential industry body that represents over 600 firms. Through the BVCA, Altius Group gains access to an extensive network of industry leaders, policymakers and professionals, while contributing to the ongoing development of the private capital landscape in the UK. A collaboration aimed at enhancing the Group's service offering to clients, partners and stakeholders.

Membership of the BVCA will particularly benefit Altius Group's operations in the healthcare sector through Redwoods Dowling Kerr, where an increasing number of transactions involve private equity-backed groups and institutional investors. This connection keeps RDK close to evolving investment strategies and buyer expectations within healthcare, as we support business owners and buyers in navigating a competitive market.

This membership reinforces Altius Group's position as a trusted partner in the UK's mergers and acquisitions market, committed to delivering outstanding outcomes for business owners and investors.

Altius Group Ranked 7th in UK M&A



Current rank	Previous rank	Financial adviser	Volume
5	4	RSM	46
6	7	PwC	41
7	11	Altius Group	37
8	17	Cooper Parry	31
9	6	Cavendish	30
10	-	AAB	28

Altius Group reinforced its status as a leading UK business sales adviser, ranking seventh place for deals volume in Experian's MarketIQ M&A Review H1 2025.

Despite a 16% year-on-year drop in UK M&A

deal volume, Altius showcased resilience, securing third place in Wales for deal volume and top 10 rankings in Scotland, the North East, North West, the Midlands and South West, highlighting the firm's ability to deliver results in a complex market environment.

Altius Group Triumphs at 2025 Red Rose Awards

Earlier this year, Altius Group was delighted to be awarded Medium Business of the Year at the prestigious Lancashire Business View's Red Rose Awards.

The awards ceremony, held at the iconic Winter Gardens, Blackpool in March, celebrated outstanding achievements by businesses across Lancashire. The Medium Business of the Year Award, sponsored by the Sowena Group, recognises companies with between 21 and 99 employees that have demonstrated exceptional performance, innovation, and growth. Altius Group faced strong competition



LANCASHIRE BUSINESS VIEW
RED ROSE
AWARDS 2025

WINNER

from across the region and is proud to have secured this prestigious accolade.

Altius Group's dedication to innovation, client relationships, and delivering outstanding results has been key to its ongoing success and growth.

Ecologi

Our Work with Ecologi

Altius Group is proud to continue its commitment to sustainability through its long-term partnership with Ecologi, a leading climate action platform.

As of summer 2025, Altius has funded the planting of 10,810 trees and contributed to the avoidance of 1,036.34 tonnes of CO₂e emissions.



This is the equivalent of:

- **796** long-haul flights avoided
- **3,111** square metres of sea ice preserved

Altius remains committed to integrating environmental responsibility into our business practices and continuing to support meaningful, measurable climate solutions.



Rated 5 Stars

RDK OVER 550 REVIEWS

94% 5 STAR REVIEWS

Brilliant!

I decided to sell my health and social care business as I felt it was time for me to retire. I chose Redwoods Dowling Kerr. I have to say they were brilliant, always available for advice and support. If you are thinking of selling your business I would definitely recommend RDK. You can consider yourself to be in safe hands.

Outstanding, professional & discreet

We recently completed the sale of our daycentre care services and couldn't be more pleased with the outstanding, professional, and discreet service provided by Redwoods Dowling Kerr. They were instrumental in securing a suitable buyer and skilfully negotiated to achieve the best possible outcome for us. I'm truly grateful and would highly recommend them to anyone considering selling their healthcare business.

Couldn't be happier

Buying a care home is a major undertaking, and we couldn't be happier with how our recent purchase was handled. Thanks in large part to the outstanding support from RDK. From our initial enquiry through to completion, RDK was professional, knowledgeable, and genuinely invested in making the deal a success for everyone involved.

Second to none

I can't recommend RDK highly enough! Selling my business was a huge decision, and from start to finish, the negotiator made the entire process smooth and stress-free. Her professionalism, industry knowledge, and dedication were second to none. Communication was excellent, and I always felt confident that I was in the right hands.

Dedication and attention to detail

I had the pleasure of acquiring another domiciliary care business from Redwoods Dowling Kerr. I couldn't have asked for a better experience. From the very beginning, they were incredibly supportive, ensuring I understood every step of the process. Thanks to RDK's dedication and attention to detail, I now own a thriving domiciliary care business that aligns perfectly with my goals. I would highly recommend RDK to anyone looking to buy or sell a care business.

CONTACT US TODAY

TO DISCUSS YOUR HEALTHCARE BUSINESS
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