

# Tipping point

The future of the  
U.K. waste industry



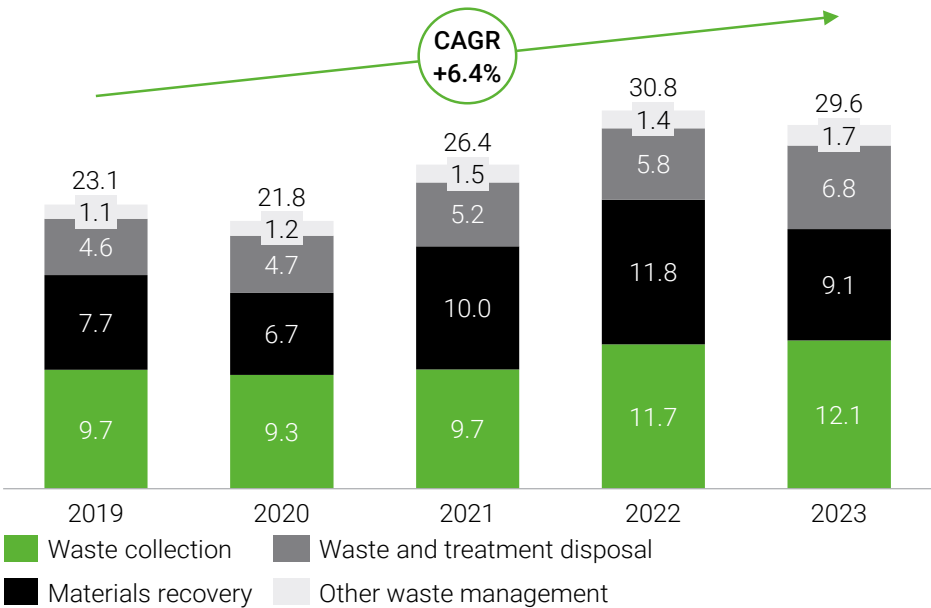
# A 30-year journey of maturation

It is only in the last 30 years that the U.K. waste industry has begun to consolidate and professionalise at scale, evolving from a fragmented, landfill-dependent system into a sophisticated, progressive industry prioritising sustainability, innovation, and regulatory compliance. Now valued at an estimated £30 billion (figure 1), and projected to reach £40 billion by 2028, the market is characterised by a mix of national players, regional specialists, and niche operators.

As the sector matures, companies are adopting more structured and scalable business models, with technology integration and specialised capabilities playing key roles in differentiation.

The sector has seen notable consolidation over this period – the top five companies hold over 20% of the market (figure 2) – however, there is still a long tail of smaller businesses which continue to be consolidated, providing opportunity to new entrants looking for targets. These consolidators are aligning their business models with emerging circular economy principles and ESG imperatives. Across the industry, capabilities in emissions tracking, advanced analytics, and customer-centric solutions are being used to generate competitive advantage.

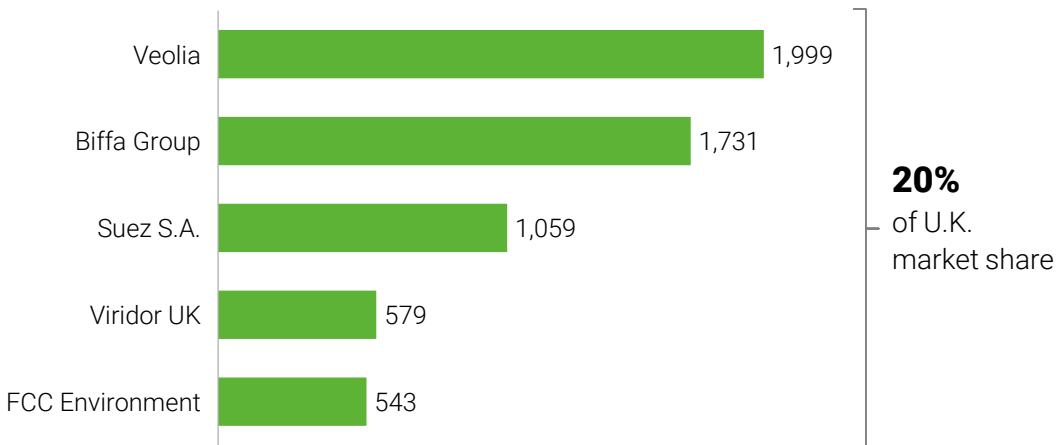
Figure 1: U.K. waste management turnover (2019-2023, £B)



Source: U.K. Office for National Statistics (ONS), Capital IQ.  
2024 data not yet available

- The U.K. Office for National Statistics estimates the U.K. waste management market at **£29.6B** as of **2023**
- The market grew at a **CAGR of 6.4%** between 2019-2023
- **Waste treatment and disposal** was the fastest-growing division over this period, recording a growth rate of **10.26%**
- Waste collection services account for **41%** of the market value, followed by materials recovery at **31%**, and waste treatment and disposal services at **23%**

Figure 2: Market consolidation (U.K. top 5 revenue as of 2023, £M)



2023 total revenue of **£29.6B**

As of 2023, the top 10 companies in the market collectively hold **36%** of the total market share, while the top 5 companies account for **20%**

Source: Statista

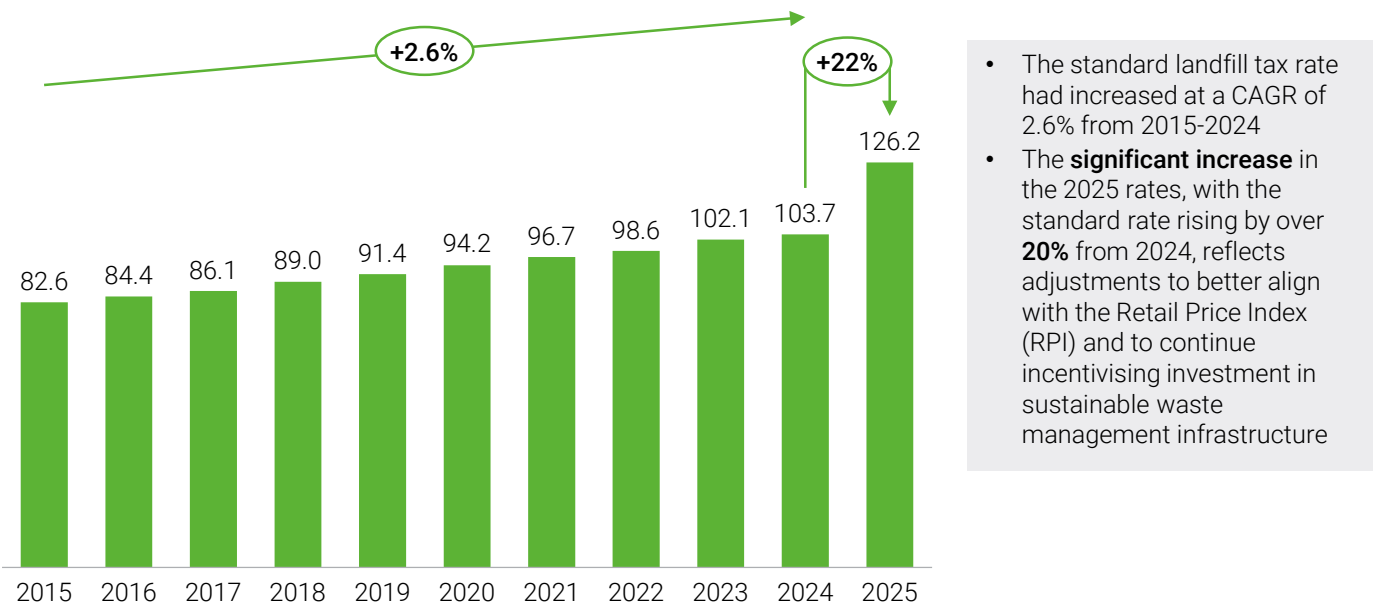


# Regulatory drivers and the circular economy

A driving force behind the sector’s evolution is the escalating emphasis on sustainability and the circular economy, guided heavily by regulatory pressures. Historically, the U.K. depended on widespread landfilling, but the landscape is shifting dramatically. Landfill tax has risen to £126/tonne from April 2025 – a sharp 22% annual increase compared to the modest 2.6% average CAGR from 2015-2024 (figure 3).

Coupled with impending biodegradable waste bans, this shift is increasingly diverting waste streams toward recycling and energy recovery. The sector has now reached a tipping point, where commercial viability hinges on the ability to manage resources efficiently across the entire waste lifecycle.

**Figure 3:** Landfill standard tax rate development (2015-2025, £ per tonne)



Source: Gov.uk, press search

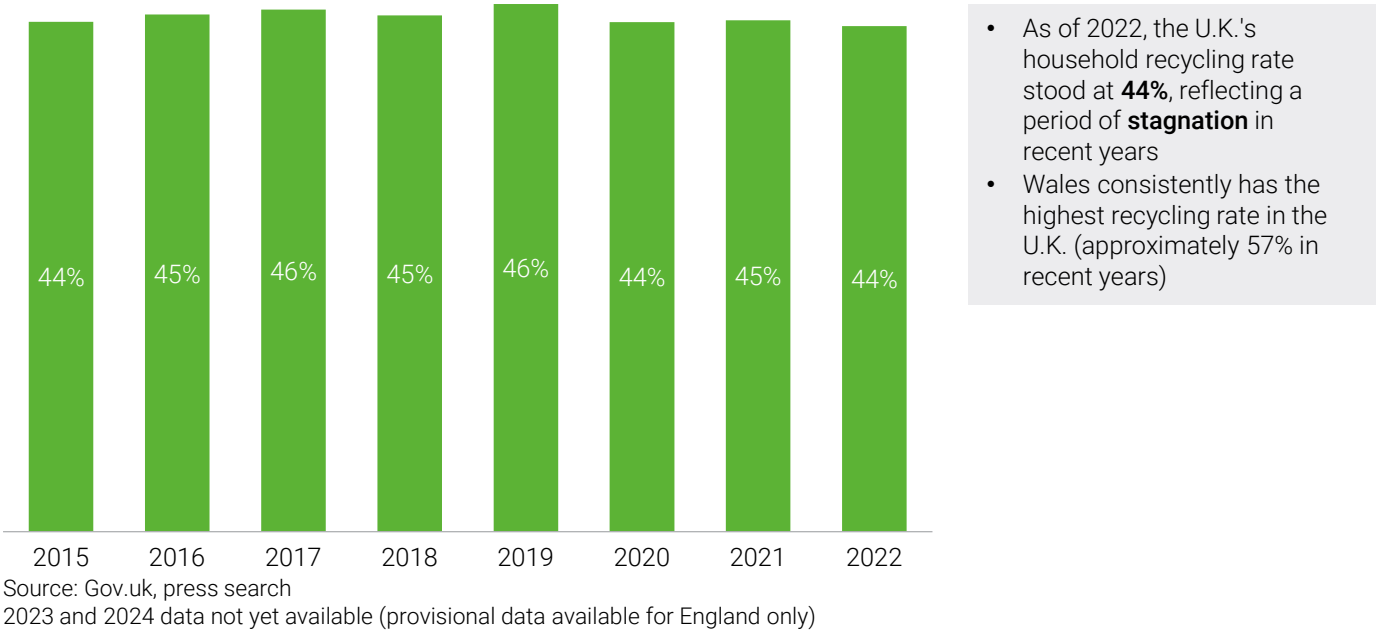


Regulations such as the Simpler Recycling Mandate, Extended Producer Responsibility (EPR), and the EU Packaging Waste Directive are not only creating new compliance and reporting standards, but also opening doors to significant growth opportunities. As of 2025, all businesses with more than 10 full-time employees must comply with standardised recycling protocols, while producers must bear full financial responsibility for packaging waste management. These policies also place requirements on commercial and industrial (C&I) customers, driving demand for innovations such as digital waste tracking, Scope 3 emissions reporting, and customisable service models.

To thrive, companies are being compelled to adopt technologies that ensure compliance while creating scalable and margin-enhancing service delivery. In particular, firms offering circular economy solutions, such as closed-loop recycling and emissions analytics dashboards, are finding favour among enterprise customers and regulators alike.

Despite these material changes within the sector, residential households remain the final frontier. Despite longstanding efforts by councils to promote recycling and sorting at source, household recycling rates have stagnated, even declining slightly between 2020-2023 compared to the prior five years (figure 4). Challenges in incentivisation and enforcement remain a barrier.

Figure 4: U.K. household recycling rate, 2015-2022 (%)



# Strategic differentiation among businesses

One indication of change in the waste management sector is the emergence and development of discrete strategies. A recent AlixPartners survey of seven U.K. and European peers found three key areas where firms are differentiating themselves:

## 1. Customer-focused solutions

Firms such as First Mile and Reconomy stand out by providing bespoke services and investing heavily in tech-driven platforms. These portals offer customers real-time waste tracking, carbon analytics, and flexible service options, enhancing customer engagement and transparency.

## 2. Specialist processing

Companies such as Enva and Renewi are focusing on hazardous and niche waste streams, using high-touch customer service and technically advanced processing capabilities. In these cases, value generation from the resale of recyclates has caught up with traditional waste collection revenues.

## 3. Scalable operating models

Waste management businesses are investing heavily in a centralised technology stack, providing a platform for growth and enabling necessary regulatory reporting. In parallel, centralising G&A functions supports effective cost control, while allowing for operational autonomy at regional or business unit level.

These strategic shifts have led to greater segmentation within the industry. While traditional providers still dominate high-volume contracts, industrial managed services, niche recyclers, and hazardous specialists are carving out differentiated market positions. Branding has also gained importance, playing a larger role in signalling alignment with the circular economy and demonstrating regulatory compliance.

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# Mergers and acquisitions as drivers of growth

Despite the sector's increasing maturity, mergers and acquisitions remain a critical lever for growth. Remarkably, in 2024 alone, waste management firms invested an estimated \$10.9 billion globally in acquisitions – a significant leap from \$4.2 billion in 2023. The U.K. has seen high-profile deals such as Macquarie's £700 million bid for Renewi, following its unsuccessful bid for Suez's U.K. assets.

As an example of new entrants, CIRQLR entered the market in February 2023, successfully consolidating regional recycling and reuse waste management brands in the southeast. Building a digitally-connected, vertically-integrated platform centred on circularity indicates a desire to ride the wave of further consolidation and regulatory change.

Integration strategies vary across the sector. Some firms fully absorb their newly acquired assets, while others opt for selective integration – retaining operational autonomy but embedding centralised capabilities such as IT, finance, and sustainability reporting. Reconomy and Enva are standout examples of this hybrid model, integrating commercial and back-office functions while preserving operational specialisation at business unit level.

A key lesson across the peer group is the value of having a structured M&A playbook supported by a dedicated integration team. Firms with well-defined integration strategies can better extract synergies while maintaining agility.



## The future of the industry

The U.K. waste industry has reached an inflection point. With regulation tightening, customer expectations evolving, and digital innovation accelerating, the sector is poised for a transformative decade. Firms that invest boldly in bespoke technology, emissions intelligence, and customer-centric platforms will establish a decisive edge.

Policies like the Simpler Recycling Mandate, Extended Producer Responsibility, and increased landfill taxation will undoubtedly raise compliance costs. However, they also open doors to premium service offerings and deeper customer partnerships. The winners will be those that shift from transactional waste management to becoming strategic enablers of circularity and sustainability.

We expect continued consolidation in the short to medium term, but scale alone will not define success. Competitive advantage will be earned by those with differentiated capabilities, agile operating models, and deep integration with their customers' ESG and regulatory priorities.

The role of the sector is evolving – from basic waste disposal to resource stewardship. The U.K. waste industry is becoming a critical platform for carbon reduction, material efficiency, and policy alignment. Those who lead in this next phase will not only adapt to change – they will define the future of the industry.

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For more than 40 years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges – circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line – a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA – so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done, and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

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