BLOK Management

BLOK MANAGEMENT GMBH

German damage restoration market

Market overview and M&A-activity

April 2026

Specialised business services M&A team with a focus on damage restoration

BLOK Management pursues a clear sector focus in order to offer its clients the best possible advice in their respective industries

- BLOK's Business Services team advises companies across the damage restoration industry, including fire, water, mould, and broader property remediation services. The team draws on extensive sector experience and provides comprehensive support across all areas of M&A transaction advisory
- Thanks to our excellent relationships with leading market players, we have in-depth insights into industry trends, consolidation dynamics, and strategic growth opportunities
- Our independence enables us to advise our clients free from conflicts of interest and to always focus on their goals
- Given our international reach and personal support at partner level, we achieve sustainable, high-quality results for all parties involved

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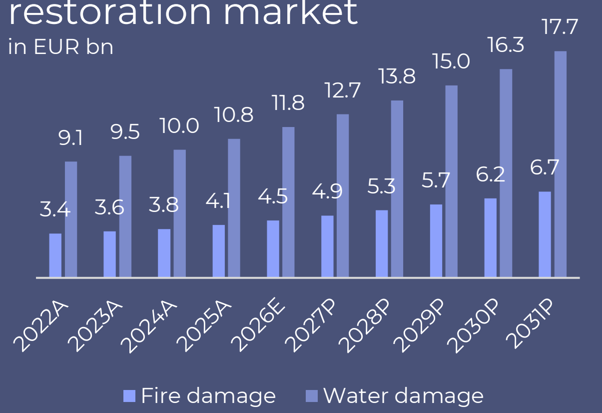
Executive summary

- The German fire and water damage restoration market has grown strongly in recent years, driven by increased climate volatility and rising restoration costs
- More than 1 million tap water incidents annually provide a resilient baseline for restoration, with event-driven spikes adding incremental volume
- In a challenging market environment, last year saw increasing consolidation, driven primarily by financial investors and strategic add-on acquisitions
- Enforcing regional presence and market share as well as rising standardisation requirements around documentation and insurer-led processes are the main drivers of consolidation

German fire and water damage restoration market

in EUR bn

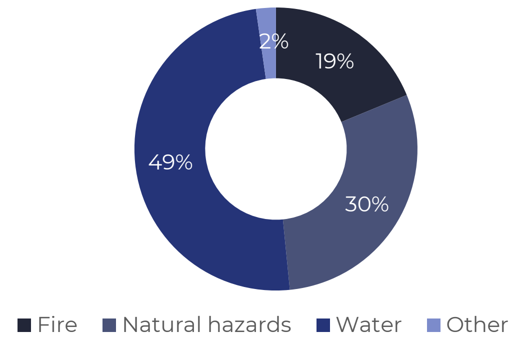


Perspectives

- Advances in building technology increase the complexity and cost of repair work, driving higher overall restoration expenses
- In parallel, insurers and property owners are tightening process and verification requirements, shifting competition toward providers that can deliver consistent, well documented execution at scale

Market segmentation

In % of long-term average costs

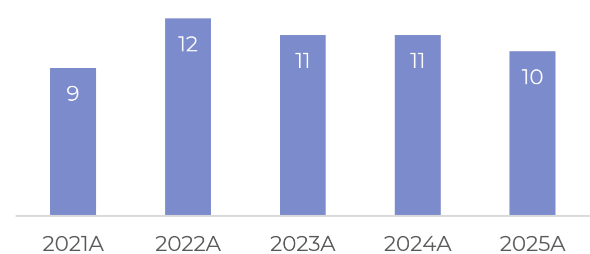


Market overview

- The damage restoration market comprises several subsectors, including natural hazard damage, water damage, fire damage and others (i.e. mould)
- This report focuses on fire and water damage restoration, as these segments are highly scalable and resilient, making them most attractive for investors

M&A-activity

of reported deals[1)]



1) Focus on small-cap deals with an enterprise value between EUR 5–50 m

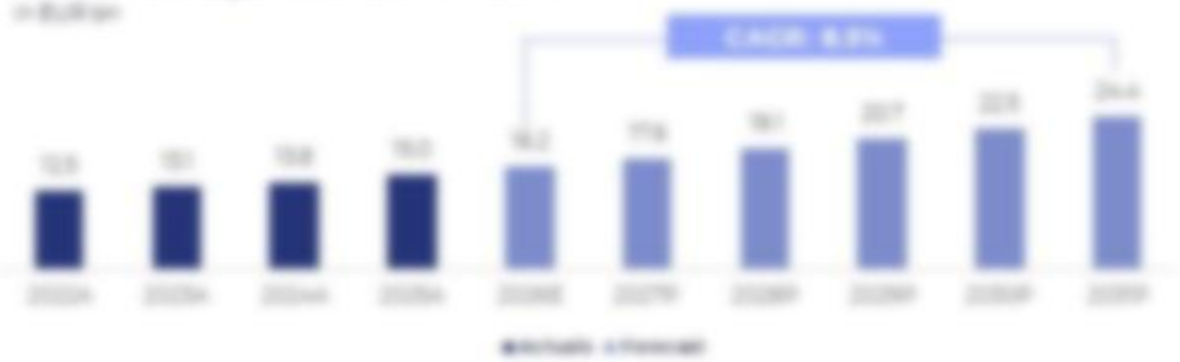
Market indicators

>200,000 fires occur in Germany each year, roughly one every 2–3 minutes, creating a consistent demand for restoration services

>1,000 regional providers keep the market highly fragmented, leaving significant room for consolidation

Only 57% of German buildings have natural-hazard insurance, with significant geographic disparities and a clear north – south divide

Sources: BLOK-Analysis, DFV, GDV



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Factors influencing Germany's damage restoration market

Drivers

Trends

Challenges

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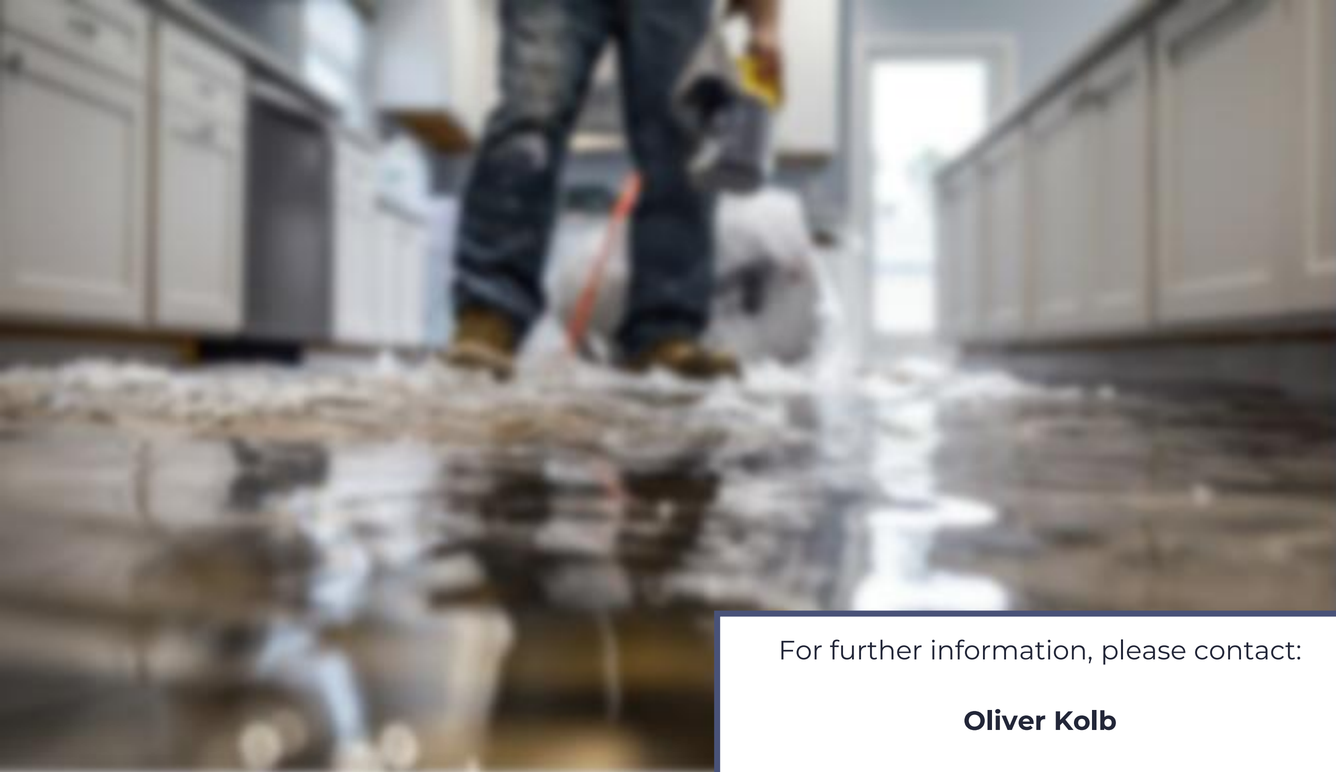

Water damage restoration

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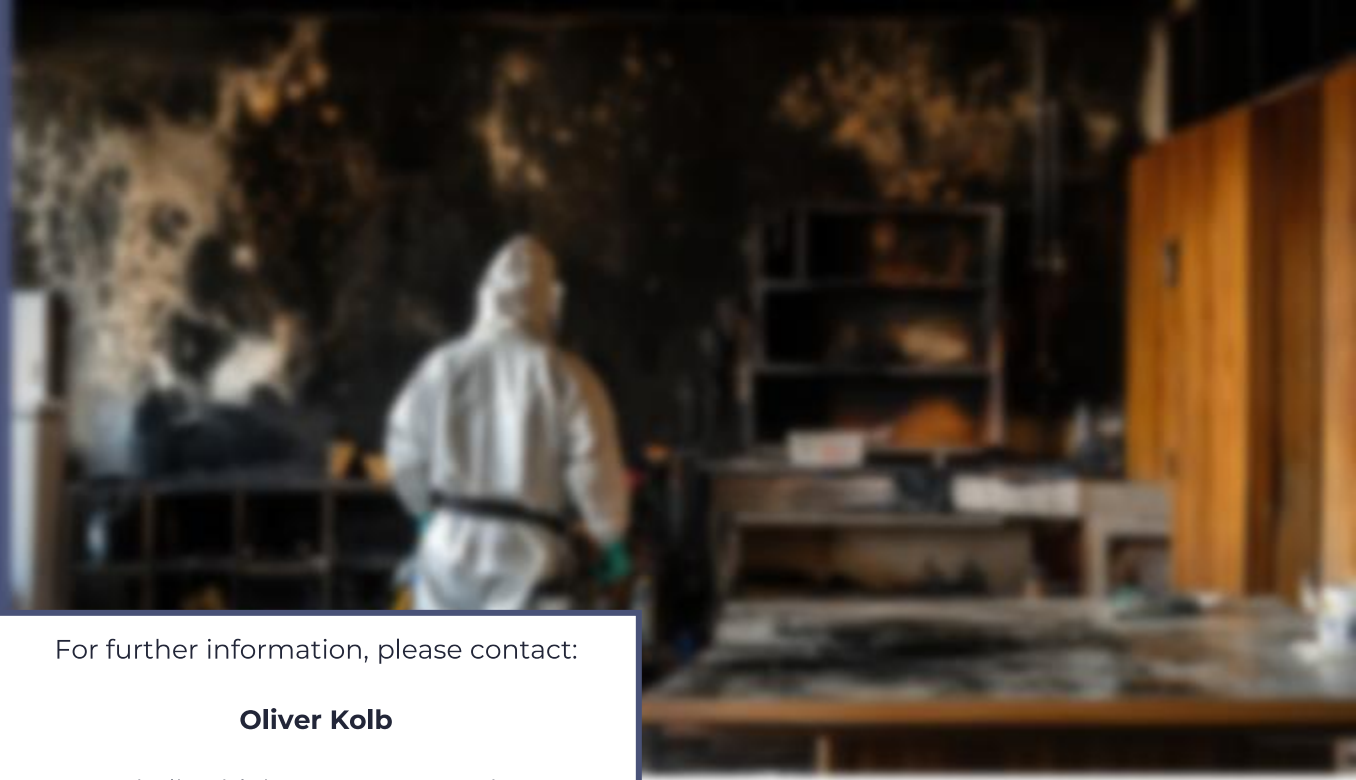
German water damage restoration market

8.5%

CAGR 2025A-2031P

Water damages in Germany

Fire damage restoration



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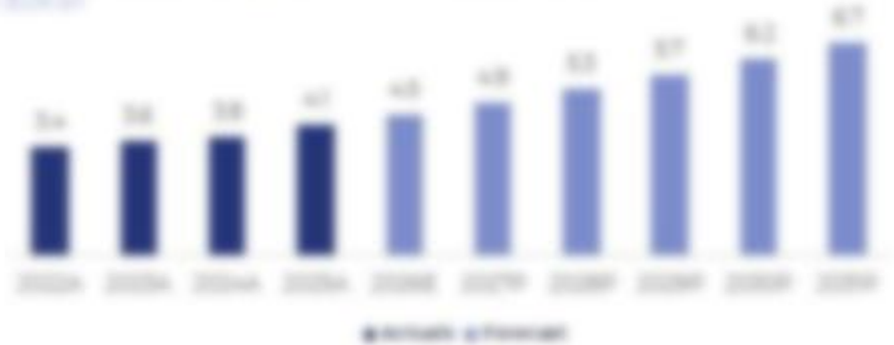
Most common causes of fire in Germany

German fire damage restoration market

8.5%

CAGR 2025A-2031P



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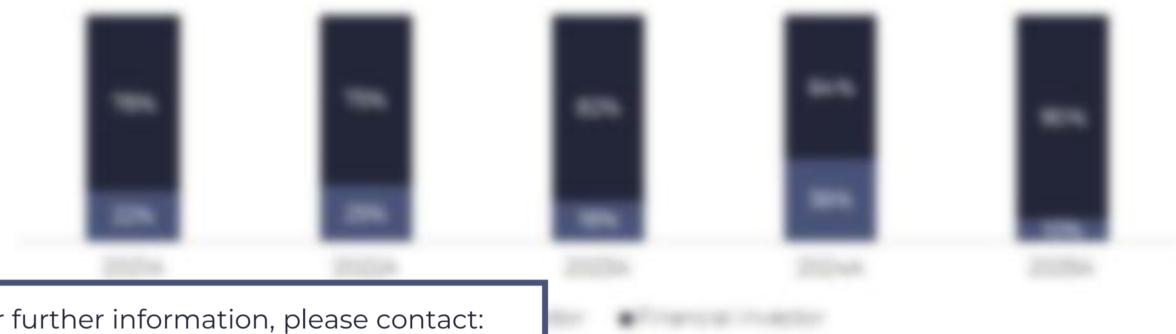
M&A-activity

Financial investors vs. strategic investors in Germany



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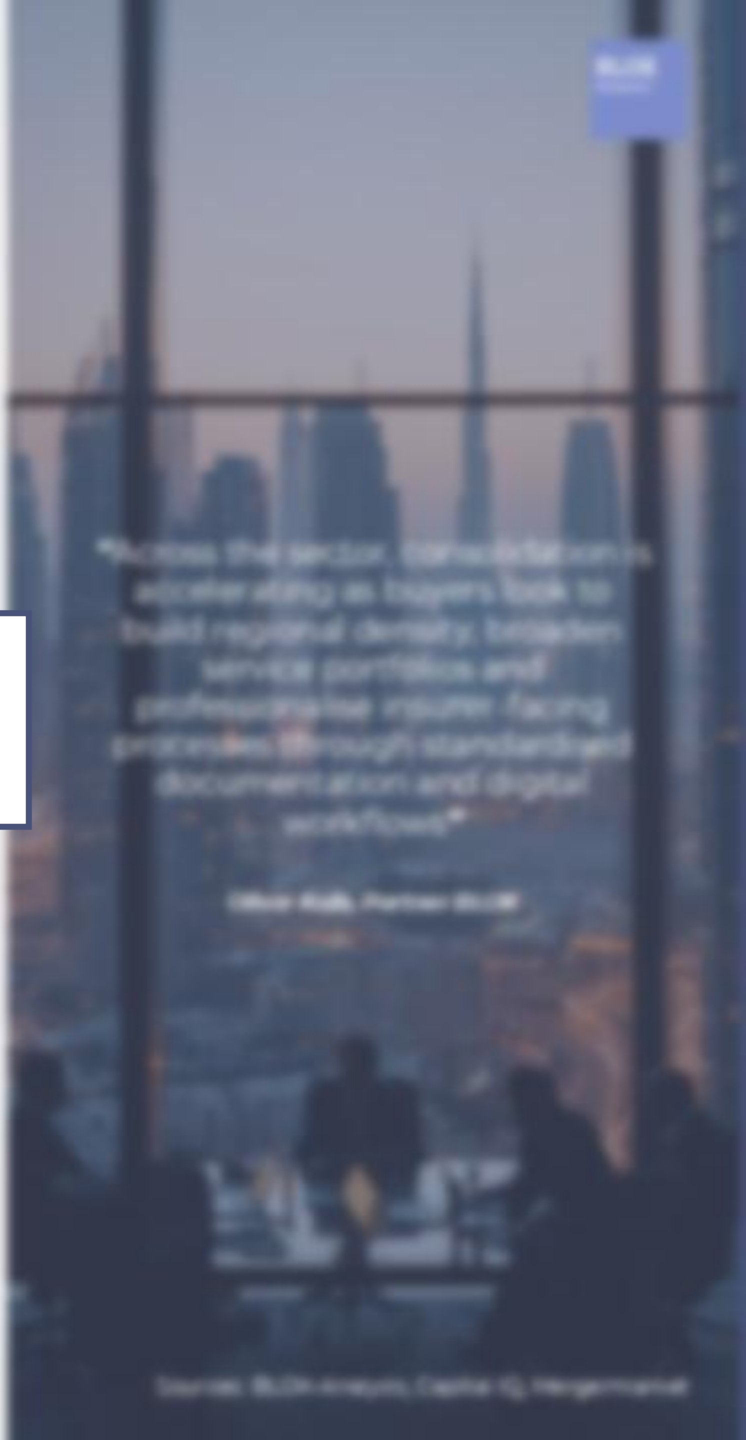

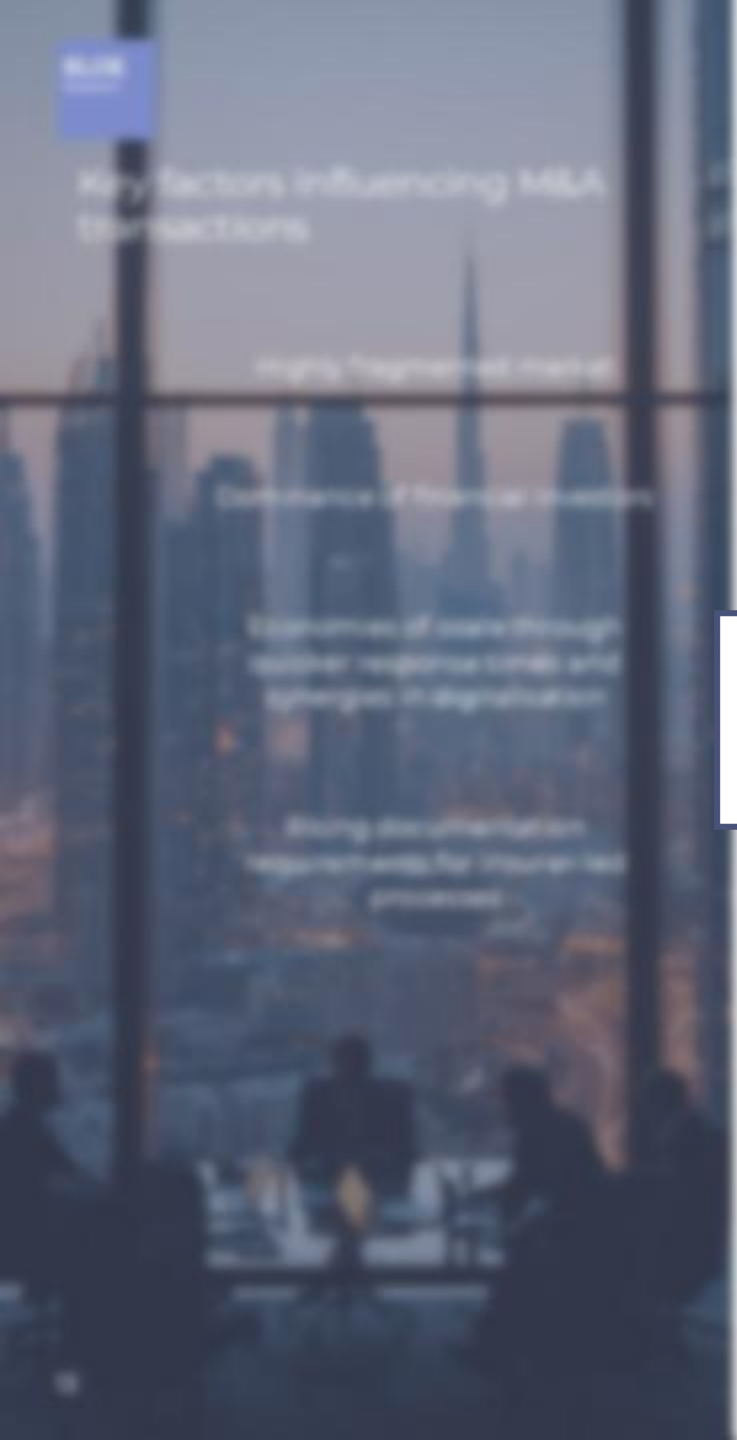

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Conclusion

Market trends

- Extreme weather events are increasing the frequency and severity of fire and water damages, driving additional restoration volume and greater capacity requirements
- Rising construction input costs are pushing up restoration costs per claim

M&A-activity

- M&A activity is dominated by financial investors, with add-on acquisitions accounting for the largest share, supported by both domestic sponsors and inbound transactions
- Key consolidation drivers are regional expansion and broadening of the service portfolio

Forecast

- The German market for damage restoration is expected to expand to EUR 24.4 bn until 2031P
- The integration of digitalisation tools is expected to become a key efficiency driver, creating competitive advantages through improved KPI tracking and closer collaboration with insurance providers

BLOK Management - Overview

>100
Closed transactions[1)]

70%
Sell-Side

> EUR 5 bn
Transaction volume

50%
Cross-Border

~ EUR 65 m
Average transaction volume

Sector Focus


Business Services


Industry


Telecommunications


Software & Technology


Consumer


Life Sciences


Environment

BLOK
Management

Our services

M&A sell-side advisory
- Exit readiness
- Corporate carve-out / spin-off
- Private equity sell-side
- Corporate succession

M&A buy-side advisory
- Add-on acquisitions
- Private equity buy-side

Corporate finance advisory
- Sell-side lender education
- Acquisition financing / LBO
- Refinancing
- Real estate financing
- Working capital financing
- Growth financing (CAPEX / add-ons)
- Valuations
- Venture capital

1) Contains earlier transaction of BLOK team members

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