

Professional, Scientific and Technical Activities • M71.200

Technical Testing & Analysis in the UK

Tried and tested results: Doubling down on renewable energy generation certification and cybersecurity services outlines major revenue prospects for testing companies



Eliza Dunington
Published: January 2026

About

IBISWorld specializes in industry research with coverage on thousands of global industries. Our **comprehensive data and in-depth analysis** help businesses of all types gain quick and actionable insights on industries around the world. Busy professionals can spend less time researching and preparing for meetings, and more time focused on making strategic business decisions.

Table of Contents Standard

1. About This Industry	1	Key Takeaways	17
Definition	1	Business Locations	17
Codes	1	6. Competitive Forces	20
What's Included	1	Key Takeaways	20
Companies	1	Concentration	20
Related Industries	2	Barriers to Entry	21
Related Terms	2	Substitutes	22
Additional Resources	2	Buyer & Supplier Power	24
2. At a Glance	3	7. Companies	26
Key Takeaways	3	Key Takeaways	26
Major Players	3	Market Share	26
Products and Services	3	Company Details	28
Key External Drivers	3	8. External Environment	33
SWOT	4	Key Takeaways	33
Industry Structure	4	External Drivers	33
Executive Summary	4	Regulation & Policy	34
3. Performance	5	Assistance	35
Key Takeaways	5	9. Financial Benchmarks	37
Performance Snapshot	5	Key Takeaways	37
Current Performance	6	Cost Structure	37
Outlook	8	Financial Ratios	39
Volatility	9	Key Ratios	41
Life Cycle	11	10. Key Statistics	43
4. Products and Markets	13	Industry Data	43
Key Takeaways	13	11. Key Success Factors	45
Products and Services	13	Key Success Factors	45
Innovations	14	12. Call Preparation Questions	47
Major Markets	15	Role Specific Questions	47
International Trade	16	External Impacts Questions	48
5. Geographic Breakdown	17	Internal Issues Questions	49

About This Industry

Definition

The industry includes companies that conduct physical, chemical and other analytical tests on materials and products. Using models and mock-ups, companies certify consumer goods, motor vehicles, equipment, pressurised containers, food hygiene and nuclear plants. Animal and medical testing do not fall under the industry.

Codes

SIC

2007 71.20 – Technical testing and analysis

ISIC

2006 7120 – Technical testing and analysis

What’s Included

- Agriculture and food testing and analysis
- Materials and equipment testing and analysis
- Process and systems testing and analysis
- Product testing and analysis

Companies

- | | | |
|------------------------------------|--------------------------------|-----------------------------|
| • Intertek | • SGL Labs | • British Board of Agrément |
| • Analytical Construction Services | • BM Trada | • Cemas |
| • Socotec Uk | • LGC | • Microsearch Laboratories |
| • Marlowe | • Alfred H Knight | • ALS Laboratories |
| • SGS United Kingdom | • Alex Stewart International | • Petricore |
| • Bureau Veritas Uk | • National Physical Laboratory | • Praeluceo Group |
| • Lloyd's Register | • Fera | |

Related Industries

Domestic industries

Complementors

- Diagnostic & Ambulance Services in the UK
- Veterinary Services in the UK
- Market Research & Public Opinion Polling in the UK
- Consultant Engineering Services in the UK

International industries

- Material Testing Services in Australia
- Water & Air Quality Testing Services in the US
- Technical Testing & Analysis in Europe
- Forensic Technology Services in the US
- Software Testing Services in Australia
- Laboratory Testing Services in the US
- Nondestructive Testing Services in the US
- Technical Testing & Analysis in Spain
- Technical Testing & Analysis in France
- Technical Testing & Analysis in Ireland
- Laboratory Testing Services in Canada
- Technical Testing & Analysis in Germany
- Technical Testing & Analysis in Italy

Related Terms

CERTIFICATION

A process of evaluation that concludes with a written assertion that a system or component complies with specified requirements.

PENETRATION TESTING

A process of testing cybersecurity systems by finding exploits or weaknesses.

RISK ASSESSMENT

A process of determining possible risks or problems that could occur and implementing procedures to avoid, minimise or cope with the impact of the risk.

Additional Resources

- British Standards Institution
- British Measurement and Testing Association
- Association of British Certification Bodies
- Food Standards Agency

At a Glance

Revenue		Employees		Businesses	
£6.0bn	2021-26 ↑ 2.6%	52.4k	2021-26 ↑ 0.4%	4.5k	2021-26 ↓ 3.7%
	2026-31 ↑ 3.8%		2026-31 ↑ 1.7%		2026-31 ↓ 0.0%
Profit		Profit Margin		Wages	
£627.4m	2021-26 ↓ 3.3%	10.5%	2021-26 ↓ 3.6pp	£2.5bn	2021-26 ↑ 1.4%
					2026-31 ↑ 3.0%

🕒 Five-year growth rates display historic and forecast CAGRs

➔ Major Players

Company	Revenue (£m)	Market Share (%)
Intertek	209.2	3.5
Socotec UK	131.3	2.2
SGS United Kingdom	102.4	1.7
Bureau Veritas UK	99.80	1.7
Lloyd's Register	84.50	1.4
Other Companies	5,351.8	89.5

⚙️ Key External Drivers

Driver	Impact
Industrial production index	Positive
Total value of construction	Positive
Business capital expenditure	Positive
Public concern over environmental issues	Positive
Demand from electricity production	Positive
Demand from cyber security software development	Positive

🕒 Products & Services

Item	Revenue (£m)	Market Share (%)
Product testing and analysis	2,163.1	36.2
Process and systems testing and analysis	1,452.0	24.3
Materials and equipment testing and analysis	1,398.3	23.4
Agriculture and food testing and analysis	962.1	16.1

Key Takeaways

Performance

Net-zero targets create work for testing companies. The heightened focus on sustainable energy sources to support the UK's clean energy transition has spurred demand for testing companies specialised in the certification of wind, solar and tidal energy generation.

The soaring threat of cyberattacks outlines the potential for systems security testing. As UK businesses aim to upgrade and stabilise their IT infrastructure to mitigate the risk of cyberattacks, software testing companies could see substantial revenue opportunities.

Products and Markets

The extension of CE marking hinders demand for product testing and certification. The UK government has indefinitely extended the validity of CE marking for UK products, suspending the need for investment in new UKCA marking certification.

A shift to renewable energy boosts opportunities for testing companies. The development of renewable energy solutions and growing public concern for the environment drive the need for testing and analysis from the energy sector.

SWOT

Strengths	Low Capital Requirements
	Low Customer Class Concentration
	Low Imports
	Low Product/Service Concentration
Weaknesses	High Competition
	High Volatility
	Low & Steady Level of Assistance
	Low Profit vs. Sector Average
	Low Revenue per Employee
Opportunities	High Revenue Growth (2021-2026)
	Total value of construction
Threats	Business capital expenditure
	Low Revenue Growth (2021-2026)

Executive Summary

Tried and tested results: Doubling down on renewable energy generation certification and cybersecurity services outlines major revenue prospects for testing companies

Revenue for the Technical Testing and Analysis industry is expected to climb at a compound annual rate of 2.6% over the five years through 2025-26 to £6 billion. The government introduced an array of new post-Brexit regulations, but the indefinite extension of EU CE marking validity in August 2023 dampened demand for UKCA marking certification. Changes to food standards in line with new UK regulations hiked demand for food product risk assessments and testing. Revenue growth is severely volatile, as dampened activity in the UK construction sector has squeezed demand for materials testing and building safety certification, while fire safety testing and inspection work shot up following the introduction of the Fire Safety (England) Regulations 2022. The highly specialised nature of certain testing services made many businesses vulnerable to surging energy and wage costs, weighing on profitability.

In 2025-26, revenue is slated to swell by 3.3%. This is underscored by heightened activity in the renewable energy sector as the UK doubles down on its green energy transition. Investments in new wind farms and solar technologies have spurred demand for inspection and testing services to certify the structural integrity and material strength of renewable energy projects.

Over the five years through 2030-31, revenue is expected to leap by 3.8% to £7.2 billion. The UK government's Modern Industrial Strategy could help boost activity in the struggling production and manufacturing sectors, stimulating demand for follow-up inspections and product validation. Nuclear generation is also emerging as a primary focus for the UK government, with projects like Sizewell C requiring specialised nuclear testing. The surging prevalence of AI in tech products could toughen regulatory frameworks regarding product complexity, boosting demand for specialised certification and testing services. With current AI-specific regulation remaining scarce, testing companies are aligning their services to advise and aid clients in efficient AI implementation. Simultaneously, AI adoption is escalating the threat of cyberattacks, damaging the stability of IT infrastructure across various sectors. In turn, testing and analysis companies could see an uptick in demand for IT software and cybersecurity tests, supporting consistent, recurring revenue growth.

Industry Structure

Characteristic	Level & Trend	
Concentration	Low	
Barriers to Entry	Moderate	Steady
Regulation and Policy	High	Increasing
Life Cycle	Mature	
Revenue Volatility	High	
Assistance	Low	Steady
Competition	High	Steady
Innovation	Moderate	

Performance

Key Takeaways

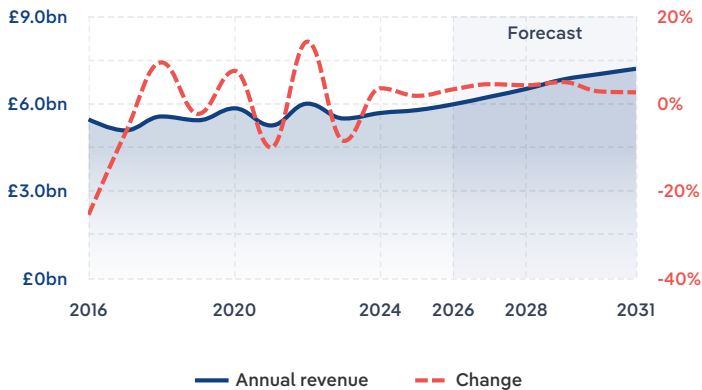
Net-zero targets create work for testing companies. The heightened focus on sustainable energy sources to support the UK's clean energy transition has spurred demand for testing companies specialised in the certification of wind, solar and tidal energy generation.

The soaring threat of cyberattacks outlines the potential for systems security testing. As UK businesses aim to upgrade and stabilise their IT infrastructure to mitigate the risk of cyberattacks, software testing companies could see substantial revenue opportunities.

Performance Snapshot

Revenue

Total value (£) and annual change from 2016 – 2031. Includes 5-year outlook.



Revenue

2021-26	↑ 2.6%
2026-31	↑ 3.8%

2026 Revenue Growth

3.3%	↑ Increasing
------	--------------

Revenue Volatility

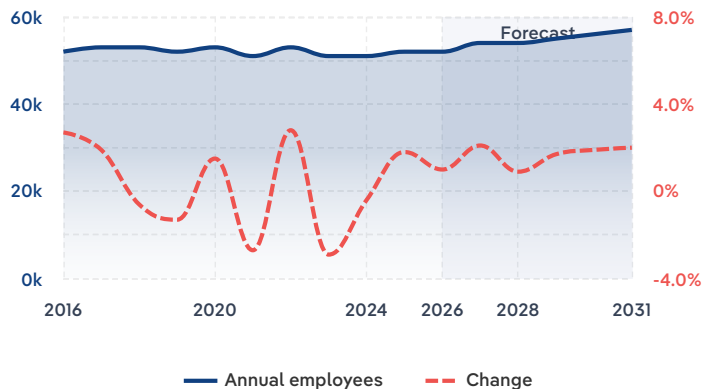
High

IBISWorld

Source: IBISWorld

Employees

Total number of employees and annual change from 2016 – 2031. Includes 5-year outlook.



Employees

2021-26	↑ 0.4%
2026-31	↑ 1.7%

Employees per Business

12	2021-26	↑ 4.2%
	2026-31	↑ 1.7%

Revenue per Employee

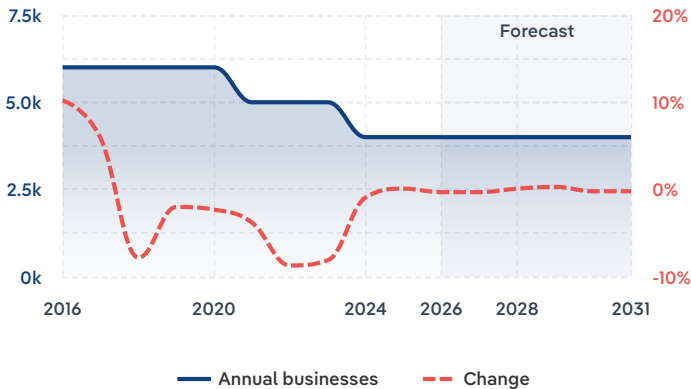
£114.0k	2021-26	↑ 2.2%
	2026-31	↑ 2.1%

IBISWorld

Source: IBISWorld

Businesses

Total number of businesses and annual change from 2016 – 2031. Includes 5-year outlook.



Businesses

2021-26	↓ 3.7%
2026-31	↓ 0.0%

Employees per Business

2021-26	↑ 4.2%
2026-31	↑ 1.7%

Revenue per Business

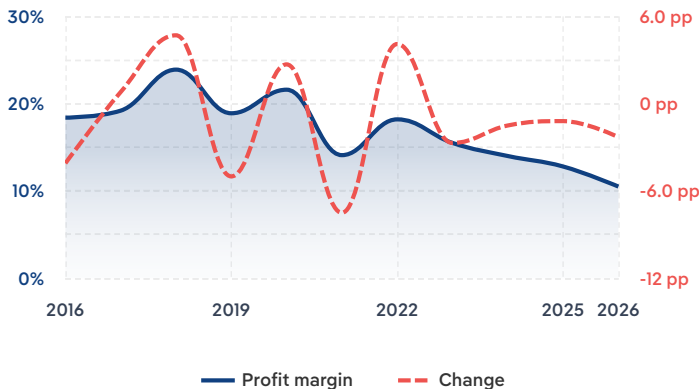
2021-26	↑ 6.5%
2026-31	↑ 3.8%

IBISWorld

Source: IBISWorld

Profit Margin

Total profit margin (%) and annual change from 2016 – 2026



Total Profit

£627.4m

2021-26	↓ 3.3%
---------	--------

Profit Margin

2021-26	↓ 3.6pp
---------	---------

Profit per Business

£140.3k

IBISWorld

Source: IBISWorld

Current Performance

↑ 2021-26 Revenue CAGR: 2.6%

What's driving current industry performance?

Post-Brexit regulations reshaped demand for testing services

- Following the UK's exit from the EU in January 2020, the government implemented new regulatory standards unique from EU requirements.
- As part of the post-Brexit regulatory framework, the UK government introduced the UK Conformity Assessed (UKCA) marking to signify the safety and environmental protection of goods placed on the British market in January 2021. The mark was originally intended to replace the EU CE marking, which verifies the health and safety certifications of all goods in the European Economic Area, by January 2022. This hiked demand for product testing, validation and certification to obtain the new UKCA mark.
- Following backlash from businesses regarding the regulatory costs and time frames, the validity of the CE mark was extended several times before being announced as indefinitely valid in August 2023. This dampened demand for testing companies, as many businesses decided against replacing their mark.

- The government introduced new regulations regarding food product certification following Brexit. Under the Food Standards Agency, new rules require specific UK-compliant labelling, and imported foods from the EU are subject to checks based on risk assessments under the oversight of the Department for Food and Rural Affairs. UK exports have also faced extra red tape and checks as free product circulation ended. In turn, many testing companies have benefited from changing food regulations, as their services are required to validate mandated paperwork and certify food quality.
- Testing companies have capitalised on changing regulations by expanding their services within food product segments. Through its Trade Facilitation Services division in the UK, SGS provides clients with customs clearance support and certification for traded products, including food. The division posted an update in March 2024 outlining new services aligned with changing food regulations, including customs software to track declaration processing. Offering support during complex regulatory changes attracts greater demand and supports revenue growth.

Dampened construction activity weighs on new-build testing

- The construction sector is highly reliant on testing services to validate the structural integrity of buildings and to test the strength and quality of building materials. In turn, demand for testing and analysis services fluctuates in line with activity in the construction sector.
- Following the Grenfell Tower fire in 2017 and the subsequent enquiry, the UK government introduced the Fire Safety (England) Regulations 2022, enforceable as of January 2023. These regulations tightened fire safety requirements for multi-occupied residential buildings, introducing stricter rules on cladding, evacuation and alarms. This surged demand for frequent fire testing and inspection work from late 2022-23 onwards.
- Construction activity has fluctuated considerably over the past five years, as the sector struggled against surging energy costs, a severe shortage of skilled workers and the volatile cost of materials. For example, according to the ONS Output Producer Price Index, the average price of cement soared by 19.8% over the year through February 2023. This has eased only slightly, inching down by 0.7% between February 2023 and January 2025.
- Due to ongoing external pressures, the ONS estimated a 1.1% fall in new builds and a drop in total construction output of 1.1% over the three months through November 2025; the largest fall since March 2023, when material costs were soaring. This has weighed on demand for testing and inspection services for new builds.
- To avoid fluctuations in demand in response to cyclical construction activity, many technical testing and analysis labs have reinforced their focus on high-value maintenance and existing asset testing instead of relying solely on new-build volumes. In a Business Focus Magazine report from October 2024, Socotec outlined the importance of its involvement in existing asset projects in the UK amid slowdowns in mega projects like HS2 and Stonehenge. This supports stable revenue growth for testing services even when construction activity is dampened.

Renewable energy has emerged as a high-performance sector

- The energy sector is highly reliant on testing, inspection and certification services to ensure quality control, structural integrity and material strength.
- Renewable energy technology has soared in recent years, as the UK bounds towards the government's target to reach net zero greenhouse gas emissions by 2050. According to the Department for Energy Security and Net Zero (DESNZ), renewables generated a record 50.8% of the UK's electricity in 2024.
- Extensive investments in new wind farms, such as the Dogger Bank Wind Farm opened in October 2023, have supported the clean energy transition. According to data from the DESNZ, wind generation generated a record 29.5% of electricity in 2024, making it the UK's primary source of renewable energy. According to Solar Energy UK, solar power generation has also surged, providing a record 6.3% of Great Britain's power in 2025. This has incited demand for testing and certification of new renewable generation projects.
- Technical testing providers specialised in renewable energy source analysis and certification have significantly benefited from new projects in the sector. Intertek, for example, offers an extensive list of renewable energy certification services, including energy storage, solar panel testing, wind energy services and tidal consulting.
- To capitalise on this high-performing sector, technical testing providers have doubled down on their renewable energy certification services. For example, in December 2024, SGS launched an array of new climate and energy transition services, including testing and certification for new fuels, as well as support services for businesses to aid their own net-zero transitions. As sustainability becomes an increasingly crucial factor across multi-sector operations, testing and analysis services can capitalise on activity within renewable energy generation while supporting other sectors in implementing their own green initiatives.

Surging energy and wage costs suppresses profitability

- Technical testing services have struggled to maintain profit margins in the face of surging energy costs. This is particularly prevalent among those with highly specialised, energy-intensive machinery used for chemical, environmental stress and material characterisation testing in the energy, advanced manufacturing or chemical sectors.
- According to the Department for Energy Security and Net Zero (DESNZ), the price of non-domestic electricity surged by 63.7% in the three months through December 2023 compared to the same period in 2021. This was a direct result of Russia's invasion of Ukraine in February 2022, as sanctions squeezed the global supply of gas and oil. This weighed on the profitability of testing and analysis services.
- While energy price inflation has eased, costs remain significant. According to the DESNZ, the price of non-domestic electricity remains 42.4% higher over the three months through September 2025 than the same period in 2021. This has contributed to persistent profitability issues for

testing companies.

- Testing companies rely on highly-skilled, often technically specialised workers to run complex tests and validation surveys. A UK-wide shortage of lab technicians and specialist technical staff has hiked up wage costs, as the tight labour pool requires companies to compete for workers with incentive packages. This is particularly prevalent for tech and IT testing companies, with the Digital Leadership Report 2025 claiming that the UK is experiencing the fastest-growing tech skills shortage in over 15 years. This weighs heavily on industry profitability.
- Technical testing labs are focusing on sustainable energy usage and factory automation to alleviate cost pressures on margins. SGS is working on fully digitalising its laboratory portfolio in order to improve efficiency and ease costs, mitigating its reliance on a physical labour force. The company has also boasted a carbon-neutral status since 2014, following efforts to reduce energy consumption. These initiatives mitigate cost pressures and improve margins for testing companies.

Outlook

↑ 2026-31 Revenue CAGR: 3.8%

What's driving the industry outlook?

AI could alter future regulatory frameworks

- AI implementation is transforming UK businesses across several sectors. According to a Moneypenny survey from May 2025, 39% of UK businesses use AI in some way, with a further 31% considering using it in the near future.
- As AI is integrated into new products, technologies and operations, testing and analysis companies are likely to face a different regulatory environment. Products may become increasingly complex, with sensors, connectivity and machine-learning components being integrated with traditional hardware. This could change the safety requirements for products, with typical hardware standards combined with new benchmarks for data quality and model behaviour. Any regulatory updates that change the standards for AI use and implementation in products could spur demand for certification and testing services.
- UK product safety law currently doesn't include AI-specific legislation. The Artificial Intelligence (Regulation) Bill was initially introduced in November 2023 and was reintroduced in March 2025 with the aim of establishing an AI authority to regulate AI use in businesses. However, the Bill is yet to become law.
- Through its AI Opportunities Action Plan, published in January 2025, the government has outlined its support for growth-driving AI use. In January 2025, the government provided an update to this plan, outlining its aim to provide strategic guidance to regulators to ensure the safe implementation of AI-powered innovation.
- As legitimate AI regulation remains scarce, with the government focused on implementation for rapid growth as opposed to restricting use, technical testing and analysis companies are likely to introduce services that help their clients to optimise their use of AI. For example, in June 2025, Intertek introduced Intertek AI2, a program to help organisations implement AI into their products, operations and workforces through risk assessments and quality management frameworks. These tactics align with the government's approach and could bolster revenue growth for testing companies.

Government support could re-establish manufacturing activity

- Technical testing and analysis companies rely on activity in the production and manufacturing sectors to sustain demand for follow-up inspections and product validation. This sector has faced several issues in recent years. According to the ONS Index of Production, the volume of total UK production slid down by 2.4% over the year through June 2024, as consumer uncertainty and high interest rates weighed on manufacturing demand.
- Problems have persisted for the UK production sector, with the ONS reporting a drop in production output by 0.1% over the three months through November 2025, as a result of subdued demand and high input costs. In turn, this has hit revenue prospects for testing and analysis companies.
- The government has introduced support packages to help the production and manufacturing sectors navigate out of this period of slow growth. The UK's Modern Industrial Strategy, introduced in June 2025, outlines a 10-year plan to bolster business investment in primary high-growth sectors, including a £4.3 billion package for advanced manufacturing. If these schemes help boost production output, revenue could filter through to testing and analysis companies to ensure product safety, quality and regulatory compliance.
- In anticipation of improved production volumes, testing companies are likely to expand their sector-specific facilities to support greater product testing capacity in industrial regions. For example, SGS opened a new facility in Manchester in November 2025 to bolster its capacity for electrics testing, including household appliances and consumer electronics. As Manchester is renowned for its substantial manufacturing activity, this expansion is strategically positioned to capitalise on surging production. These tactics could help testing companies attract greater demand from downstream manufacturers and bolster revenue prospects.

Accelerating nuclear power projects could offer vast revenue prospects

- Specialised technical testing and analysis companies are crucial to certify the safety, compliance and operational efficiency of nuclear power generating facilities. This type of energy generation is one of the most regulated industries in the world, inciting a need for third-party technical testing experts.

- Nuclear energy is becoming a central pillar of the UK's net zero transition strategy. As part of the UK government's Plan for Change, published in December 2024, new nuclear power plant projects will be, and have been, approved. This included the June 2025 announcement of a £14.2 billion funding package for the Sizewell C nuclear project, scheduled for completion in the mid-to-late 2030s. The government is also aiming to overhaul red tape to allow small modular reactors to be built on a wider variety of sites. These ambitions could indicate a surge in demand for nuclear testing companies.
- In September 2025, the UK and US entered an agreement to bolster the construction of new nuclear power stations. The deal is slated to support private investment in clean energy in the UK, with specific plans including up to 12 advanced modular reactors in Hartlepool to generate power for up to 1.5 million homes. This deal supports the UK government's existing efforts and accelerates nuclear power generation, in turn stimulating extensive revenue opportunities for testing companies.
- Companies with the required nuclear testing abilities are likely to expand these divisions in anticipation of the acceleration of nuclear generation. Intertek boasts a vast array of nuclear engineering services, including nuclear quality assurance and risk assessments. As this industry is highly regulated, smaller testing companies may not have the specified requirements to conduct rigorous nuclear tests, potentially squeezing them out of the market. However, they may enhance their testing capabilities for nuclear-relevant technologies, such as lower-risk non-safety-class components, including pipework or storage tanks.

The escalating threat of cyberattacks could inflate demand for systems testing

- As AI adoption takes off, the prevalence of sophisticated, automated cyberattacks is soaring, putting more and more industries at risk of data leaks, financial loss and operational disruption. This could accelerate demand for IT systems stability testing in the coming years.
- According to the National Cyber Security Centre (NCSC), the number of nationally significant cyberattacks more than doubled over the year through September 2025, with UK businesses experiencing around four major attacks every week. In August 2025, Jaguar Land Rover suffered a severe cyberattack that halted global production for 5 weeks. The substantial £500 million loss resulting from the attack spurred concerns about the weakness of UK businesses' cybersecurity systems. Retailers were also hit, with Marks & Spencer and Co-op Group facing significant operational disruptions.
- The NCSC anticipates cyberattacks to remain a critical threat for the next few years, requiring UK businesses to upgrade their software systems in line with the abilities of AI-enabled cyber tools to ensure infrastructure remains impenetrable.
- As the fear and threat of cyberattacks escalates, testing and analysis services are likely to see an uptick in demand for IT software and cybersecurity tests. As many organisations look to frequently upgrade their infrastructure, cybersecurity tests could be a recurring, long-term source of revenue for specialised testing companies.
- Testing companies are likely to look to capitalise on soaring cybersecurity threats by expanding their software infrastructure divisions and packaging cyber audits into their existing portfolios. SGS offers cybersecurity testing, training and certification services to bolster businesses' technical infrastructure across supply chains. In January 2026, the company published an article on the impact of digital trust on consumers, encouraging businesses to consistently test the stability of their cybersecurity to avoid customer loss. These tactics could help testing companies align their services with the highest areas of demand, bolstering revenue growth.

Volatility

High

What influences industry volatility?

Downstream activity stimulates revenue fluctuations

- Production, manufacturing and construction sectors rely on testing and certification services for quality assurance, structural stability and product certification.
- Over the two years through March 2023, the ONS Index of Production plummeted by 8.5%, indicating overall dampened activity in the production and manufacturing sectors, despite small upticks throughout the period. This period also presented challenges to the construction sector, with total construction output plummeting 1.4% over the three months through March 2023, according to ONS data, following a period of substantial volatility. These sectors were hit by soaring energy costs, inflationary pressures and supply chain disruptions, weighing on activity and thereby hindering demand for testing services.
- In 2025-26, sector performance remains mixed. While the ONS Index of Production crept up 2.3% over the year through November 2025, total construction output dropped 1.1% over the three months through November 2025, according to ONS data. This incites substantial volatility in demand for testing services.

Changing regulatory requirements impact demand for testing services

- Regulatory requirements affect demand, as more testing services are generally needed when regulations tighten. When regulations are relaxed, this tends to have an opposing effect on testing services' revenue.
- Following the Grenfell Tower fire enquiry, the UK government implemented tightened fire safety standards through the Fire Safety (England) Regulations 2022. This pushed an uptick in demand for fire safety testing and building inspections.
- The UK government introduced the UKCA marking for all UK products following Brexit, with the initial aim to fully replace the EU CE marking by

January 2021. This sparked demand for testing and analysis services, as businesses sought out new product testing and certification. However, the indefinite extension of the validity of the CE marking in August 2023 dampened this activity, hitting revenue prospects for testing services.

Hazardous

Industry volatility vs. revenue growth (2021-2026 CAGR)



☆ Key Success Factors

How do successful businesses overcome volatility?

Adapt quickly to changing regulations

Ensuring that all testing, certification and inspection services are up to date with new regulatory standards allows companies to capture greater demand as clients navigate new requirements.

Develop a strong reputation

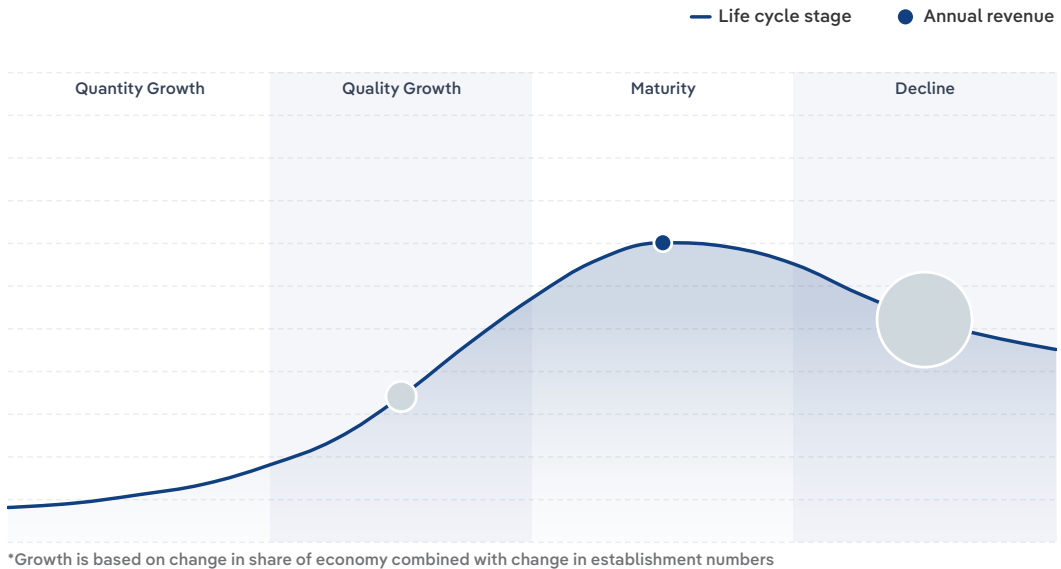
Earning a reputation for high-quality, reliable results can attract repeat business, offering a degree of protection against severe revenue volatility.

Life Cycle

Mature

Life Cycle

Indication of the industry's stage in its life cycle compared to similar industries



Why is the industry mature?

Contribution to GDP

The Technical Testing and Analysis industry caters to a wide variety of downstream sectors, stimulating economic activity and encouraging a consistently high contribution to GDP. Fluctuations in industry-valued-added are associated with dampened output from construction and manufacturing sectors. Overall demand for industry activity remains high as clients navigate complex regulatory environments.

Market Saturation

As technical testing and analysis services are required across a multitude of sectors for various functions, companies can specialise in particular niches, such as material testing, building safety certification or cybersecurity, and compete effectively against larger players. Larger players tend to have the financial capacity to focus on energy-intensive or highly specialised services, such as nuclear testing.

Innovation

Technical testing and analysis companies are adapting to growing cyber threats by offering more in-depth testing services for companies' security systems. This includes testing for traditional attacks and providing training for employees to detect phishing or email-spoofing scams, bolstering their clients' IT infrastructure stability.

Consolidation

A degree of consolidation activity has taken place, with larger companies acquiring smaller companies to widen their service offerings. For example, Socotec acquired Aspect Land and Hydrographic Surveys in July 2024 to strengthen its environmental testing services. However, scale is not an important factor for success in the industry.

Technology and Systems

Testing companies are integrating automation into their laboratories and back-office operations to improve efficiency and reduce labour costs associated with repetitive manual tasks. Companies are also implementing AI both into their own operations and in the services they offer to clients, allowing them to stay ahead of the curve and boost their technological prowess.

Products and Markets

Key Takeaways

- The extension of CE marking hinders demand for product testing and certification.** The UK government has indefinitely extended the validity of CE marking for UK products, suspending the need for investment in new UKCA marking certification.
- A shift to renewable energy boosts opportunities for testing companies.** The development of renewable energy solutions and growing public concern for the environment drive the need for testing and analysis from the energy sector.

Largest Market

£2.2bn

Product testing and analysis

Product Innovation

Moderate

Products and Services

How are the industry's products and services performing?

The extension of CE marking suppresses demand for product certification

- Product testing and analysis helps to identify warranty issues, check whether specifications have been met and ensure compliance with regulations.
- In January 2021, the UK government introduced the UK Conformity Assessment (UKCA) mark to replace the EU's CE mark to indicate whether a product conforms to health and safety and environmental protection. This aided the demand for certification services offered by testing and analysis companies.
- In August 2023, the government announced an indefinite extension for the validity of the CE mark following backlash over the regulatory and financial hurdles associated with the UKCA. This has led many product manufacturers to suspend investment in certification for the UKCA mark, weighing on demand for product testing and analysis services.

Income from process and systems testing soars as cyber threats multiply

- Process and systems testing and analysis services to business clients include software and application testing and certification, software quality assurance, cybersecurity testing and wireless device testing and certification. Services provided to industrial and manufacturing businesses include risk assessment to help enhance productivity and minimise the risk of errors within production processes.
- According to Ofcom's Connection Nations 2025 report, 83% of the UK has access to full 5G from at least one mobile network. This rapid rollout of 5G has fuelled demand for cybersecurity testing services, as the technology's enhanced infrastructure makes businesses more vulnerable to attacks.
- AI is increasingly used by hackers for more sophisticated attacks. In 2025, businesses were rocked by major cyberattacks, including

those against Marks & Spencer in April 2025 and Jaguar Land Rover in August 2025. This has hiked demand for cybersecurity testing.

Materials and equipment testing struggles amid dampened activity

- Companies test and analyse materials and equipment for industrial, construction and energy companies to ensure they meet customer and regulatory standards.
- Industrial production activity has struggled over the past five years, as a result of severe labour shortages, surging input costs and ongoing supply chain disruptions. According to the ONS Index of Production, the volume of UK production dropped 5.4% between January 2022 and January 2025, representing a general downward trend across the period. As equipment and material testing scales with output volumes, this has dampened demand for testing companies.
- According to the ONS Index of Production, the volume of UK production inched up by 1.4% between January and November 2025, but recovery is slow. Simultaneously, construction output has suffered, with the ONS reporting a 1.1% drop in total construction output over the three months through November 2025. As production and construction activity continue to struggle, demand for quality and safety testing has contracted.

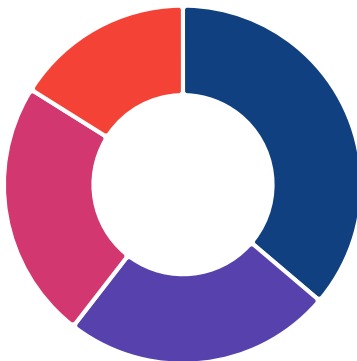
Demand for agriculture and food testing remains strong

- Companies test, inspect and certify agricultural products, procurement, cargo and storage procedures. They also sample, test and analyse food.
- Post-Brexit regulatory divergence regarding food product certification for goods moving in and out of the UK has propelled the need for separate UK and EU certifications. After leaving the EU, the Food Standards Agency has taken over risk assessment and authorisation for certain food products, supporting ongoing food testing and analysis.
- Surging concerns over food-borne diseases have supported demand for food testing, driven by decade-high cases of Salmonella in 2024,

according to the UK Health Security Agency. Customers are increasingly health-conscious and are demanding high-quality, contamination-free food products.

Products & Services Segmentation

Industry revenue in 2026 broken down by key product and service lines.



- Product testing and analysis (£2,163.1m) 36.2%
- Process and systems testing and analysis (£1,452.0m) 24.3%
- Materials and equipment testing and analysis (£1,398.3m) 23.4%
- Agriculture and food testing and analysis (£962.1m) 16.1%

☆ Key Success Factors

What products or services do successful businesses offer?

Comply with required product standards

Heavy regulations mean compliance with product standards not only maintains credibility and market trust but also ensures avoidance of legal issues.

Quickly adopt new technology

Some tests can require the use of high-tech equipment. The ability to quickly adopt new technology can enhance and increase service offerings, while driving down costs.

Innovations

Moderate

What are innovations in industry products and services?

Automation drives efficiency

- As downstream clients improve their efficiency through AI and automation, they expect their providers of tests, analyses and certification to follow suit, in order to meet their increasingly aspirational scheduling targets.
- Major companies are investing in laboratory and back-office automation to bolster the efficiency of repetitive manual tasks. In November 2023, SGS successfully digitalised over 350 of its laboratories, improving the efficiency, quality and sustainability of its testing and analysis solutions. This is part of the company's plan overall target to have a fully digitalised lab portfolio by 2025, though there's no update on its progress.

Sustainability promotes profitability and brand prestige

- As the UK surges towards the government's ambition for hitting net-zero greenhouse gas emissions by 2050, the industrial, mining, construction and manufacturing sectors are doubling down on the sustainability of their supply chains. In turn, testing and analysis companies are under pressure from both the government and their clients to integrate sustainability initiatives into their own operations.
- According to Intertek's 2024 Sustainability Report, the company reported a plummet of operational emissions of 47.2% between 2019 and 2024. This was attributed to optimising energy usage in offices and labs and transitioning to sustainable sources.
- Sustainability efforts are industry-wide and help to both improve the reputation of technical testing and analysis labs and ease utility costs by promoting energy-saving initiatives. Overall, this can help companies bolster their profitability.

AI is integrated into testing operations and services for clients

- As more products and production methods integrate AI, the need for testing and certification requirements for the quality and safety of AI operations is expanding.
- Intertek launched Intertek AI2 in June 2025, a platform dedicated to advising clients on how to effectively implement AI in products, operations and workforces. This service assures downstream clients that the company fully understands the regulatory requirements and the potential benefits of AI implementation, supporting businesses in their transition to a new technology phase.
- Technical testing and analysis companies are also integrating AI into their own operations, to show customers they are ahead of the curve. For example, Socotec launched BlueGen in March 2025, providing its experts with a digital tool to generate detailed analyses based on data and test results.

Major Markets

What's influencing demand from the industry's markets?

Struggling industrial production activity dampens product releases

- Technical testing and analysis companies perform tests and follow-up inspections, issue certificates and conduct audits for the industrial and manufacturing sectors.
- High operational costs from surging energy prices, Brexit-related trade barriers and severe skills shortages have dampened production output in recent years. According to the ONS Index of Production, the volume of UK production dropped 3.8% over the year through January 2023. This was a result of hiking inflation and the heightened energy costs, supply chain disruption and uncertainty associated with Russia's invasion of Ukraine in February 2022.
- In 2025-26, manufacturing and production have recovered somewhat from previous turmoil, with the ONS reporting a 1.4% climb in the volume of UK production between January 2025 and November 2025. However, persistent supply chain bottlenecks and the escalating consequences of cyberattacks, including the Jaguar Land Rover incident in August 2025, continue to wreak havoc on the sector. This squeezes demand for testing and certification services.

Persistent struggles in the construction activity suppress demand for testing companies

- Construction companies rely on testing companies for materials, equipment and soil testing, as well as vibration and stress tests.
- In January 2023, the Fire Safety (England) Regulations 2022 came into force, outlining upgraded requirements for fire safety in buildings following the Grenfell Tower Enquiry. This spiked demand for testing and certification for high-rise buildings.
- The S&P Global UK Construction Purchasing Manager's Index dropped to a five-year low of 39.4 in November 2025. Any value

under 50 represents a contraction in construction activity, and all 2025 values were below 50. While this recovered slightly to 40.1 in December 2025, the sector continues to face substantial issues. This was largely attributed to delayed investment decisions in anticipation of the government's Autumn Budget in November 2025 and overall dampened confidence. This has minimised demand for testing and certification from the construction sector.

Rising regulations in the food and agricultural sectors sustain business

- Testing and analysis services provided to food processing and agricultural businesses include food testing, inspection and certification and agricultural testing and inspection.
 - Testing companies provide food auditing for distribution channels and warehouse solutions, package testing and food regulatory consulting.
 - Following Brexit, the UK has introduced new regulations regarding food product certification under the Food Standards Agency. Food from EU importers is tested and certified under the oversight of the Department for Food and Rural Affairs. SGS Trade Facilitation Services operates under its UK division, specialising in customs clearance and compliance of many imported products, including food.
 - Surging health- and quality-consciousness in the UK is driving demand for additive-free, contaminant-free products, which require particular testing and certification.
- #### A shift to renewable energy has boosted revenue opportunities for testing companies
- The energy sector requires testing, inspection and certification services to oil and gas companies, refining distributors and energy market (e.g. petrochemical, nuclear power, solar, biofuel, wind).
 - The fuel crisis spurred demand for testing and analysis services. The

UK imported greater volumes of liquefied natural gas (LNG) to supplement the contraction in Russian gas supply before piping it out to mainland Europe. According to the National Gas Transmission, 12.16 billion cubic metres (bcm) of gas were delivered to the EU from the UK over the summer of 2022, compared with a previous average of 4 bcm. This required extensive energy testing and inspection.

- As all sectors in the UK position themselves for the government's target to hit net zero emissions by 2050, the energy sector is rapidly developing renewable energy solutions. According to Carbon Brief, renewable sources hit a record in 2025, providing 47% of the UK's electricity. This stimulates demand for testing and inspection of new renewable sources.

The IT sector drives growth in system testing

- Many other enterprises use testing and analysis. Telecommunications and IT companies rely on the industry for

software and application testing and certification. Companies in the services sector also purchase penetration testing services to ensure resilience from malicious attacks.

- Continued infrastructure upgrades have strengthened demand for technical tests, supporting revenue growth. The rollout of 5G, for example, has improved network speed and efficiency, requiring technical tests due to the complexity and versatility of the infrastructure.
- The National Cyber Security Centre reported 204 nationally significant cyberattacks over the 12 months through August 2025, more than double that of the previous year. The escalating threat of cyberattacks has spurred Telecommunications and IT companies to enhance their cybersecurity, using testing services to conduct infrastructure stability checks.

Major Markets Segmentation

Industry revenue in 2026 broken down by key markets



- Industrial and manufacturing sectors (£2,276.7m) 38.1%
- Construction sector (£1,362.4m) 22.8%
- Food and agricultural sectors (£908.3m) 15.2%
- Energy sector (£729.0m) 12.2%
- Other (£699.1m) 11.7%

International Trade

No data

Some industries don't directly import or export goods. See reports at the manufacturing level for international trade data on relevant products.

Geographic Breakdown

Key Takeaways

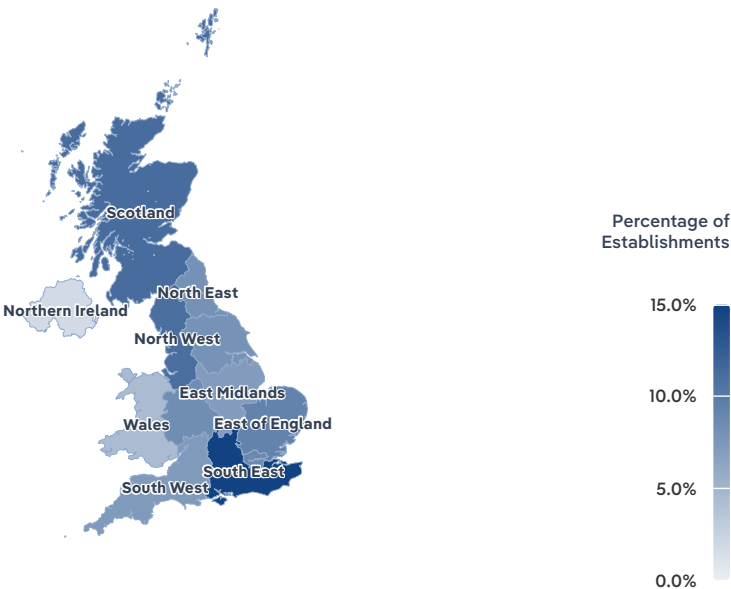
The South East is home to key transport and tech companies. High demand for testing services to validate the stability of software infrastructure and the quality of key transport components attracts testing and analysis companies to the region.

Scotland is close to key markets. Scotland holds the oil and gas industry, as well as the renewables sector, so demand for testing and analysis services is strong in the region.

Business Locations

Business Concentration

Percentage of total industry establishments in each region



Sources: IBISWorld

Region	Establishments (Units)	Establishments (%)	Establishments (YoY Growth %)	Population (%)
East Midlands	354	7.1	-1.4	7.4
East of England	462	9.3	-1.7	9.5
London	437	8.8	-1.8	13.1
North East	403	8.1	-2.4	4.0
North West	546	11.0	-1.8	11.2
Northern Ireland	90	1.8	-2.2	2.7
Scotland	559	11.2	-2.1	7.8
South East	738	14.8	-1.3	14.0

Region	Establishments (Units)	Establishments (%)	Establishments (YoY Growth %)	Population (%)
South West	362	7.3	-1.4	8.5
Wales	217	4.4	-1.4	4.6
West Midlands	419	8.4	-1.4	8.9
Yorkshire	399	8.0	-1.5	8.2

You can access and download additional years of data, including district-level data, at my.ibisworld.com.

Where are businesses located?

The South East offers revenue prospects from tech firms and the transportation sector

- Testing and analysis companies in the South East are supported by soaring economic activity, with the region (including London) accounting for 37.8% of the UK's output, according to Make UK's Regional Manufacturing Outlook 2025 report. While manufacturing activity remains below the national average, high-performing segments in the region include food and drink and electronics. This presents a need for testing and inspection services among these sectors in the South East.
- According to RSM UK, the South East had the second-highest number of tech company incorporations in 2023 at 5,160, behind London. These companies rely on testing and analysis services to ensure their software is secure and user-friendly before release, making the South East an attractive region for testing companies specialising in this segment.
- The South East is considered to be an international gateway for goods travelling in and out of the country through its major ports, such as the port of Portsmouth. This underscores the need for testing and inspection of products for export and imported goods. The region is also known for its international airports, railways and ferry lines, driving demand for testing and inspection services from the transportation sector.
- The presence of well-established academic institutions, including the University of Oxford and the University of Surrey, provides a pool of skilled labour for highly specialised testing and analysis companies.

Scotland is known for its surging renewable energy sector

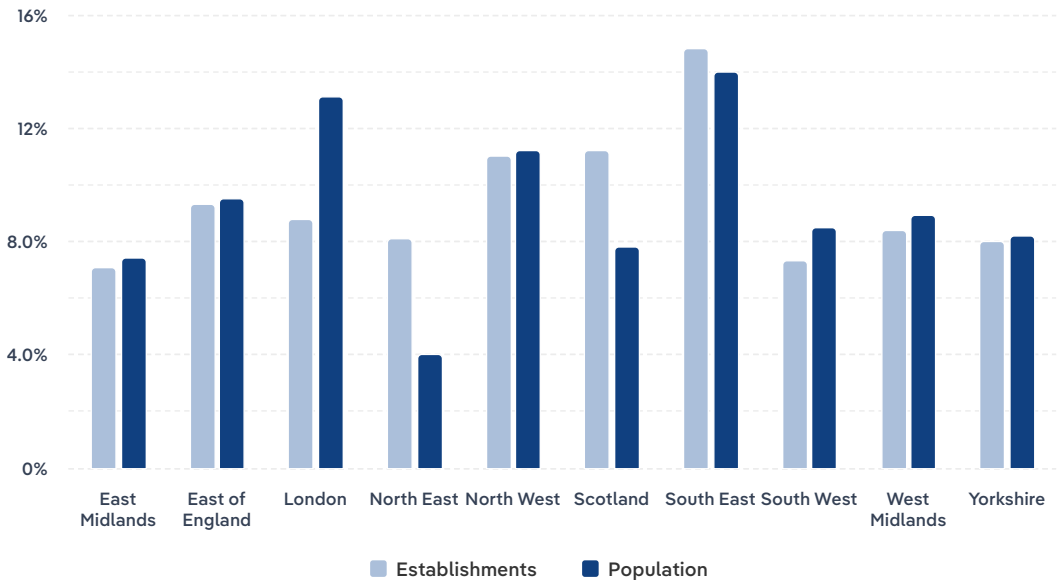
- Scotland is the primary location for the UK's North Sea industry, hosting many oil and gas extraction companies. According to NatureScot, Scotland is one of the largest oil producers in Europe, creating a need for extensive testing, inspection and certification of oil extraction processes and quality validation.
- Scotland is also a hub for renewable energy generation, hosting extensive offshore wind farms, such as Hywind, as well as a substantial hydroelectricity programme. According to data reported by the Scottish Government, renewable sources generated 113% of Scotland's overall electricity consumption in 2022, meaning the country generated more renewable energy than it consumed. These major advances in Scotland's transition to net zero support demand for technical testing and analysis services for renewable sources.
- According to Make UK's Regional Manufacturing Outlook 2025 report, Scotland generates 9.9% of its regional output from manufacturing, primarily from the food and drink industry. Scotch whiskey is a well-known commodity from the region. The significance of the food and drink sector creates a need for product testing and certification services.

The North West's major manufacturing sector spurs a reliance on testing companies

- The North West is renowned for its extensive manufacturing presence. According to Make UK's Regional Manufacturing Outlook 2025 report, 13% of the region's output comes from the manufacturing sector, far above the UK average of 9.1%.
- Transport equipment manufacturing is particularly prevalent in the region, according to the Make UK report, providing endless opportunities for testing and analysis companies specialised in this segment. Major automotive manufacturers, including Jaguar Land Rover and Bentley, operate in the North West, driving demand for vehicle and electric vehicle testing. Lancashire hosts the largest concentration of aerospace production in the UK, according to the Department of Transport, outlining the extensive opportunities for testing and analysis companies from the North West's transportation sector.
- According to Innovate UK, the North West is becoming one of the UK's leading technology hubs. In November 2025, SGS opened its new electronics testing facility in Manchester, claiming that its strategic location enables the company to meet soaring client demand from tech businesses.

Business Concentration

Share of establishments (%) vs. share of population (%)



☆ Key Success Factors

How do businesses use location to their advantage?

Operate in a location that is close to key markets

Testing companies need to be located close to clients to accurately carry out testing of samples. Samples must not be exposed to extended transport times and conditions, particularly in food testing.

Provide goods and/or services in diverse locations

Leading companies in the technical testing and analysis industry capitalise on their geographical reach, offering services across various strategic locations.

Competitive Forces

Key Takeaways

Low prices, reliability and familiarity with client industries are advantages. Low market concentration means that pricing has a significant impact on competition. Reputation is also important, as it determines whether or not companies can charge a premium.

Testing and analysis companies face competition from in-house labs. Some companies can opt to perform in-house testing without being required to use accredited testers. While this may not be feasible for smaller companies, larger organisations are well-positioned to do so.

Concentration	Competition	Barriers to Entry
Low	High Steady	Moderate Steady
Substitutes	Buyer Power	Supplier Power
Low Steady	High Steady	Moderate Steady

Concentration

What impacts the industry's market share concentration?

Major companies consolidate both domestically and internationally

- Consolidation activity in the Technical Testing and Analysis industry has ramped up, as larger companies look to expand their service offerings.
- In November 2023, Socotec acquired building pathology specialist, Hutton + Rostron, supporting its building and real estate surveying activities. In July 2024, Socotec acquired Aspect Land and Hydrographic Surveys to expand its coastal and environmental surveying services. This demonstrates the company's rapid expansion efforts to diversify its services and attract a wider customer base, driving industry concentration.
- Many multinational testing companies have focused on expansion outside of the UK in recent years. For example, according to Intertek's November 2025 Trading Update, the company acquired three companies in Brazil, Australia and Costa Rica throughout 2025. While international expansion can help enhance a company's reputation among domestic clientele, it doesn't directly boost industry concentration in the UK market.

Smaller companies specialise in particular niches

- Industry concentration is creeping up as larger companies consolidate. However, according to ONS data covering 2023-24, 75.3% of testing and analysis companies employ less than five people, demonstrating the prevalence of small-scale services in the industry.
- The vast array of industry activities allows smaller companies to compete by specialising in particular niches, such as building

surveying, mineral testing or water pollution testing. However, the need for accreditation and quality assurance hinders the extent to which small companies can enter the industry and effectively compete against major players.

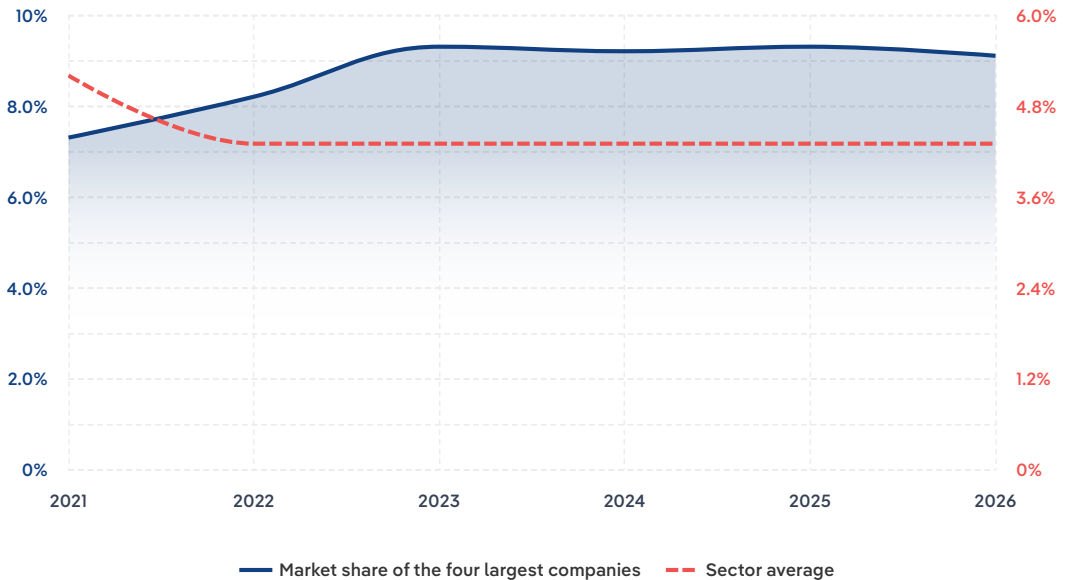
- Focusing on a particular niche can amplify risk for smaller companies. For example, those specialised in new building surveying will see a drop in demand when new build construction contracts. When the British Property Federation declared a plummet in new homes construction of 14% in 2024, this spurred issues for those specialised in building inspections. This squeezes smaller companies' ability to capture market share.

Larger companies provide services to a range of sectors

- Larger technical testing companies capitalise on extensive service offerings, allowing them to meet a broad customer base and hold an advantage over uniquely specialised competitors.
- Companies like Intertek typically cover a vast range of service activities. Intertek's UK division covers testing and analysis across chemical, food, manufacturing, construction, energy, consumer products and other segments. This solidifies revenue growth for larger companies, as if one downstream segment suffers, it is less likely to dampen overall demand for the company's services. In turn, larger companies tend to sustain revenue growth, enabling them to capture a greater market share.
- A handful of large companies specialise in a particular niche. For example, Lloyd's Register has focused on the maritime sector, selling its cybersecurity division to Goldman Sachs in June 2021 and pursuing maritime-based acquisitions. This squeezed Lloyd's Register's market share in the industry, but the company now reigns dominant in this particular segment.

Market Share Concentration

Combined market share of the four largest companies in this industry



☆ Key Success Factors

How do successful businesses handle concentration?

Maintain excellent customer relations

High-standard customer services ensure clients remain loyal and refer the company to others, allowing the company to capture a larger share of the market.

Quickly adopt new technology

As analytical techniques evolve, companies that keep up and invest in the latest advanced tech can provide superior services and outperform competitors, boosting their market share.

Barriers to Entry

Moderate

Steady

What challenges do potential industry entrants face?

Legal

- Testing and analysis companies must receive accreditation and authorisation from relevant bodies to provide services to their clients. Receiving this accreditation can take a substantial amount of time due to documentation and assessment timelines, as well as financial investment, creating a significant barrier to entry.

Start-Up Costs

- Alongside costs for accreditation, testing and analysis companies must attract, hire and retain qualified professionals. They must also invest significantly in equipment to perform services, with the costs involved depending on the type of testing. Laboratory space that is compliant with strict hygiene and safety standards is also often required.

Differentiation

- Competition between testing and analysis companies is high, as the industry is highly fragmented. Companies can differentiate themselves by specialising in a sector or service, such as chemical testing, vehicle certification or nuclear testing. Establishing a positive reputation with customers can also improve a company's positioning in the industry, even if it provides similar services to other competitors.

☆ Key Success Factors

How can potential entrants overcome barriers to entry?

Comply with required product standards

Adherence to standards is critical in the testing and analysis field. Compliance not only ensures safety and legality, but also boosts company reputation, resulting in enhanced trust and patronage from customers.

Develop strong technical product knowledge

Mastering the complexities of specific testing methods gives companies a leading edge, enhancing accuracy and providing a reliable service, contributing to their credibility in the industry.

Have a diverse range of clients

A varied client base helps to minimise risk. During economic instability or market fluctuations, having several client segments provides a safety net by distributing reliance, ensuring sustained revenue flow.

Substitutes

Low

Steady

What are substitutes for industry services?

Bug bounty hunting programmes

- Multiple downstream sectors rely on cybersecurity testing to ensure the stability of their systems. The importance of this has escalated in recent years, with major cyber-attacks, including that on Jaguar Land Rover in August 2025, becoming increasingly prevalent.
- As companies look to solidify the security of their systems, many opt for bug bounty hunting programmes, whereby companies offer rewards for ethical hackers to discover bugs or exploits in their software. These programmes outsource penetration testing and other cybersecurity functions, hindering demand for technical testing services.
- Major software and e-commerce companies, including Microsoft and Amazon, employ bug bounty programmes to bolster their cybersecurity, as their size makes them common targets for malicious attacks.

In-house

- Some companies can opt to perform in-house testing where they are not required to use accredited testers. While this may not be feasible for smaller companies, larger organisations are well-positioned to do so.
- Food manufacturing companies often test batches for quality assurance themselves. Kit Kat is famous for taking bars that fail to meet their standard and mashing them up for use as filling paste in new batches.
- In-house testing can be popular, as it often saves on costs and tightens the timeline between product testing and bringing it to the market. Devlin Electronics boasts an extensive in-house product testing facility, investing in its own Electro-Magnetic Compatibility chamber to ensure quality and compliance with international standards.

☆ Key Success Factors

How do successful businesses compete with substitutes?**Invest in new technology to enhance operational efficiency and quality**

Investing in advanced technology increases efficiency and ensures exceptional testing and analysis quality, a key differentiator that helps companies stand out in the face of substitute competition.

Offer a competitively priced product

Price is a key competitive factor. Companies that offer high-quality testing and analysis services at competitive prices can deter customers from switching to substitute services.

Secure a highly skilled workforce

Companies offer technical services to their clients, so they need access to a qualified and skilled workforce to meet client expectations and overcome the threat of substitutes.

Buyer & Supplier Power

Supply Chain

Direct and indirect supplier and buyer industries related to this industry



What power do buyers and suppliers have over the industry?

High

Steady

Buyers: Intense competition raises power

- The Technical Testing and Analysis industry is highly fragmented, offering a number of companies that provide similar services to its key markets. To compete effectively, companies rely on prestige and quality to attract customers. The highly competitive environment allows customers to wield high levels of buying power.
- Large buyers, such as major industrial or energy clients, offer large, recurring test volumes across various sites. This gives them leverage to demand volume discounts and negotiate favourable payment terms, as losing this recurring revenue source could hit providers hard.
- Where testing methods are standardised, such as through routine product or environmental tests, buyers can compare quotes easily, forcing

testing companies to dampen their asking prices.

Moderate

Steady

Suppliers: Specialised testing requires specific tools

- While technical testing and analysis companies rely on employee qualifications and expertise, they must use specialised testing machinery and tools when needed.
- Testing equipment carries a high price tag, as equipment companies invest heavily in R&D and can offload this onto companies. As downstream clients ramp up their automation to improve efficiency, testing providers must follow suit, boosting their reliance on high-tech machinery to meet customer standards.
- Some tests require specific chemicals for procedures, and the scarcity of chemicals determines the premium charged. For example, helium is used in chemical tests such as gas chromatography and is increasingly scarce. This has bolstered the supplier power of gas companies offering helium for testing, as they sell to the highest paying bidder.

☆ Key Success Factors

How do successful businesses manage buyer & supplier power?

Develop effective quality control

Testing companies with stringent quality control processes earn high credibility, managing buyer power by attracting more clients seeking reliable services.

Ensure prompt delivery to market

Customers often require services to be delivered promptly. Good production and communication systems can help companies meet the demands of different clients.

Secure access to high-quality inputs

Access to advanced testing tools and instruments ensures accurate results, managing both supplier and buyer power as it promotes efficiency and attracts customers needing high-precision testing.

Companies

Key Takeaways

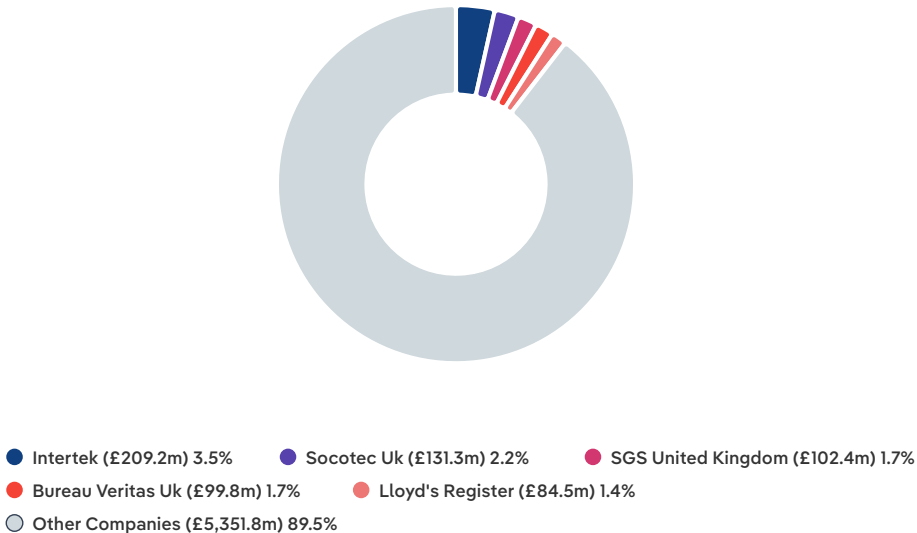
Intertek leads the Technical Testing and Analysis industry. Through global acquisitions and technological innovation, Intertek attracts major demand from its vast array of downstream clients.

Socotec appeals to a range of UK sectors. The company offers testing and energy compliance support for infrastructure and construction sectors as they implement net-zero initiatives.

Market Share

Industry Market Share by Company

Industry-specific company revenue as a share of total industry revenue.



This chart has been simplified for the PDF and may not display all available data. View the full interactive chart on my.ibisworld.com for additional data and detail.

Company	Market Share (%)	Employees	Locations	Company Type	Headquarters
Intertek	3.5	10,000+	1,000	Public	London, England
Analytical Construction Services	0-2.5	1,000-5,000	4	Private	Poole, England
Socotec Uk	2.2	1,000-5,000	20	Private	Burton-On-Trent, England
Marlowe	0-2.5	10,000+	2	Public	London, England
SGS United Kingdom	1.7	1,000-5,000	50	Private	Cheshire, England

Company	Market Share (%)	Employees	Locations	Company Type	Headquarters
Bureau Veritas Uk 	1.7	1,000-5,000	25	Private	Birmingham, England
Lloyd's Register 	1.4	5,001-10,000	70	Private	London, England
SGL Labs 	0-2.5	51-200	16	Private	London, England
BM Trada 	0-2.5	51-200	2	Private	High Wycombe, England
LGC 	0-2.5	1,000-5,000	5	Private	Guildford, England
Alfred H Knight 	0-2.5	1,000-5,000	25	Private	Prescot, England
Alex Stewart International 	0-2.5	501-1,000	3	Private	Bootle, England
National Physical Laboratory 	0-2.5	1,000-5,000	1	Private	Teddington, England
Fera 	0-2.5	501-1,000	4	Private	York, England
British Board of Agrément 	0-2.5	51-200	3	Private	Watford, England
Cemas 	0-2.5	51-200	2	Private	Wokingham, England
Microsearch Laboratories 	0-2.5	51-200	3	Private	Hebden Bridge, England
ALS Laboratories 	0-2.5	201-500	6	Private	Coventry, England
Petricore 	0-2.5	51-200	3	Private	London, England
Praeluceo Group 	0-2.5	201-500	1	Private	Barnard Castle, England

Company Details

Intertek

Description

Intertek Group plc was established in 1888 and is headquartered in London. Intertek provides testing, inspection, verification and certification for processes, products and services. These services are split into five segments: industry and assurance; commodities; commercial and electrical; chemicals and pharmaceuticals; and consumer goods.

Company Total Revenue (2026)

£3.4bn

Industry Specific Revenue (2026)

£209.2m

Industry Market Share (2026)

3.5%

Employees (2026)

10,000+

Headquarters

London, England

Company Type

Public

Locations (Top 10)

London, England

Other Industries

Laboratory Testing Services in the US

Technical Testing & Analysis in the UK

Driving Schools in the UK

Other Professional, Scientific & Technical Activities in the UK

Other Professional, Scientific & Technical Activities n.e.c. in the UK

Architectural & Engineering Activities & Technical Testing & Analysis in the U

Dry Dock & Cargo Inspection Services in the US

A Full Locations list can be accessed in Atlas.

What's impacting Intertek's performance?

Global acquisitions expand services in new sectors

- Through acquisitions, Intertek has expanded its service offerings around the world. This reduced exposure to industry- and region-specific risk.
- The company has amplified its focus on growth in the US through a number of regional acquisitions. In March 2024, it acquired Base Met Labs, boosting its global minerals offering in North America. In November 2025, Intertek doubled down on its product testing business with the acquisition of Professional Testing Laboratory, a leading provider of high-quality flooring testing services in the US. While this doesn't directly enhance UK-based revenue, global acquisitions improve the brand's reputation for internationally renowned technical testing.
- Within the UK market, Intertek has recently focused on expansion in pharmaceutical testing, acquiring a new testing facility near Cambridge. This focus shifts the company's attention away from industry-related activities, but supports overall revenue growth.

Technological innovation spurs demand

- In May 2025, Intertek announced its new platform, SupplyTek, offering clients a more efficient sourcing strategy with strict cost control, without compromising the quality or safety of their products. These technological improvements spur demand for Intertek's services across its array of product segments, as the company offers clients a vast suite of high-tech benefits.
- In June 2025, the company launched Intertek AI2, designed to help organisations deploy and manage AI solutions that are transparent and compliant with global regulations. The platform establishes risk frameworks to ensure accountability and safe, comprehensive testing across its specialised AI product segments.
- The adoption and development of AI positions Intertek as a global leader in high-tech adoption that improves customer satisfaction and enhances productivity, supporting businesses through their own AI deployment. In turn, this supports long-term revenue growth.

 You can view and download more company details on my.ibisworld.com.

Socotec Uk

Description

Socotec UK Ltd is headquartered in Burton upon Trent and provides services in the areas of geotechnical services, laboratory and analytical services, materials testing and environmental safety compliance. It has been a subsidiary of French group SOCOTEC since March 2017.

Company Total Revenue (2026)

£134.2m

Industry Specific Revenue (2026)

£131.3m

Industry Market Share (2026)

2.2%

Employees (2026)

1,000-5,000

Headquarters

Burton-On-Trent, England

Company Type

Private

Locations (Top 10)

- Bridgend, Wales
- Burton-On-Trent, England
- Cirencester, England
- Colchester, England
- Doncaster, England
- Glasgow, Scotland
- Romford, England
- Ryton, England
- Weymouth, England

Other Industries

- Technical Testing & Analysis in the UK
- Architectural Activities & Engineering Services in the UK
- Architectural & Engineering Activities & Technical Testing & Analysis in the U
- Consultant Engineering Services in the UK

A Full Locations list can be accessed in Atlas.

What's impacting Socotec Uk's performance?

Acquisitions create a broader service for clients

- Socotec has relied on acquisitions to expand its market share in the Technical Testing and Analysis industry.
- In November 2023, the company acquired Integrated Environmental Technology Group and 40SEVEN to reinforce its position in water monitoring and remote sensing. These companies fully rebranded under the Socotec UK division in April 2025, bolstering the company's standing in the UK market.
- In July 2024, Socotec acquired Aspect Land and Hydrographic Surveys, strengthening its surveying services in coastal and environmental sectors. This was the fifth acquisition the company had completed since 2023, demonstrating its capacity for major inorganic growth over the past few years.
- In 2025, the company continued its focus on inorganic expansion through the acquisition of structural monitoring specialist Lloyds Datum Group in September 2025. This has helped to support revenue growth within the company's testing and analysis activities.

Socotec expects major growth prospects from various UK sectors

- Tightening UK energy and building regulations as the country propels towards 2050 net zero targets has hiked demand for energy compliance, sustainability consulting and testing services that Socotec provides. The company outlines its 'Route to Net Zero Carbon' service to support property developers and owners in their transition towards net-zero.
- According to the Group's Ambitions 2028 plan, the company aims to hit global revenue of €4 billion (£2.1 billion) by 2028, with a particular focus on the UK as its second-largest market. The company anticipates that the UK's Infrastructure division will support this target as the government hikes its support for major projects. Socotec aims to become the sole provider of testing and analysis for

construction megaprojects in the UK, having already supported HS2, the Lower Thames Crossing and other projects.

- Aligning itself with an array of different sectors diversifies Socotec's client portfolio and bolsters revenue prospects.

 You can view and download more company details on my.ibisworld.com.

SGS United Kingdom

Description	Company Type
SGS SA was established in 1878 and is headquartered in Geneva in Switzerland. The UK subsidiary, SGS United Kingdom Ltd, provides testing, inspection, verification, certification, audit and consultancy services and is headquartered in Cheshire. The company's main clients are located in the automotive, chemical, construction, energy and manufacturing sectors.	Private
Company Total Revenue (2026)	
£164.9m	
Industry Specific Revenue (2026)	
£102.4m	
Industry Market Share (2026)	
1.7%	
Employees (2026)	
1,000-5,000	
Headquarters	
Cheshire, England	

What's impacting SGS United Kingdom's performance?

SGS focuses on global acquisitions to support long-term growth

- SGS has expanded its services through a number of large-scale acquisitions, although the majority are focused outside of the UK and focus on sectors outside of technical testing and analysis activities.
- The company's most recent UK-based acquisitions occurred predominantly in 2021, with the acquisition of food testing laboratory Analytical and Development Services and Quay Pharma, a non-industry-related pharmaceutical company, in December 2021.
- In its testing segments, the company has established a global reputation, acquiring North American provider of testing, inspection and forensics solutions, Applied Technical Services, in July 2025. In the same month, the company acquired EFBE, a German-based leader in mechanical testing for bikes and e-bikes.
- While UK-based inorganic growth has slowed over the past five years, the company has continued to report substantial hikes in revenue, as its existing UK subsidiaries attract strong demand. In August 2025, the company acquired a new state-of-the-art testing facility in Manchester to support high demand for electrical testing services.

 You can view and download more company details on my.ibisworld.com.

Bureau Veritas Uk

Description

Created in 1828, Bureau Veritas is a global leader in testing, inspection and certification. Bureau Veritas UK Ltd is a subsidiary of Bureau Veritas SA, a global company headquartered in France. The group has operations in approximately 140 countries. The UK company provides a range of compliance, health and safety, quality and environmental services through three divisions: compliance management, industry and BV solutions.

Company Total Revenue (2026)

£101.2m

Industry Specific Revenue (2026)

£99.8m

Industry Market Share (2026)

1.7%

Employees (2026)

1,000-5,000

Headquarters

Birmingham, England

Company Type

Private

Locations (Top 10)

Birmingham, England

Other Industries

Technical Testing & Analysis in the UK

Architectural & Engineering Activities & Technical Testing & Analysis in the U

A Full Locations list can be accessed in Atlas.

What's impacting Bureau Veritas Uk's performance?

Bureau Veritas boasts strong repeat custom across multiple sectors and geographies

- Bureau Veritas prides itself on providing excellent customer service across the expansive list of industries it caters to, including commodities, automotive and consumer products. Having a vast array of downstream clients supports stable revenue growth, minimising the risk of losing demand when a single sector experiences a downturn.
- The company boasts a Net Promoter Score of 65, indicating its customers are highly loyal and satisfied with the services they received, demonstrating a stable source of repeat business for Bureau Veritas.
- The vast majority of the company's inorganic growth activities in recent years have been focused on markets outside of the UK, such as the acquisition of the Brazilian consumer products testing company, Lab System, in November 2025. Instead, the company relies on its repeat UK customers from its existing subsidiaries to sustain revenue growth within the UK Technical Testing and Analysis industry.

 You can view and download more company details on my.ibisworld.com.

Lloyd's Register

Description

Lloyd's Register (LR) was established in 1760. It focuses on maritime advisement and is headquartered in London. LR offers marine classification, risk management, inspection, testing, assurance, consulting, certification and compliance services in over 75 countries. In June 2022, the company acquired OneOcean, a supplier of compliance, safety and environmental solutions.

Company Type

Private

Company Total Revenue (2026)

£613.6m

Industry Specific Revenue (2026)

£84.5m

Industry Market Share (2026)

1.4%

Employees (2026)

5,001-10,000

Headquarters

London, England

What's impacting Lloyd's Register's performance?

Lloyd's Register gets rid of non-core operations to focus on the maritime sector

- Lloyd's Register has embarked on a drive to move away from non-maritime industries. By focusing on maritime operations, Lloyd's Register aims to offer clients a comprehensive suite of services.
- As part of its shifting focus to maritime operations, Lloyd's Register has sold many of its core divisions, including its energy consulting business, in October 2020 to Inspirit Capital. This division offered technical testing and consultancy for complex industrial sectors, including oil and gas.
- The company sold its cybersecurity services and business assurance division to Goldman Sachs in June 2021, causing revenue to drop in 2021-22 as the company downsized.
- The company has since expanded its reach in the maritime sector, acquiring OneOcean in September 2022 to enhance its digital voyage compliance capacities and Ocean Technologies Group in November 2024 for human capital management and training. These acquisitions have supported sector-specific growth, outlining stable revenue prospects for the company in the years to come.

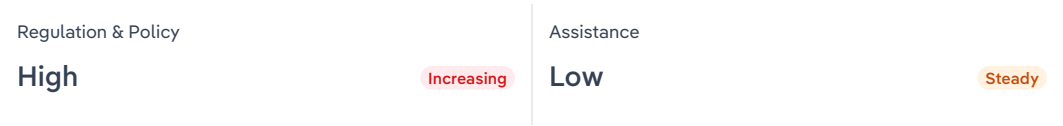
 You can view and download more company details on my.ibisworld.com.

External Environment

Key Takeaways

The regulatory environment has toughened, contributing to revenue growth. New regulations have been introduced to improve fire safety and environmental standards, bolstering demand for testing services.

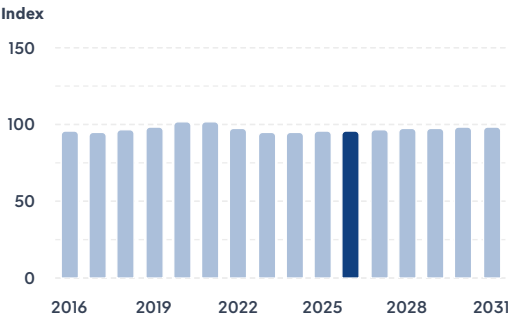
Testing companies can certify products for both domestic and foreign producers. Products sold in the UK can be certified under the UKCA marking scheme, while products sold in the EU must be certified under the CE marking system.



External Drivers

What demographic and macroeconomic factors impact the industry?

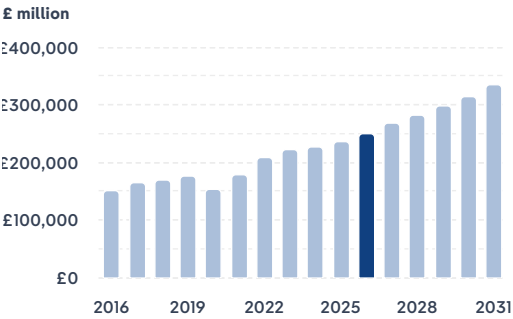
Industrial production index



IBISWorld Source: IBISWorld

The industrial sector is a significant user of testing and analysis services, so the intensity of industrial production activity determines demand for the testing and analysis of industrial materials. A dip in the industrial production index signals reduced industrial output, leading to decreased demand for these services. High energy prices caused by the Russian invasion of Ukraine and heightened economic uncertainty have subdued industrial production growth in recent years.

Total value of construction



IBISWorld Source: IBISWorld

Technical testing companies examine construction materials, equipment and soil and check for noise, vibration and stress to ensure structures conform to building regulations and to determine whether remedial work is necessary. As the total value of construction rises in the UK, so too does demand for technical testing and analysis. This presents an opportunity for industry companies.

Business capital expenditure

£ billion

£400

£200

£0

2016 2019 2022 2025 2028 2031

IBISWorld

Source: IBISWorld

Business investment in new facilities, plants, equipment, products, systems and processes promotes demand for testing and analysis because new products and processes must adhere to safety standards. When business investment is weakened, demand for quality control and testing of facilities, equipment and technologies also takes a hit. This poses a threat to technical testing companies.

Public concern over environmental issues

Percentage

30

20

10

0

2016 2019 2022 2025 2028 2031

IBISWorld

Source: IBISWorld

Growing public concern about the environment has pushed the government to create protective policies. This has promoted spending in the energy, construction and industrial sectors on methods to improve energy efficiency and environmental outcomes. Testing companies play a crucial role in verifying compliance with more stringent environmental regulations. A greater focus on sustainability and reduced carbon footprint fuel demand for technical testing.

Demand from electricity production

£ million

£100,000

£75,000

£50,000

£25,000

£0

2016 2019 2022 2025 2028 2031

IBISWorld

Source: IBISWorld

The energy sector is a significant user of testing services, so electricity production levels and efforts to increase renewable energy supplies influence demand for the industry's services. The expansion of the proportion of electricity generated from renewable energy provides an opportunity for testing companies specialising in the technical testing of alternative energy generation equipment.

Demand from cyber security software development

£ million

£3,000

£2,000

£1,000

£0

2016 2019 2022 2025 2028 2031

IBISWorld

Source: IBISWorld

Higher demand for cybersecurity software development suggests higher demand for the testing of cybersecurity systems. Businesses are spending more on cybersecurity in a direct response to the advancing capabilities of AI and hacking software, which require extensive testing to ensure software adheres to all relevant safety regulations and resists hacking attempts.

Regulation & Policy

High

Increasing

What regulations impact the industry?

UK Emissions Trading Scheme (ETS)

The UK ETS sets a cap on the total emissions that industrial, power and aviation operators can emit. Companies within these sectors can also trade emissions allowances within this limit. Overall, the scheme aims to incentivise the monitoring and reduction of emissions from highly polluting sectors. From July 2026, the scheme will encompass domestic maritime emissions. This provokes demand for testing and certification services as participants must evidence their emissions accurately to comply with the scheme.

Fire Safety (England) Regulations 2022

Fire safety regulations require building owners, managers and other duty holders to meet strict safety standards. Scotland and Northern Ireland have their own, distinct regulations. Following the Grenfell Tower fire in 2017, the UK tightened its fire safety rules, bolstering requirements for cladding, evacuation and alarms, particularly for high-rise buildings. Ongoing risk assessments and fire testing, inspection and certification services, driven by stricter regulations, are driving up demand for specialist technical testing companies.

UK Registration, Evaluation, Authorisation and Restriction of Chemicals (UK REACH)

UK REACH is a chemicals regulatory framework that requires manufacturers and importers to identify, assess and manage risks and hazards from substances they produce or import into the UK. It restricts or bans the use of specific substances and mixtures, and some uses require prior authorisation. The EU also has its own REACH regulations, which UK exporters must comply with when placing chemical products on the EU or Northern Irish markets.

Food Information for Consumers Regulation

Under the Food Information Regulations 2014 and retained EU law, producers must label all prepacked food with the required information, including ingredients, allergens, nutritional values and durability dates. The name and address of the responsible food business operator and any additional instructions required for the safe consumption of the product. Food manufacturers hire testing companies to analyse product composition and quality, verify allergen declarations and confirm that the food accurately matches the information on the label.

Health and Safety at Work etc. Act 1974

The act requires employers to ensure the health, welfare and safety of employees, so far as is reasonably practical. It requires employers to assess and control workplace risks and hazards. Testing and analysis companies must ensure that their laboratories, test areas, office spaces and related facilities are designed, managed and monitored so that their staff aren't exposed to unacceptable hazards while performing their duties. As many labs within the industry require specialised machinery and potentially harmful substances to perform tests, testing companies must strictly control their use, enforcing training and maintenance.

EU CE and UKCA standards

Products subject to EU requirements must be certified under the CE marking system to be sold in the EU. Products sold in the UK can be certified under the UKCA marking scheme. Companies can provide testing to ensure conformity for both domestic and foreign producers. In August 2023, the UK government announced an indefinite extension for the validity of the CE mark, limiting the need for companies to invest in new product certification for UKCA and dampening demand for testing services.

The Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005

These regulations set strict requirements for controlling pollution from offshore oil and gas operations on the UK Continental Shelf. The regulations have been amended several times, with the latest update in August 2020 to address pandemic-related limitations and reflect evolving environmental standards. Under the rules, operators must monitor and manage discharges of oil and chemicals to minimise environmental harm. Testing services are required to provide critical environmental testing and verification that discharges remain below permitted limits.

Assistance

Low

Steady

What assistance is available to this industry?

Government

Public support doesn't apply to the industry

The Technical Testing and Analysis industry doesn't receive any public sector support.

Non-government

British Measurement and Testing Association (BMTA)

The BMTA is a UK trade association that represents and lobbies for the measurement and testing industry. In addition to representation as a collective voice for the industry, the association offers information and guidance on PPE standards and best practices, helping companies to

stay compliant and up to date with new regulatory changes. It also uses its influence to guide policy and regulation that affect its members. It also supports accreditation and skills development by running seminars and workshops on topical subjects, delivering specialist training and encouraging knowledge-sharing through network events across the industry.

United Kingdom Accreditation Service (UKAS)

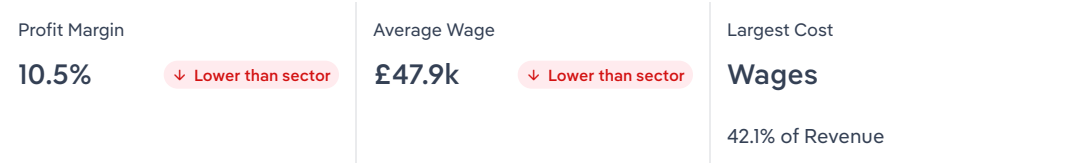
UKAS is the national accreditation body in the UK, responsible for assessing organisations that provide certification, testing and inspection services to downstream sectors. Receiving accreditation from UKAS ensures a technical testing and analysis company's competence, impartiality and ability to operate in accordance with internationally recognised standards. In turn, this provides regulators and businesses with confidence that the service is reliable and technically sound. UKAS also provides guidance and support to help testing services understand accreditation requirements, improve their systems and meet and maintain a high performance standard.

Financial Benchmarks

Key Takeaways

Profitability has suffered amid surging energy costs and dampened economic activity. Following Russia's invasion of Ukraine, high energy costs have continued to weigh on testing labs' margins.

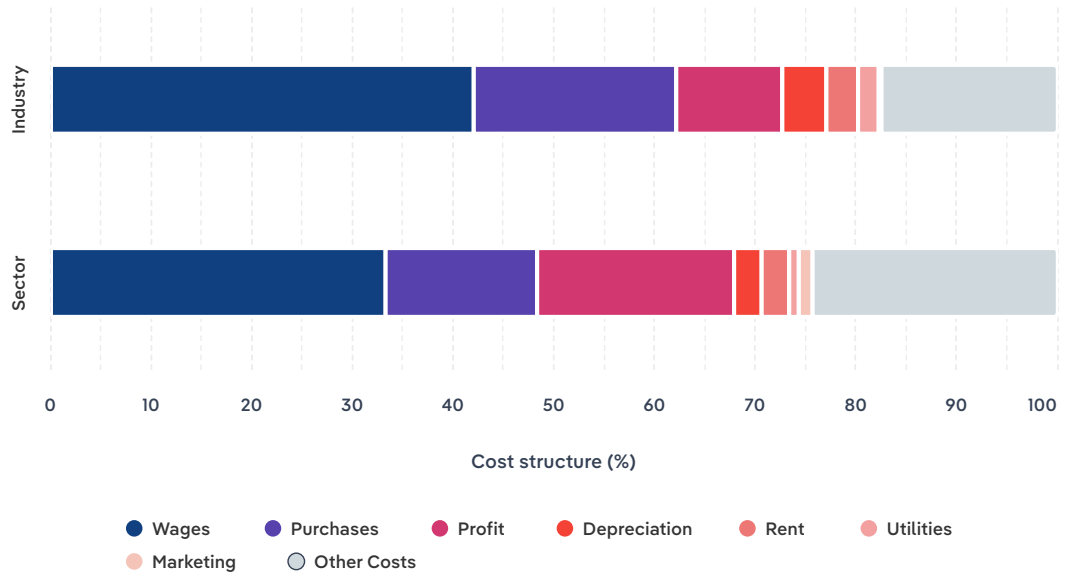
The adoption of new technology fuels depreciation costs. Testing and analytical services are implementing more advanced equipment to keep up with clients.



Cost Structure

Cost Structure Benchmarks

Average operating costs by industry and sector as a share (%) of revenue 2026



What trends impact industry costs?

High energy costs depress profitability

- Over the past five years, major fluctuations in economic activity across many downstream sectors have spurred volatile profitability for testing and analysis services.
- In 2021-22, profitability shot up, due to delayed testing requirements for various industrial kits, consumer goods and energy infrastructure industries following the pandemic. Production also recovered. According to ONS data, the total value of UK production hiked 9.4% in 2021,

lifting demand for product and material testing and analysis services along with it.

- Once deferred work dried up, the profitability of testing services dampened. Simultaneously, hiking energy costs following Russia's invasion of Ukraine in February 2022 suppressed production for various downstream producers, while weighing on laboratories' operating costs, contributing to an overall drop in profitability. According to the Department for Energy Security and Net Zero, average non-domestic electricity prices soared 42.3% between the three months through March 2022 to the same period in 2023.
- In 2025-26, margins are likely to remain squeezed. Many companies, particularly those with specialised energy-intensive machinery, continue to struggle with structurally higher energy prices, leading to greater operational overheads.

AI and laboratory automation alleviate wage costs

- Technical testing and analysis companies heavily rely on highly qualified staff to conduct precise chemical and physical tests. Compared with other professional services, the highly technical nature of this industry spurs competition among companies to secure a skilled workforce from a smaller labour pool, driving above-sector wage costs.
- In 2025-26, the implementation of AI to automate simple, repetitive and manual tasks is slated to ease wage costs somewhat. For example, SGS has been increasingly integrating AI into its laboratories, achieving a full digitalisation of over 350 laboratories in November 2023, with plans to extend this across more labs.
- The revenue share allocated to wages remains substantial, given the rigorous training and accreditation requirements for staff. The industry remains reliant on this skilled workforce despite technological developments.

Easing inflationary pressures dampen purchase costs

- Purchase costs can vary widely between businesses, depending on the type of testing and analysis services offered to which markets.
- Purchases mainly comprise chemicals and materials necessary for testing and analysis purposes. Specialised equipment for industry operations bolsters purchase costs above those of the wider professional services sector. Hardware, office supplies, information and support material for industry professionals and intangible assets such as computer software are also included.
- Inflationary pressures bolster the costs of all key purchases. In October 2022, the ONS reported a peak inflation rate of 11.1%, causing purchase costs to hike in 2022-23. Since then, inflation has gradually eased, with the ONS reporting a rate of 3.4% in December 2025. This has dampened purchase costs in 2025-26.

Adoption of new technology fuels depreciation costs

- As clients upgrade their technologies, technical testing services must invest in advanced machinery to meet rising standards. Automated systems and standardisation trends encourage companies to update their specialised equipment often, escalating depreciation costs as the useful life of new tech is dampened by the next upgrade.
- Bureau Veritas asserts that its team revolutionises customer expectations through the use of 3D laser scanning, 360 cameras and robots for high-quality data imagery. This outlines an example of companies bolstering their tech investments.
- Specific sectors, such as renewable energy generation, nuclear power, cybersecurity and electric vehicle production, are either exhibiting rapid growth or are on the cusp of new technological developments. These downstream sectors are attractive clients for testing and analysis companies to align with. These sectors also tend to require highly specialised testing equipment, bolstering capital expenditures in 2025-26.

Rents climb as demand for prime lab space surges

- Rental costs are primarily associated with the leasing of lab space, offices and proving grounds, as well as the rent of specialised machinery for testing and analytical work.
- Major companies tend to own their own lab space and equipment or purchase it outright, as opposed to renting it. This is visible through SGS's acquisition of a new Manchester laboratory in August 2025.
- According to CBRE's UK Real Estate Market Outlook, surging demand for prime lab space has been met with limited supply, causing rental costs for testing facilities to climb in 2025-26.

Testing laboratories are vulnerable to global energy cost fluctuations

- Technical testing and analysis services are often heavily reliant on energy usage for specialised testing and inspection equipment. Sectors such as vehicle, electronics and industrial production often require more high-energy-intensive testing equipment.
- Russia's invasion of Ukraine in February 2022 and hiking global demand for oil and gas caused energy costs to skyrocket in 2022-23 and 2023-24. According to data from the Department for Energy Security and Net Zero (DESNZ), the average cost of electricity for non-domestic users soared by 63.7% over the three months through December 2023 compared to the same period in 2021. This bolstered utility costs for technical testing and analysis companies across this period.
- In 2025-26, utility costs are slated to ease slightly but remain above levels seen in 2020-21, with the DESNZ reporting that the cost of non-domestic electricity over the three months through September 2025 was 88% higher than levels seen in the same period in 2020.

Testing labs focus on accreditation over extensive marketing campaigns

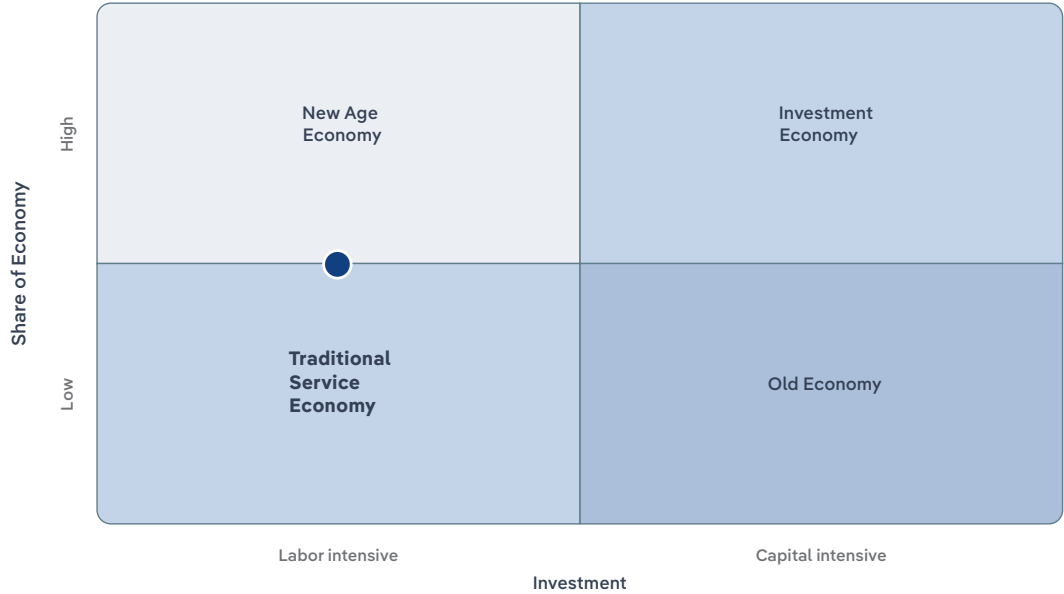
- Marketing costs typically make up a small proportion of revenue for testing and analysis labs, with most companies relying on word-of-mouth referrals, business-to-business deals and their preceding reputations within particular downstream markets.
- Many companies secure multi-year framework agreements with their clients, limiting the need for new client outreach and other advertising spending.
- Accreditation, such as from the United Kingdom Accreditation Service (UKAS), and proven competence are key to securing clients as opposed to major marketing campaigns.

Accreditation and compliance costs are substantial

- Technical testing and analysis labs must fund regular surveillance and reassessment visits to maintain their UKAS accreditations. Maintaining strict compliance with UKAS standards represents a significant cost for most labs.
- The application fee and annual costs of UKAS reassessments are updated year-on-year in response to wider inflationary pressures. These costs also change depending on the technical complexity of the assessment and the size of the business.
- In 2025-26, UKAS is reinforcing regular, rigorous assessments to ensure laboratories maintain high standards. This is expected to hike up other costs in 2025-26.

Traditional Service Economy

Share of economy vs. Investment



Financial Ratios

Sales / Receivables (Trade
Receivables Turnover)

N/A

Cash Flow Coverage Ratio

N/A

Debt / Net worth

7.5

↓ Lower than sector

Leverage Ratios

Ratio	2021	2022	2023	2024	2025	Small	Medium	Large
Debt / Net worth	115.2	29.1	189.1	27.4	7.5	N/A	N/A	N/A
Fixed Assets / Net Worth	7.9	11.7	18.7	7.2	0.5	N/A	N/A	N/A
Net Worth Ratio	100.2	N/A	-103.6	N/A	N/A	N/A	N/A	N/A
Tangible Net Worth	117,495.8	138,947.4	162,353.4	160,825.5	129,561.3	145,280.0	3,842,717.0	N/A
Total Debt / Net EBITDA	10.9	1.8	N/A	N/A	N/A	23.3	-1.6	N/A
Total Debt / Tangible Net Worth	115.2	29.1	189.1	27.4	7.5	0.3	-1.0	N/A

Assets, %

Ratio	2021	2022	2023	2024	2025	Small	Medium	Large
Cash & Equivalents	-0.4	-0.3	1.1	0.6	-1.8	0.9	0.4	N/A
Fixed Assets (net)	0.1	0.3	0.1	0.3	-0.6	N/A	N/A	N/A
Inventory	-0.5	-0.1	-0.3	0.1	0.1	0.1	0.1	N/A
Total Assets	1.0	1.0	1.0	1.0	1.0	1.0	1.0	N/A
Total Assets (£m)	168,276.3	181,964.9	206,696.2	202,895.7	208,655.2	199,975.2	5,220,708.0	N/A
Total Current Assets	-0.5	-0.0	0.5	0.9	-0.5	1.0	2.0	N/A
Trade Receivables (net)	0.6	-0.4	0.5	0.4	0.5	1.2	0.3	N/A

Liabilities, %

Ratio	2021	2022	2023	2024	2025	Small	Medium	Large
Long Term Debt	-0.2	0.1	-0.2	-6.1	0.1	0.2	0.0	N/A
Net Worth	0.4	0.1	0.4	-10.1	3.2	-2.8	0.8	N/A
Short Term Debt	-0.0	1.8	1.2	6.4	2.6	4.9	0.9	N/A
Total Liabilities & Net Worth (£m)	168,276.3	181,964.9	206,696.2	202,895.7	208,655.2	199,975.2	5,220,708.0	N/A
Trade Payables	0.1	-0.2	-0.5	0.2	-0.3	0.4	0.1	N/A

Liquidity Ratios

Ratio	2021	2022	2023	2024	2025	Small	Medium	Large
Cost of Sales / Inventory (Inventory Turnover)	204.7	129.2	100.5	95.8	44.6	N/A	N/A	N/A
Cost of Sales / Payables (Payables Turnover)	806.4	690.4	414.3	941.3	5.9	N/A	N/A	N/A
Current Ratio	3.4	72.9	14.7	6.7	29.5	-0.7	3.3	N/A
Day's Payables	73.2	105.6	138.9	80.3	81.2	133.9	19.7	N/A
Days' Inventory	20.6	57.5	64.2	14.4	8.2	42.1	18.7	N/A
Days' Receivables	140.0	149.4	84.4	70.0	70.7	88.1	105.0	N/A
Quick ratio (Acid test)	3.2	3.7	-0.3	2.7	N/A	2.1	4.3	N/A
Sales / Receivables (Trade Receivables Turnover)	20.5	5.6	20.2	44.4	5.2	N/A	N/A	N/A

Ratio	2021	2022	2023	2024	2025	Small	Medium	Large
Sales / Working Capital	36.9	15.8	23.5	25.3	3.6	N/A	N/A	N/A

Coverage Ratios

Ratio	2021	2022	2023	2024	2025	Small	Medium	Large
Cash Flow Margin Ratio	-0.4	-0.1	-0.1	-0.2	N/A	0.0	-0.2	N/A
Current Liability Coverage Ratio	-0.6	-0.6	-0.3	-0.4	N/A	2.5	-1.4	N/A
Interest Coverage	157.8	338.2	4,028.8	-819.3	14.0	-407.5	8,810.4	N/A

Operating Ratios

Ratio	2021	2022	2023	2024	2025	Small	Medium	Large
Asset Turnover	11.7	0.9	7.0	5.9	16.9	8.3	4.7	N/A
Cost of goods	0.8	0.6	0.6	0.5	0.4	0.6	0.6	N/A
EBITDA / Revenue	-0.1	-0.0	-0.2	-0.0	0.2	-0.1	0.1	N/A
Fixed Asset Turnover	76.6	1,689.9	27.6	18.0	8.9	373.4	39.4	N/A
Gross Profit / Turnover	0.2	0.3	0.4	0.4	0.6	0.3	0.4	N/A
Net Profit / Turnover	-0.1	-0.2	-0.3	-0.1	0.1	-0.1	0.1	N/A
Operating Expenses	0.2	-0.0	0.1	0.2	0.4	0.2	-0.1	N/A
Return on total Assets (ROTA)	0.3	0.9	2.9	0.3	8.2	2.4	0.2	N/A

Valuation Multiples

Earnings Ratio	2020	2021	2022	2023	2024	3-Year	5-Year
EV/Revenue	N/A	0.3	0.4	0.3	0.3	0.3	0.3
EV/EBITDA	N/A	2.4	2.7	2.4	1.2	2.1	2.2
EV/EBIT	N/A	2.4	2.7	2.4	1.2	2.1	2.2

Key Ratios

Year	Revenue per Employee (£k)	Revenue per Enterprise (£k)	Employees per Establishment (Units)	Employees per Enterprise (Units)	Average Wage (£k)	Wages/ Revenue (%)	Establishments per Enterprise (Units)	IVA/Revenue (%)
2012-13	137.1	1,584.9	10.2	11.6	52.15	38.1	1.1	50.7
2013-14	146.7	1,518.6	10.2	10.4	51.82	35.3	1.0	55.2
2014-15	144.8	1,347.0	9.1	9.3	50.30	34.7	1.0	63.5
2015-16	105.1	911.2	8.2	8.7	42.74	40.7	1.1	62.1
2016-17	96.06	801.5	7.8	8.3	38.91	40.5	1.1	64.9
2017-18	105.7	951.2	7.6	9.0	41.42	39.2	1.2	67.1
2018-19	104.6	947.7	8.1	9.1	43.84	41.9	1.1	65.7
2019-20	110.8	1,042.9	8.3	9.4	42.57	38.4	1.1	65.9
2020-21	102.4	975.2	8.3	9.5	45.66	44.6	1.2	65.0

Year	Revenue per Employee (£k)	Revenue per Enterprise (£k)	Employees per Establishment (Units)	Employees per Enterprise (Units)	Average Wage (£k)	Wages/ Revenue (%)	Establishments per Enterprise (Units)	IVA/Revenue (%)
2021-22	113.9	1,219.6	8.8	10.7	49.66	43.6	1.2	65.9
2022-23	107.3	1,214.4	9.4	11.3	48.58	45.3	1.2	65.2
2023-24	111.4	1,268.1	9.9	11.4	48.49	43.5	1.1	63.4
2024-25	111.4	1,289.8	10.2	11.6	47.78	42.9	1.1	60.0
2025-26	114.0	1,335.9	10.5	11.7	47.95	42.1	1.1	56.9
2026-27	116.6	1,399.2	10.8	12.0	48.61	41.7	1.1	56.0
2027-28	120.5	1,456.4	11.1	12.1	49.59	41.1	1.1	54.7
2028-29	124.4	1,523.6	11.3	12.2	50.55	40.6	1.1	52.4
2029-30	125.5	1,569.5	11.4	12.5	50.82	40.5	1.1	52.2
2030-31	126.3	1,613.5	11.6	12.8	51.01	40.4	1.1	52.2
2031-32	125.1	1,633.9	11.9	13.1	50.71	40.5	1.1	51.8

Key Statistics

Industry Data

Values

Year	Revenue (£m)	IVA (£m)	Establishments (Units)	Enterprises (Units)	Employment (Units)	Wages (£m)
2012-13	6,482.1	3,289.0	4,661	4,090	47,293	2,466.4
2013-14	7,181.4	3,965.5	4,798	4,729	48,948	2,536.5
2014-15	7,323.5	4,648.5	5,575	5,437	50,563	2,543.3
2015-16	5,459.2	3,392.5	6,325	5,991	51,928	2,219.5
2016-17	5,082.8	3,296.1	6,745	6,342	52,914	2,058.7
2017-18	5,563.4	3,734.1	6,915	5,849	52,617	2,179.2
2018-19	5,432.9	3,567.4	6,410	5,733	51,938	2,277.0
2019-20	5,840.2	3,847.8	6,345	5,600	52,707	2,243.5
2020-21	5,254.3	3,412.9	6,220	5,388	51,288	2,341.5
2021-22	6,001.7	3,954.7	5,975	4,921	52,704	2,617.1
2022-23	5,489.0	3,578.3	5,440	4,520	51,174	2,486.2
2023-24	5,682.3	3,605.0	5,130	4,481	50,992	2,472.6
2024-25	5,784.6	3,470.2	5,071	4,485	51,909	2,480.2
2025-26	5,975.5	3,401.0	4,986	4,473	52,418	2,513.4
2026-27	6,241.9	3,496.0	4,938	4,461	53,518	2,601.7
2027-28	6,505.6	3,556.0	4,875	4,467	53,976	2,676.5
2028-29	6,827.4	3,578.0	4,870	4,481	54,869	2,773.7
2029-30	7,018.6	3,662.0	4,896	4,472	55,906	2,841.3
2030-31	7,201.1	3,761.0	4,929	4,463	57,003	2,907.9
2031-32	7,301.9	3,781.0	4,901	4,469	58,371	2,960.2

Annual Change

Year	Revenue (%)	IVA (%)	Establishments (%)	Enterprises (%)	Employment (%)	Wages (%)
2013-14	10.8	20.6	2.9	15.6	3.5	2.8
2014-15	2.0	17.2	16.2	15.0	3.3	0.3
2015-16	-25.5	-27.0	13.5	10.2	2.7	-12.7
2016-17	-6.9	-2.8	6.6	5.9	1.9	-7.2
2017-18	9.5	13.3	2.5	-7.8	-0.6	5.9
2018-19	-2.3	-4.5	-7.3	-2.0	-1.3	4.5
2019-20	7.5	7.9	-1.0	-2.3	1.5	-1.5
2020-21	-10.0	-11.3	-2.0	-3.8	-2.7	4.4
2021-22	14.2	15.9	-3.9	-8.7	2.8	11.8
2022-23	-8.5	-9.5	-9.0	-8.1	-2.9	-5.0
2023-24	3.5	0.7	-5.7	-0.9	-0.4	-0.5
2024-25	1.8	-3.7	-1.2	0.1	1.8	0.3
2025-26	3.3	-2.0	-1.7	-0.3	1.0	1.3
2026-27	4.5	2.8	-1.0	-0.3	2.1	3.5
2027-28	4.2	1.7	-1.3	0.1	0.9	2.9
2028-29	4.9	0.6	-0.1	0.3	1.7	3.6
2029-30	2.8	2.3	0.5	-0.2	1.9	2.4
2030-31	2.6	2.7	0.7	-0.2	2.0	2.3
2031-32	1.4	0.5	-0.6	0.1	2.4	1.8

Figures are inflation adjusted to 2025-2026

Key Success Factors

Key Success Factors

How do successful businesses overcome volatility?

Adapt quickly to changing regulations

Ensuring that all testing, certification and inspection services are up to date with new regulatory standards allows companies to capture greater demand as clients navigate new requirements.

Develop a strong reputation

Earning a reputation for high-quality, reliable results can attract repeat business, offering a degree of protection against severe revenue volatility.

What products or services do successful businesses offer?

Comply with required product standards

Heavy regulations mean compliance with product standards not only maintains credibility and market trust but also ensures avoidance of legal issues.

Quickly adopt new technology

Some tests can require the use of high-tech equipment. The ability to quickly adopt new technology can enhance and increase service offerings, while driving down costs.

How do businesses use location to their advantage?

Operate in a location that is close to key markets

Testing companies need to be located close to clients to accurately carry out testing of samples. Samples must not be exposed to extended transport times and conditions, particularly in food testing.

Provide goods and/or services in diverse locations

Leading companies in the technical testing and analysis industry capitalise on their geographical reach, offering services across various strategic locations.

How do successful businesses handle concentration?

Maintain excellent customer relations

High-standard customer services ensure clients remain loyal and refer the company to others, allowing the company to capture a larger share of the market.

Quickly adopt new technology

As analytical techniques evolve, companies that keep up and invest in the latest advanced tech can provide superior services and outperform competitors, boosting their market share.

How can potential entrants overcome barriers to entry?

Comply with required product standards

Adherence to standards is critical in the testing and analysis field. Compliance not only ensures safety and legality, but also boosts company reputation, resulting in enhanced trust and patronage from customers.

Develop strong technical product knowledge

Mastering the complexities of specific testing methods gives companies a leading edge, enhancing accuracy and providing a reliable service, contributing to their credibility in the industry.

Have a diverse range of clients

A varied client base helps to minimise risk. During economic instability or market fluctuations, having several client segments provides a safety net by distributing reliance, ensuring sustained revenue flow.

How do successful businesses compete with substitutes?

Invest in new technology to enhance operational efficiency and quality

Investing in advanced technology increases efficiency and ensures exceptional testing and analysis quality, a key differentiator that helps companies stand out in the face of substitute competition.

Offer a competitively priced product

Price is a key competitive factor. Companies that offer high-quality testing and analysis services at competitive prices can deter customers from switching to substitute services.

Secure a highly skilled workforce

Companies offer technical services to their clients, so they need access to a qualified and skilled workforce to meet client expectations and overcome the threat of substitutes.

How do successful businesses manage buyer & supplier power?

Develop effective quality control

Testing companies with stringent quality control processes earn high credibility, managing buyer power by attracting more clients seeking reliable services.

Ensure prompt delivery to market

Customers often require services to be delivered promptly. Good production and communication systems can help companies meet the demands of different clients.

Secure access to high-quality inputs

Access to advanced testing tools and instruments ensures accurate results, managing both supplier and buyer power as it promotes efficiency and attracts customers needing high-precision testing.

Call Preparation Questions

Role Specific Questions

Sales & Marketing

What markets do you specialise in? How do you promote yourself to these clients?

- Companies providing services to a specific sector tend to benefit from having more specialised knowledge.
- Companies generate demand by having specialist machinery and equipment.
- Testing for the industrial and manufacturing sectors offers a steady stream of revenue.

What factors of competition can your marketing focus on in order to improve demand?

- The Technical Testing and Analysis industry has a high level of competition.
- Price, reliability of service and a company's ability to keep abreast of the latest technological developments taking place in downstream industries are key factors of competition.
- Reliability is vital, as data accuracy is the most important consideration to most clients.

How exposed is your company to the effects of economic uncertainty on demand?

- Constrained business capital expenditure weighs on demand for technical testing and analysis.
- Economic uncertainty has dented activity in the construction sector.
- Restrictions on immigration could affect the construction sector further in the future, as it relies on migrant labour.

Strategy & Operations

How have your depreciation costs trended in recent years and why?

- Specialist equipment and machinery are important in service delivery.
- Advances in technology and the need to regularly replace machinery raise capital costs.
- Depreciation costs have been edging upwards as companies have automated and standardised routine tasks to improve productivity.

How does the location of your company affect your operations?

- Companies need to be located close to clients to accurately test samples.
- Proximity to customers is important, as samples must not be exposed to extended transport times, particularly in food testing.

How do you ensure a strong supply of skilled workers? What percentage of your revenue is absorbed by wage costs?

- Skilled specialist and qualified staff must be attracted, hired and retained in order for a company to generate and maintain demand.
- High inflation and a shortage of skilled labour have been pushing up already high wage costs.

Technology

How can your company invest in an online portal to enable clients to better manage certification issues?

- A key source of technological disruption for the industry is the increased need of customers to manage compliance and certification issues online.
- Large companies have embraced this model, offering clients the possibility to access dedicated portals, which provide valuable tools to carry out assurance across client businesses' supply chains.

How have advances in technology affected your company?

- Advances in technology have resulted in more complex materials and systems being developed.
- A company's ability to keep abreast of the latest technological developments taking place in downstream industries play a big part in determining its competitiveness.

Compliance

What outside assistance or developments, if any, do you benefit from? What associations or bodies are you affiliated with?

- Technical testing and analysis companies don't receive direct government assistance in the form of grants and subsidies.
- Tightening regulations has provided some indirect assistance.
- Bodies like the British Measurement & Testing Association and the United Kingdom Accreditation Service offer support to the industry.

What regulations have been introduced recently that have benefitted your company?

- UK and EU regulations that have supported revenue growth include the EU Emissions Trading scheme and REACH.
- EU regulations relating to vacuum cleaners have benefitted the industry.
- New fire safety test on buildings introduced following the Grenfell Tower fire in June 2017 through the Fire Safety (England) Regulations 2022 have supported demand for safety inspections and fire alarm tests.

Finance

To what extent has your company benefitted from increased demand for technical testing and analysis related to environmental issues?

- Demand for materials and equipment testing and analysis services has been supported by tighter quality, safety and environmental regulations and directives.
- The replacement of coal-fired and oil-fired plants with new gas-fired and renewable generating capacity increased demand for measuring greenhouse gas emissions and testing alternative energy generation equipment.

How does your profit margin compare with your competitors? What could you do to improve your profitability?

- Depressed economic activity has hurt business capital expenditure, discouraging customers from using testing and analysis services.
- Some companies have implemented cost-cutting and efficiency-enhancing measures to prop up their returns.

External Impacts Questions

Business capital expenditure

How do changes in business capital expenditure affect your company? What types of manufacturers do you provide testing for?

- Business investment in new facilities, plants, equipment, products, systems and processes promotes demand for testing and analysis because new products and processes must adhere to safety standards.
- When business investment is weakened, demand for quality control and testing of facilities, equipment and technologies also takes a hit. This poses a threat to technical testing companies.

Industrial production index

Which services do you offer to companies in the industrial sector? What new materials have been released that require testing?

- The industrial sector is a significant user of testing and analysis services, so the intensity of industrial production activity has a huge influence on the level of demand for the testing and analysis of industrial materials.
- Rising energy prices caused by the Russian invasion of Ukraine and the Israel-Hamas war have subdued industrial production growth in recent years.

Total value of construction

How important are construction companies to your revenue? What could you do to better appeal to clients in this market?

- Technical testing companies examine construction materials, equipment and soil and check for noise, vibration and stress to ensure structures conform to building regulations and to determine whether remedial work is necessary.
- As the total value of construction rises in the UK, so too does demand for technical testing and analysis. This presents an opportunity for revenue growth.

Internal Issues Questions

Ensure prompt delivery to market

How do you ensure you deliver your services promptly? What advantages do you gain from being located close to clients?

- Customers often require services to be delivered promptly.
- Good production and communications systems help companies deliver services quickly and efficiently.
- Companies located close to clients can benefit from reduced transport times and costs.

Quickly adopt new technology

What technology have you introduced to improve your service offering? What advantages do you gain from introducing new technology?

- The ability to quickly adopt new technology can enhance or increase services offering.
- Some tests require the use of high technology equipment.
- Using advanced technology means replacing machinery, which can raise capital costs. However, it can help to reduce costs in the long term.

Operate in a location that is close to key markets

How do you ensure your company remains close to key clients? What have you done to reduce transport times?

- Technical testing and analysis providers need to be located close to clients to accurately carry out testing of samples.
- Samples must not be exposed to extended transport times and conditions, particularly in food testing.

IBISWorld helps you find the industry information you need - fast.

Disclaimer

This product has been supplied by IBISWorld Inc. ('IBISWorld') solely for use by its authorized licensees strictly in accordance with their license agreements with IBISWorld. IBISWorld makes no representation to any other person with regard to the completeness or accuracy of the data or information contained herein, and it accepts no responsibility and disclaims all liability (save for liability which cannot be lawfully disclaimed) for loss or damage whatsoever suffered or incurred by any other person resulting from the use of, or reliance upon, the data or information contained herein. Copyright in this publication is owned by IBISWorld Inc. The publication is sold on the basis that the purchaser agrees not to copy the material contained within it for other than the purchaser's own purposes. In the event that the purchaser uses or quotes from the material in this publication – in papers, reports, or opinions prepared for any other person – it is agreed that it will be sourced to: IBISWorld Inc.