

ELECTRICAL BUSINESS FOR SALE

Selling Your Electrical Business

A Practical Guide for Owners

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Introduction

If you have built an electrical contracting business, you have created something with genuine value: qualified engineers, client relationships, certifications that take years to earn, and in many cases access to public sector frameworks that competitors cannot easily replicate.

This guide is for electrical business owners thinking about an exit in the next one to five years. It covers the current market conditions, what drives your valuation, how a confidential sale process works, and what your NICEIC approval and framework contracts mean to a buyer.

Why Now Is Worth Considering

The EV Charging Opportunity

The rollout of electric vehicle charging infrastructure is one of the most significant growth narratives in the electrical contracting sector. Government grants through OZEV and the LEVI fund, alongside private investment in charging networks, are creating substantial installation demand. Electrical businesses with EV charging capability are attracting buyer interest because acquirers want to position for this growth. If your business has this capability, it is a forward-looking asset that sophisticated buyers will pay for today.

Data Centre Demand

The UK data centre construction pipeline is significant. Hyperscaler facilities require specialist high-specification electrical contractors. Businesses that have positioned for this market command attention from buyers who understand the long-term revenue profile of data centre maintenance contracts.

Electrical Safety Standards 2020

The Electrical Safety Standards 2020 introduced mandatory five-yearly electrical inspections for private rented sector properties in England. This created a substantial, recurring testing and inspection revenue stream for qualified contractors that continues to grow as the property stock cycles through compliance requirements.

BADR Tax Changes

Business Asset Disposal Relief rates are changing: 14% now, 18% from April 2026. On a qualifying gain of £1.5m, the difference is £60,000 more tax. Owners already considering an exit have a concrete reason not to delay past April 2026.

Key context: 19,180 electrical businesses in the UK are considered exit-ready. NICEIC-approved contractors with public sector framework access consistently achieve the upper end of the 4-7x EBITDA multiple range.

What Determines Your Valuation

Electrical businesses are valued at EBITDA multiples typically between 4x and 7x, with the range driven by accreditations, revenue quality, and operational independence from the owner.

NICEIC Approval

NICEIC (National Inspection Council for Electrical Installation Contracting) approval is the primary quality signal for electrical businesses. It enables Part P self-certification for domestic work and provides third-party quality assurance that commercial clients and public sector bodies require. NICEIC-approved businesses command measurable premiums over non-approved contractors.

Public Sector Framework Contracts

Access to NHS Shared Business Services, Crown Commercial Service, or local authority approved contractor lists provides predictable, multi-year revenue with creditworthy clients. Buyers understand that framework access is difficult to replicate and represents a competitive moat. Businesses with active public sector frameworks consistently achieve the upper end of valuation multiples.

EV Charging Capability

The ability to design and install EV charging infrastructure adds a forward-looking revenue narrative. Buyers are not just acquiring historical revenue; they are acquiring the capability to participate in a market that is expected to grow significantly over the next decade.

Testing and Compliance Revenue

Electrical installation condition reports (EICRs), PAT testing, and periodic inspection work generate recurring revenue that is relatively predictable and margin-stable. Businesses with a high proportion of testing and compliance revenue achieve more consistent valuations.

Owner Dependency

If the business cannot operate without the owner managing key client relationships or technical work, buyers apply a discount. Reducing owner dependency before going to market is one of the highest-return preparations for any service business.

How the Sale Process Works

A managed electrical business sale typically takes four to six months from first conversation to legal completion.

Initial Conversation

Private, no commitment, no fee. We discuss your business, your timeline, and what a successful exit looks like for you.

Indicative Valuation

A realistic market assessment based on your financials, client mix, and accreditations. An honest view of current market conditions, not a formal valuation report.

Confidential Marketing

An anonymised profile is created and sent to our registered buyer list. Your identity is protected. Staff, clients, and competitors do not know you are considering a sale.

NDA, Offers, and Completion

Buyers sign NDAs before receiving identifying information. You approve the buyer list. We manage offers, negotiations, heads of terms, due diligence, and completion. Our fee is paid by the buyer. You pay nothing upfront.

Accreditations That Matter

NICEIC Approval

The primary quality certification for UK electrical contractors. Enables Part P self-certification. Required by most commercial clients and public sector bodies. Buyers treat it as a baseline quality indicator.

NAPIT Registration

National Association of Professional Inspectors and Testers. An alternative Part P competent person scheme. NAPIT-registered businesses are treated similarly to NICEIC-approved by buyers.

ECA Membership

Electrical Contractors Association. Industry body membership signalling engagement with standards, training, and dispute resolution. Relevant for commercial work and public procurement.

Part P Certification

Competent person self-certification for domestic electrical work. Required for notifiable domestic work. Buyers expect this as standard for any business with residential clients.

18th Edition Wiring Regulations

Current edition of BS 7671. All qualified electricians should be trained to 18th Edition. Buyers will review training records and certification during due diligence.

Tax Considerations

Business Asset Disposal Relief (BADR) applies a reduced Capital Gains Tax rate to qualifying gains from selling a trading business, subject to a £1 million lifetime allowance.

The rate is currently 14%, rising to 18% in April 2026. For owners with significant qualifying gains, this change has a material impact on net proceeds.

Important: This guide does not constitute tax advice. Always take independent advice from a qualified accountant before making decisions based on BADR or any other tax consideration.

Keeping It Confidential

Electrical businesses often have long-term commercial relationships with building managers, facilities teams, and public sector contacts. The idea that staff or clients might hear about a sale before it is agreed is a genuine concern.

A managed process protects confidentiality at every stage. Buyers sign NDAs before receiving any identifying information. Staff typically find out only at heads-of-terms stage. Clients are notified after completion as part of a managed handover.

For businesses with public sector framework contracts, confidentiality is particularly important. Frameworks are awarded to the business entity. The acquirer will maintain the same legal entity and framework registration, ensuring continuity.

Getting Ready to Sell: 12-Month Checklist

- Three years of clean, accountant-prepared accounts showing consistent profitability
- NICEIC (or NAPIT) approval current and in good standing
- Public sector framework registrations documented with current status and renewal dates
- Qualified electrician headcount documented with certification records
- Testing and compliance workbook: EICRs, PAT test records, periodic inspection log
- EV charging installation records and capability documented (if applicable)
- Key client relationships not wholly dependent on the owner
- No significant outstanding disputes, insurance claims, or liabilities
- Clear split of commercial/residential and recurring/project revenue
- Fleet and equipment in reasonable condition with service records

Next Steps

The first step does not require a firm decision. It requires a conversation.

Free Confidential Valuation

We offer a free indicative valuation and initial consultation with no commitment and no cost to you.

Phone: 01256 486999

Email: simon@electricalbusinessforsale.co.uk

Web: electricalbusinessforsale.co.uk/valuation

No pressure. No commitment. Completely confidential.

Electrical Business For Sale

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