



Seale & Associates

HVAC INDUSTRY
VALUATION UPDATE
Q1 2025

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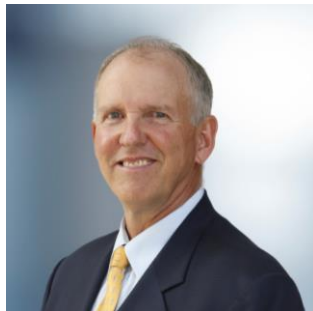
Introduction

We are pleased to share our HVAC Industry Valuation Multiples Update for Q1 2025.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client’s strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



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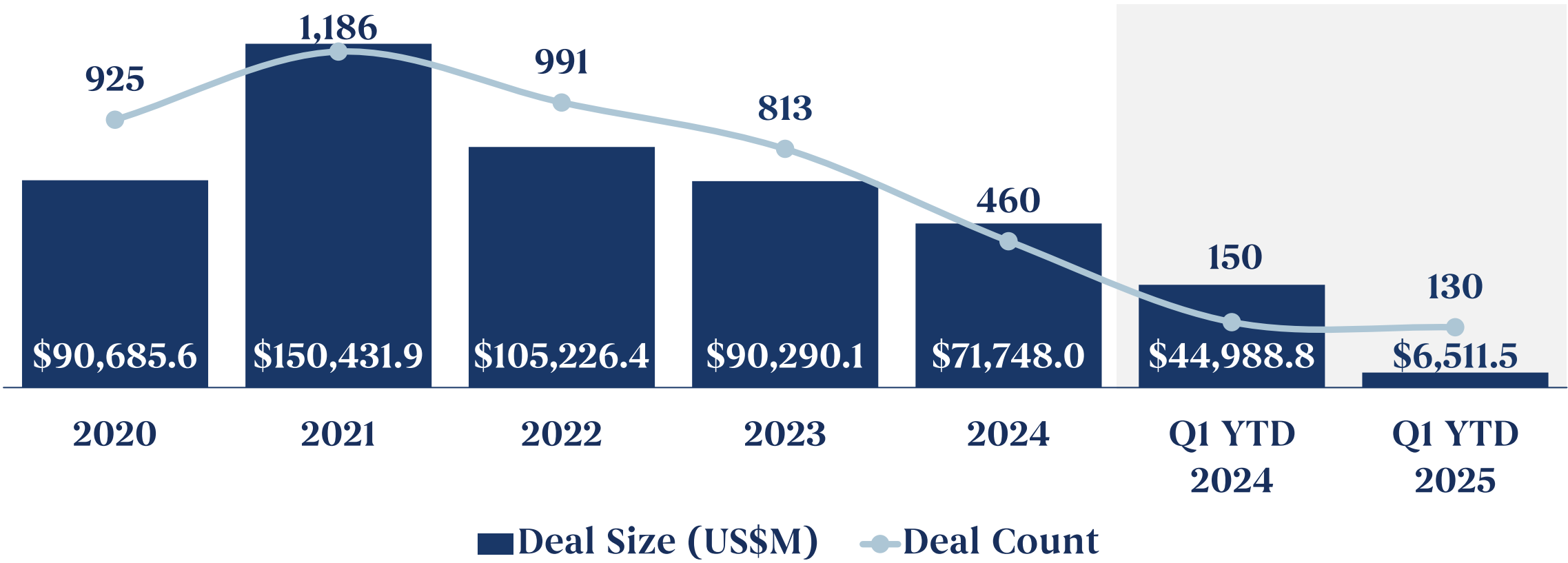
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HVAC Industry Overview

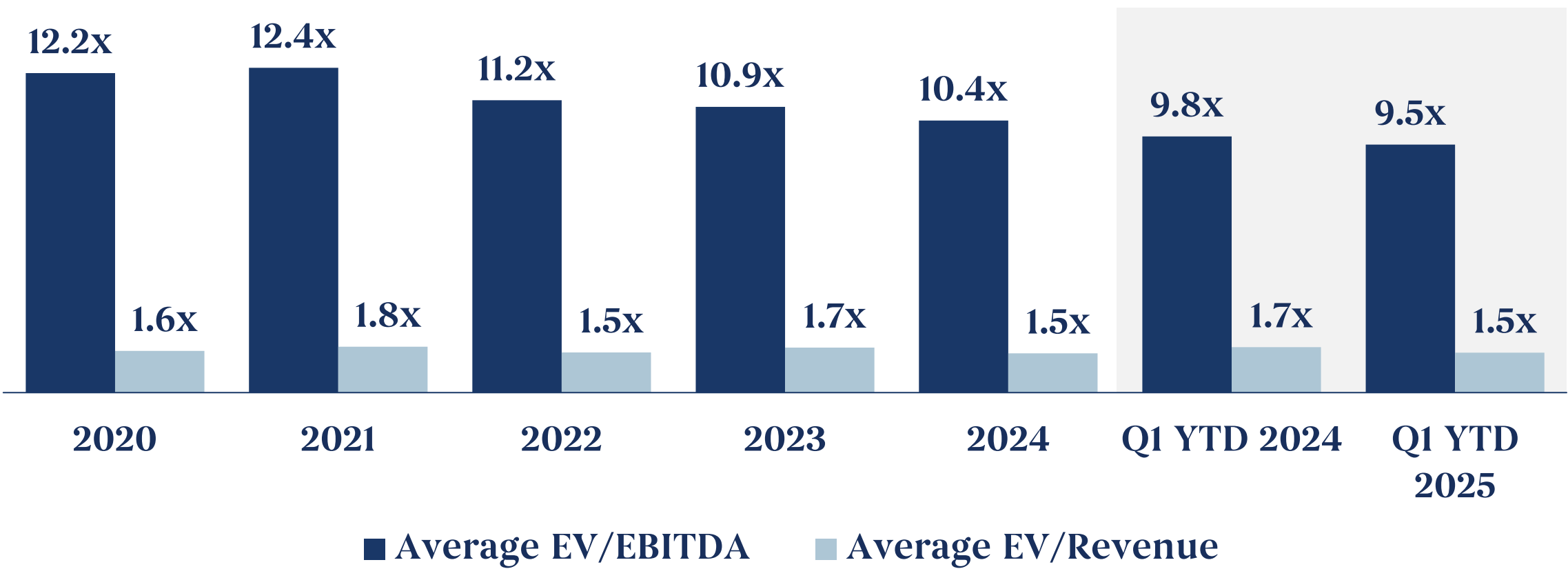
M&A Trends and Market Intelligence

- The **global HVAC market** was valued at **US\$310.6B in 2024** and is expected to **grow from US\$328.1B in 2025 to US\$545.4B in 2034**, at a **CAGR of 5.8%**. Growth is driven by steady demand for both heating and cooling systems across residential and commercial segments
- **Climate change** and rising temperatures are **making air conditioning essential** even in historically temperate regions. In parallel, heightened **awareness of indoor air quality (IAQ)** post-pandemic is **increasing demand for systems with advanced ventilation, filtration, and humidity control**. Industry players are responding by acquiring specialized firms that address these evolving needs
- **Smart HVAC solutions** using AI and IoT are **gaining traction**, offering improved energy efficiency, predictive maintenance, and seamless integration into building systems. **Companies** are **increasingly acquiring automation-driven manufacturers** to stay competitive
- **Sustainability pressures** are reshaping the market. Regulatory mandates are **accelerating the shift to low-GWP refrigerants** (e.g., R-290, CO₂, ammonia) and **low-carbon heating/cooling technologies**, influencing product design and customer preferences
- **Urbanization and construction booms in emerging markets**, especially in Asia, Latin America, and Africa, are **expanding the HVAC customer base** as new infrastructure demands reliable climate control systems
- The HVAC industry is **undergoing active consolidation**, with **top players** controlling 25–30% of the market and **pursuing acquisitions to broaden portfolios and geographic reach**
- **Private equity and strategic buyers** are **equally active** in M&A, **attracted by recurring revenue** from services and **opportunities to streamline a fragmented industry**

HVAC Industry M&A Deal Size and Volume



HVAC Industry M&A Average EV/EBITDA and EV/Revenue






Source: Capital IQ, Global Market Insights, ACR Latinoamérica, and Other Industry Reports

Equipment Manufacturing Global Comparable Public Companies (1/2)

The table below presents selected publicly traded companies in the sector, serving as benchmarks for valuation, scale, and operating performance across comparable business models





Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2025 EV/ EBITDA		EV/ Revenue
							2023	2024			
Carrier Global Corporation		USA	\$54,777	\$63,967	\$22,284	17.8%	14.8x	20.3x	16.1x		2.9x
Daikin Industries,Ltd.		JPN	\$31,558	\$31,835	\$31,736	13.6%	13.2x	10.2x	7.4x		1.0x
Haier Smart Home Co., Ltd.		CHN	\$33,065	\$31,400	\$40,407	9.2%	9.5x	9.4x	8.4x		0.8x
Johnson Controls International plc		IRL	\$52,884	\$64,067	\$23,248	16.6%	12.5x	14.0x	16.6x		2.8x
Lennox International Inc.		USA	\$19,954	\$21,020	\$5,367	23.3%	14.8x	18.9x	16.8x		3.9x
Midea Group Co., Ltd.		CHN	\$82,129	\$71,083	\$59,104	10.8%	10.2x	9.9x	11.1x		1.2x

Equipment Manufacturing Global Comparable Public Companies (2/2)

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2025	
							2023	2024	EV/ EBITDA	EV/ Revenue
NIBE Industrier AB (publ)		SWE	\$7,618	\$9,521	\$4,055	11.6%	27.0x	19.9x	20.2x	2.3x
Resideo Technologies, Inc.		USA	\$2,617	\$4,649	\$7,045	11.8%	4.6x	6.0x	5.6x	0.7x
SPX Technologies, Inc.		USA	\$5,973	\$6,484	\$2,001	21.3%	16.2x	20.0x	15.2x	3.2x
Systemair AB (publ)		SWE	\$1,538	\$1,634	\$1,232	13.4%	13.4x	12.0x	9.9x	1.3x
Trane Technologies plc		IRL	\$75,568	\$79,393	\$20,311	19.9%	16.3x	22.1x	19.7x	3.9x
■ Excluded from mean						Mean	13.4x	14.9x	14.1x	1.9x
						Median	13.4x	14.0x	15.2x	2.3x






Equipment Distribution Global Comparable Public Companies

The table below presents selected publicly traded companies in the sector, serving as benchmarks for valuation, scale, and operating performance across comparable business models

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2025 EV/ EBITDA	
							2023	2024	EV/ EBITDA	EV/ Revenue
Beijer Ref AB (publ)		SWE	\$7,100	\$8,086	\$3,674	12.0%	26.4x	22.2x	18.3x	2.2x
Reece Limited		AUS	\$6,317	\$7,363	\$5,594	9.5%	15.3x	19.0x	13.8x	1.3x
Watsco, Inc.		USA	\$19,196	\$19,269	\$7,584	12.6%	13.7x	18.9x	20.1x	2.5x
W.W. Grainger, Inc.		USA	\$47,585	\$50,077	\$17,239	17.5%	14.1x	17.4x	16.6x	2.9x
■ Excluded from mean						Mean	14.4x	18.5x	17.2x	2.5x
						Median	14.7x	19.0x	17.5x	2.4x





Service Firms Global Comparable Public Companies

The table below presents selected publicly traded companies in the sector, serving as benchmarks for valuation, scale, and operating performance across comparable business models

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2025 EV/EBITDA EV/Revenue	
							2023	2024		
Comfort Systems USA, Inc.		USA	\$11,434	\$11,193	\$7,322	14.1%	13.9x	16.9x	10.9x	1.5x
EMCOR Group, Inc.		USA	\$16,808	\$15,818	\$15,001	12.5%	8.6x	11.5x	8.4x	1.1x
SPIE SA		FRA	\$7,129	\$9,450	\$10,819	9.2%	8.4x	9.5x	9.5x	0.9x
Bravida Holding AB (publ)		SWE	\$1,848	\$2,069	\$2,916	7.4%	9.8x	8.4x	9.6x	0.7x
Tutor Perini Corporation		USA	\$1,217	\$1,365	\$4,525	0.4%	10.9x	13.5x	69.1x	0.3x
■ Excluded from mean						Mean	10.3x	10.7x	9.6x	0.9x
						Median	9.8x	11.5x	9.6x	0.9x







Control Modules Global Comparable Public Companies

The table below presents selected publicly traded companies in the sector, serving as benchmarks for valuation, scale, and operating performance across comparable business models


















Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2025 EV/ EBITDA		EV/ Revenue
							2023	2024			
Emerson Electric Co.		USA	\$61,826	\$73,137	\$17,607	28.5%	12.7x	17.1x	14.6x		4.2x
Honeywell International Inc.		USA	\$137,377	\$159,191	\$39,215	25.3%	16.2x	16.5x	16.0x		4.1x
Infineon Technologies AG		DEU	\$42,681	\$46,336	\$15,818	30.6%	8.6x	9.2x	9.6x		2.9x
Johnson Controls International plc		IRL	\$52,884	\$64,067	\$23,248	16.6%	12.5x	14.0x	16.6x		2.8x
■ Excluded from mean						Mean	12.5x	15.8x	15.7x		3.5x
						Median	12.6x	15.2x	15.3x		3.5x

HVAC – Global Transactions (1/2)

The table below highlights selected global M&A transactions during Q1 2025, illustrating strategic acquisitions focused on scale, product diversification, or geographic expansion within the sector

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Mar-25		USA	Advantage Distribution Holdings , an HVAC distribution platform backed by Tigertail Capital Partners, acquired CTC Supply , a distributor of HVAC equipment, parts, and supplies, expanding its footprint in the distribution market		-	100.0%	-	-	-
Mar-25*		DNK	Nalka Invest , an investment firm, agreed to acquire Airteam , a provider of energy-efficient ventilation solutions, from RatOS, aiming to stenghten its market position			100.0%	\$169.2	-	1.1x
Mar-25		USA	Ariston Group , a provider of sustainable thermal comfort solutions, acquired DDR Heating , a manufacturer of tubular electric heaters, providing an entry point into the North American components market		-	100.0%	-	-	-
Mar-25*		USA	Modine Manufacturing Company , a provider of thermal management and HVAC solutions, agreed to acquire AbsolutAire , a manufacturer of direct-fired heating, ventilation, and make-up air systems, gaining another top-tier HVAC offering		-	100.0%	-	-	-
Mar-25		FRA	CEME , a provider of electrical, HVAC, and maintenance engineering, acquired Technichauffe , a provider of installation and maintenance services for HVAC equipment, strengthening its presence in France		-	100.0%	-	-	-
Mar-25		USA	Airtron Heating & Air Conditioning , a provider for HVAC systems, acquired Sierra Air Conditioning, Inc. , an installer of HVAC systems, from SE Capital, expanding its presence into the West region of the United States			100.0%	-	-	-
Mar-25		USA	The SEER Group , a network of HVAC, electrical, and plumbing companies, acquired Alpine Heating & Air Conditioning , a provider of HVAC services, expanding its presence in the Pacific Northwest		-	100.0%	-	-	-
Mar-25		USA	Daikin Applied Americas , a manufacturer of HVAC systems, acquired a majority stake in Modular Comfort Systems , a provider of customized HVAC solutions, enhancing its energy-efficient and decarbonization solutions		-	> 50.0%	-	-	-

HVAC – Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Feb-25		FRA	Compagnie Financière Armoricaïne , a real estate development group specializing in new housing and service residences, acquired JP Mangeant , a provider of HVAC and plumbing installations, expanding its technical capabilities	Compagnie Financière Armoricaïne	-	ND	-	-	-
Feb-25		USA	Del-Air , a provider of HVAC, plumbing, and electrical services, acquired McGowan's Heating & Air Conditioning , a provider of HVAC solutions, expanding its footprint into northeast Florida		-	100.0%	-	-	-
Feb-25		USA	Del-Air , a provider of HVAC, plumbing, and electrical services, acquired Gator Air Conditioning , a provider of HVAC services, strengthening its presence on Florida's Gulf Coast		-	100.0%	-	-	-
Jan-25		USA	PremiStar , a provider of HVAC, plumbing, and building automation services, acquired Air Temp Mechanical Services , a commercial HVAC contractor, enhancing its service offerings		-	100.0%	-	-	-
Jan-25		USA	Fresh Water Ventures , a private equity firm, acquired Able Heating & Cooling , a provider of HVAC services, strengthening presence in central Michigan		-	100.0%	-	-	-
Jan-25		USA	Koch Air , a distributor of HVAC services, acquired Standard Air , a distributor of residential and commercial HVAC equipment, expanding its geographic reach		-	100.0%	-	-	-
Jan-25		USA	Air Control Concepts , a provider of HVAC solutions backed by Madison Dearborn Partners and Blackstone, acquired Midwest Machinery Company , a manufacturer of HVAC products, expanding its geographic footprint		-	100.0%	-	-	-
Jan-25		USA	Sila Services , a provider of HVAC, plumbing, and electrical services, acquired Sullivan Super Service , a provider of plumbing, heating, and cooling services, expanding its presence in Western Pennsylvania		-	100.0%	-	-	-
Jan-25		USA	PremiStar , a provider of HVAC, plumbing, and building automation services, acquired Trademark Mechanical , a commercial HVACR and controls contractor, entering the New York market		-	ND	-	-	-

* Announced transactions pending approval and other customary closing conditions

ND: Not Disclosed

BEIJER REF

TARGET

Heritage Distribution Holdings

TRANSACTION TYPE

Buy-side advisory

INDUSTRIES

HVAC, Distribution

GEOGRAPHY

USA

SITUATION

Seale & Associates announced that it acted as an exclusive financial advisor to Beijer Ref AB (“Beijer Ref”) on its agreement to acquire Heritage Distribution Holdings (“Heritage Distribution”) from Gryphon Investors for **US\$1.275B**.

SEALE & ASSOCIATES’ APPROACH

Seale was retained by Beijer Ref to identify potential acquisition targets engaged in the distribution of HVAC/R equipment in North America, confidentially pre-qualify targets, and assist in the execution of the transaction.

OUTCOME

Beijer Ref successfully completed the acquisition of Heritage Distribution Holdings and was immediately margin accretive to the business. The acquisition represents Beijer Ref’s entry into the North American market and will establish the company as a leading HVAC/R distributor in the U.S. South/South East region, one of the most attractive regions for HVACR in North America.

“The North American market is currently undergoing a shift towards electrification and energy efficiency”

BEIJER REF

has acquired

HERITAGE
DISTRIBUTION HOLDINGS

"The acquisition of Heritage Distribution constitutes an important strategic step for Beijer Ref. The North American market is currently undergoing a shift towards electrification and energy efficiency, accelerated by regulatory changes. Also, the growing recognition of indoor air quality and climate change impacts has increased the demand for environmentally friendly and innovative HVAC technologies, which creates a great opportunity for our combined product offering."

Chris Norbye
CEO of Beijer Ref AB

RHEEM

TARGET

Heat Transfer Products Group (HTPG)

TRANSACTION TYPE

Buy-side advisory

INDUSTRIES

HVAC, Industrial machinery

GEOGRAPHY

USA

SITUATION

Seale was retained by Rheem Manufacturing Company to evaluate and execute strategic acquisitions across business lines. Seale advised Rheem on the successful acquisition of Heat Transfer Products Group (HTPG) in a competitive auction process. HTPG manufactures commercial refrigeration equipment for the food service, food retail and other non-consumables markets.

SEALE & ASSOCIATES’ APPROACH

Seale’s professionals’ knowledge and relationships in the HVAC and refrigeration industry allowed for a successful acquisition. Having previously sold the HTPG business to Monomoy Capital, Seale’s unique insights on the target provided invaluable knowledge about the business.

OUTCOME

The process resulted in a successful acquisition of HTPG on buyer-friendly pricing terms. HTPG has resulted in a very successful business for Rheem to combine an extensive knowledge of heat transfer technology to develop innovative new products.

“Seale had in-depth knowledge of the HVAC space as well as extensive relationships with key executives from around the world”



has acquired



“Seale had in-depth knowledge of the HVAC space as well as extensive relationships with key executives from around the world, which they used to help us identify and close on the perfect deal for our company. The Seale team consists of committed professionals with significant transaction experience, but they also have strong backgrounds in accounting, tax, finance, and law, which allow them to provide value added advice where most other advisors cannot.”

J.R. Jones, CEO, Rheem Manufacturing Company

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 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>and</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p>  <p>GE Power Systems</p>	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p> <p>Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services – Asia, and Triumph Engines businesses</p> <p>to</p> 	 <p>has acquired</p> 	 <p>has sold its GRACE Membranes business</p> 
 <p>has sold</p>  <p>and</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p>  <p>Driving Safety Forward™</p>	 <p>has sold</p>  <p>A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has acquired</p> 	 <p>has been recapitalized by</p> 



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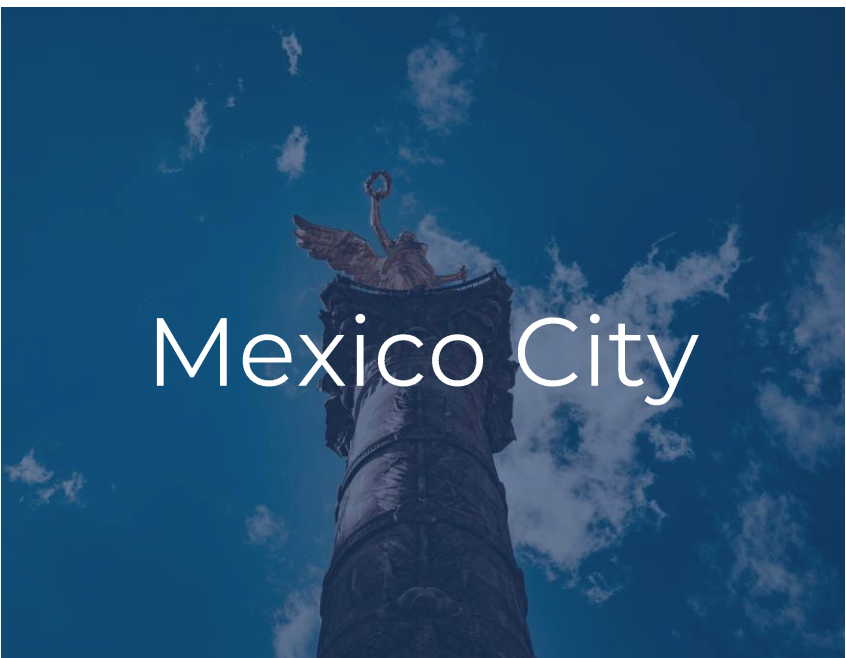
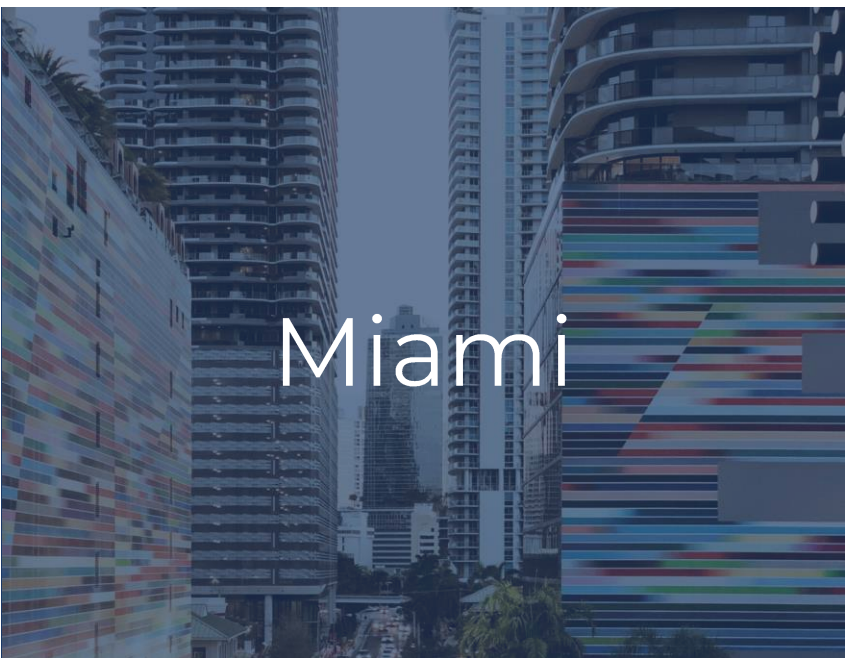


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For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings

+25

Years of Experience

+\$50B

Closed Transactions Globally

Services & Solutions

- Mergers & Acquisitions

Divestitures

Joint Ventures / Alliances

Recapitalizations
- Due Diligence / Support

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Trusted Advisor to Leading Companies Worldwide

We have worked repeatedly with many of the most well-known and respected companies in the world...

...as well as with many private equity funds, family-offices and privately held companies.





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