

A close-up, low-angle shot of two HVAC units. The primary focus is on a large, circular fan grille in the foreground, which features a complex, concentric wire mesh design. Several thin, dark metal rods are positioned across the grille, possibly for maintenance or repair. The background shows another similar unit, slightly out of focus. The entire image has a cool, blue-toned color palette.

Seale & Associates

HVAC INDUSTRY
Q4 2024
VALUATION UPDATE

25 years

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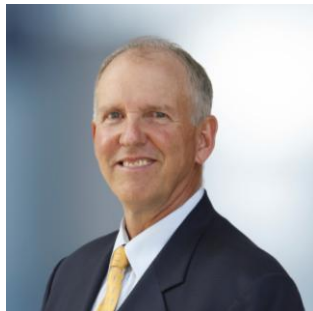
Introduction

We are pleased to share our HVAC Industry Valuation Multiples Update for Q4 2024.

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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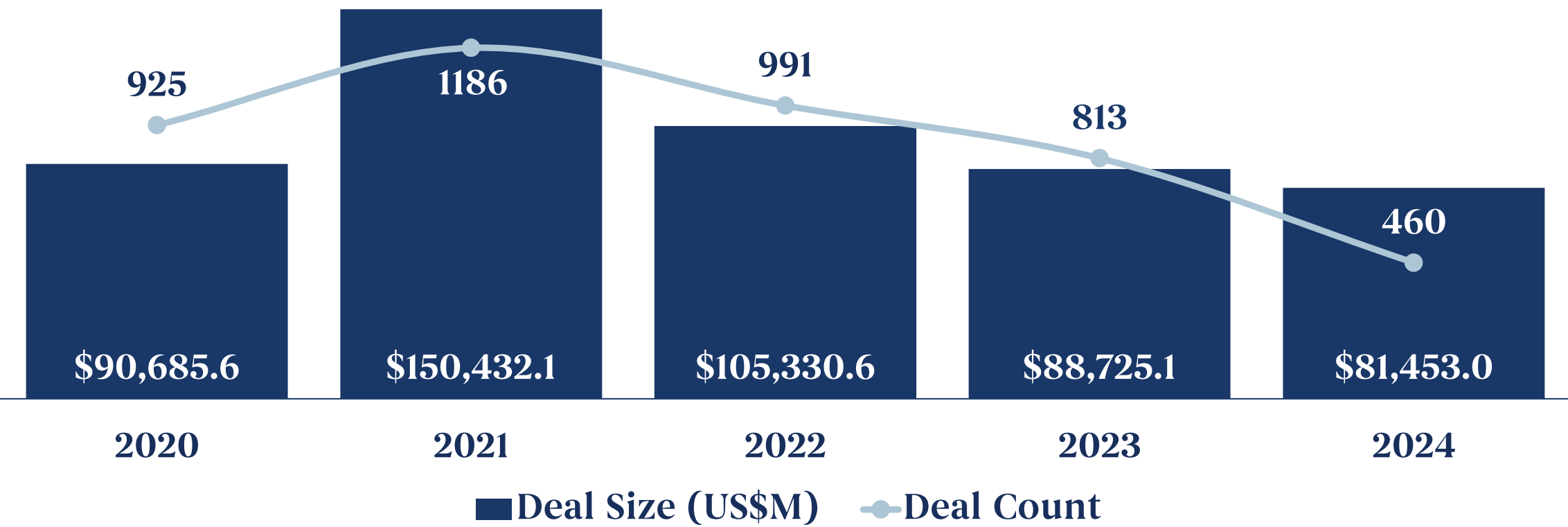
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HVAC Industry Overview, M&A Trends and Market Intelligence

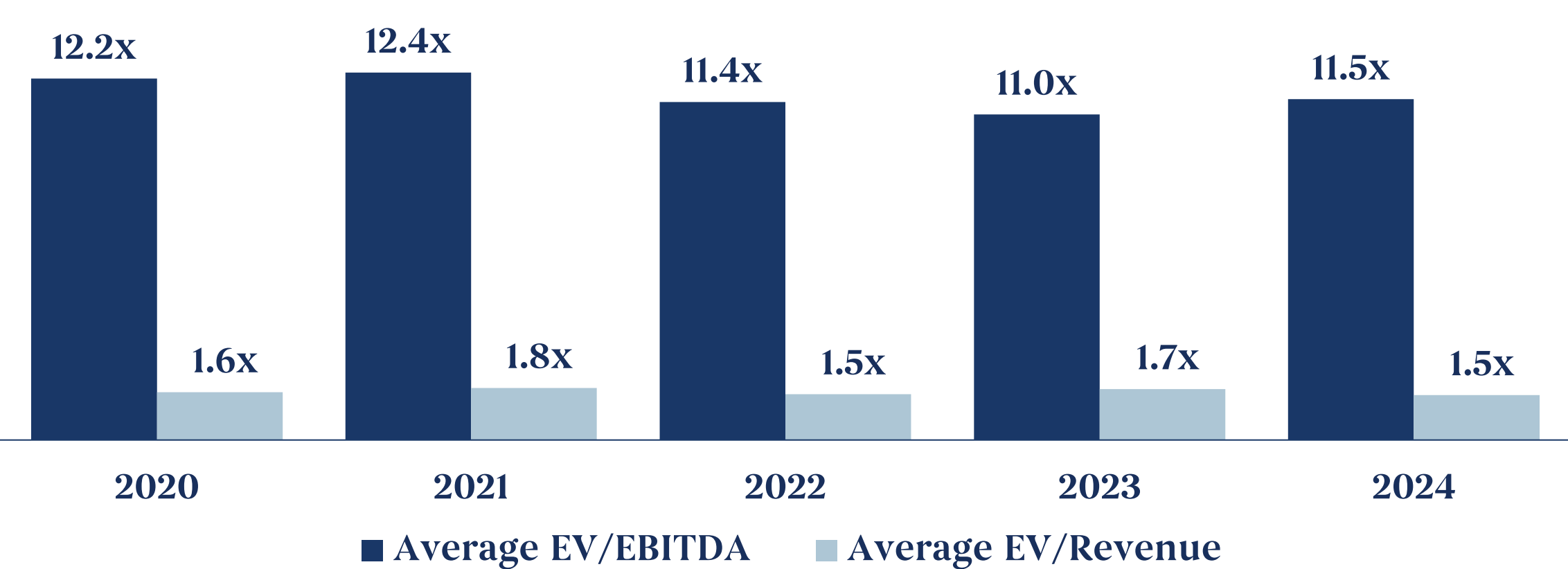
HVAC M&A Trends and Market Intelligence

- While the **HVACR market remained steady in Q4 2024**, transaction **activity is expected to rebound in early 2025**, with further **acceleration following the U.S. presidential election**. **Investor sentiment** remains **strong**, with both strategic buyers and private equity firms preparing for an **active M&A market**
- The **HVAC industry** showed solid **growth**, with **Trane Technologies** reporting a **10.0% YOY revenue increase in Q4**, totaling a 12.0% rise for the year to US\$19.8B. **Carrier Global** saw a **6.0% sales increase**, with 11.0% organic growth in HVAC sales, particularly in the Americas
- Heat pump demand surged in North America and Europe, driven by government incentives promoting electrification and decarbonization**. The Inflation Reduction Act (IRA) in the U.S. and similar policies in Europe accelerated adoption, with **heat pump sales surpassing traditional gas furnaces**. This trend has **spurred acquisitions of companies specializing in heat pump technology** to expand offerings
- Advancements in **AI-powered HVAC systems and smart thermostats** improved energy efficiency, **attracting residential and commercial buyers**. **Government policies further supported equipment upgrades**, shifting consumer behavior from repairs to new system purchases
- M&A remained active as large HVAC companies expanded portfolios and geographic reach**. Daikin's majority stake acquisition of Varitec Solutions highlights the focus on energy-efficient installations. **Public companies are expected to continue targeting differentiated product and service providers** to drive inorganic growth
- Private equity firms maintained strong interest in HVAC due to its stable cash flows and recurring revenues**, making it a prime sector for platform investments and roll-ups, **particularly in heat pumps, automation, and energy-efficient solutions**
- With **regulatory incentives, technological innovation, and electrification** driving demand, **M&A activity is expected to accelerate** in 2025. Strategic buyers and private equity firms are positioning for growth, setting the stage for a strong year ahead

HVAC Industry M&A Deal Size and Volume











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







Source: Capital IQ, The Wall Street Journal, Utility, The News, and Other Industry Reports






HVAC Equipment Manufacturing Global Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2024 EV/EBITDA EV/Revenue	
							2022	2023		
Carrier Global Corporation		USA	\$61,245	\$72,246	\$22,486	16.7%	12.6x	14.8x	19.2x	3.2x
Daikin Industries,Ltd.		JPN	\$34,748	\$34,894	\$30,050	13.5%	14.0x	13.2x	8.6x	1.2x
Haier Smart Home Co., Ltd.		CHN	\$34,477	\$32,708	\$36,406	9.2%	11.6x	9.5x	9.7x	0.9x
Johnson Controls International plc		IRL	\$52,266	\$63,626	\$23,169	16.3%	10.9x	12.5x	16.8x	2.7x
Lennox International Inc.		USA	\$21,705	\$22,873	\$5,341	22.0%	13.6x	14.8x	19.5x	4.3x
Midea Group Co., Ltd.		CHN	\$77,391	\$67,279	\$54,787	11.2%	12.3x	10.2x	11.0x	1.2x
NIBE Industrier AB (publ)		SWE	\$7,877	\$9,783	\$3,661	10.5%	34.3x	27.0x	25.4x	2.7x
Resideo Technologies, Inc.		USA	\$3,388	\$5,559	\$6,761	11.6%	5.5x	4.6x	7.1x	0.8x
SPX Technologies, Inc.		USA	\$6,746	\$7,406	\$1,984	20.8%	14.6x	16.2x	17.9x	3.7x
Systemair AB (publ)		SWE	\$1,667	\$1,758	\$1,098	12.2%	14.0x	13.4x	13.1x	1.6x
Trane Technologies plc		IRL	\$83,113	\$86,477	\$19,838	19.7%	15.5x	16.3x	22.1x	4.4x
■ Excluded from mean and median						Mean	12.4x	13.4x	13.7x	2.0x
Source: Capital IQ						Median	13.6x	13.4x	16.8x	2.7x





HVAC Equipment Distribution Global Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2024	
							2022	2023	EV/ EBITDA	EV/ Revenue
Beijer Ref AB (publ)		SWE	\$7,471	\$8,395	\$3,222	11.9%	32.2x	26.4x	21.8x	2.6x
Reece Limited		AUS	\$8,947	\$9,869	\$5,551	11.0%	16.7x	15.3x	16.2x	1.8x
Watsco, Inc.		USA	\$18,179	\$18,523	\$7,618	12.1%	12.2x	13.7x	20.1x	2.4x
W.W. Grainger, Inc.		USA	\$51,332	\$53,450	\$17,168	17.2%	14.2x	14.1x	18.1x	3.1x
■ Excluded from mean and median						Mean	14.4x	14.4x	19.1x	2.5x
						Median	15.4x	14.7x	19.1x	2.5x











HVAC Service Firms Global Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2024 EV/ EBITDA		EV/ Revenue
							2022	2023			
Comfort Systems USA, Inc.		USA	\$15,045	\$14,933	\$7,027	12.8%	12.6x	13.9x	16.6x		2.1x
EMCOR Group, Inc.		USA	\$20,880	\$20,202	\$14,566	11.9%	7.1x	8.6x	11.6x		1.4x
SPIE SA		FRA	\$5,253	\$7,864	\$10,363	7.9%	8.4x	8.4x	9.6x		0.8x
Bravida Holding AB (publ)		SWE	\$1,480	\$1,715	\$2,679	7.4%	11.3x	9.8x	8.7x		0.6x
Tutor Perini Corporation		USA	\$1,269	\$1,738	\$4,327	2.0%	5.1x	10.9x	20.3x		0.4x
■ Excluded from mean and median						Mean	8.9x	10.3x	11.6x		0.8x
						Median	8.4x	9.8x	11.6x		0.8x

HVAC Control Modules Global Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2024 EV/ EBITDA		EV/ Revenue
							2022	2023			
Emerson Electric Co.		USA	\$70,582	\$81,223	\$17,550	27.7%	13.9x	12.7x	16.7x		4.6x
Honeywell International Inc.		USA	\$146,884	\$168,514	\$38,498	24.7%	16.2x	16.2x	17.7x		4.4x
Infineon Technologies AG		DEU	\$42,234	\$45,305	\$15,195	33.0%	10.2x	8.6x	9.0x		3.0x
Johnson Controls International plc		IRL	\$52,266	\$63,626	\$23,169	16.3%	10.9x	12.5x	16.8x		2.7x
■ Excluded from mean and median						Mean	12.8x	13.8x	17.1x		3.7x
						Median	12.4x	12.6x	16.8x		3.7x

HVAC – Q4 Global Transactions (1/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Dec-24	 JOHN NUGENT & SONS <small>Family Owned & Operated Since 1975</small>	USA	Sila Services , provider of residential HVAC services, acquired John Nugent & Sons , family-owned HVAC, plumbing, and electrical company, expanding its presence in Northern Virginia		-	100.0%	-	-	-
Dec-24*	 Crystal Air <small>Fresh. Pure. Clear.</small>	IRL	Mitsubishi Electric Europe , provider of electrical and electronic equipment, agreed to acquire Crystal Air , provider of installation and maintenance services, enhancing its cooling solutions across Europe	Mitsubishi Electric Europe	-	100.0%	-	-	-
Dec-24	 A-COMFORT SERVICE <small>HEATING • COOLING • PLUMBING</small>	USA	Sila Services , provider of residential HVAC services, acquired A-Comfort Service , Pittsburgh-based HVAC and plumbing provider, expanding its presence in Western Pennsylvania		-	100.0%	-	-	-
Dec-24	 MATH Mechanical INC.	USA	Paramount Mechanical Corp. , provider of mechanical/HVAC, electrical, and plumbing systems, acquired Math Mechanical, Inc. , provider of HVAC, plumbing, and piping services, aiming to expand its service offerings in Southeastern Virginia		-	100.0%	-	-	-
Dec-24	 Northern Colorado Air <small>HEATING & AIR CONDITIONING SINCE 1992</small>	USA	Vuelo Investments , investment group, acquired Northern Colorado Air , provider of heating and air conditioning services, continuing its growth in the HVAC industry		-	100.0%	-	-	-
Dec-24	 CHADWICK SERVICE COMPANY	USA	PremiStar , provider of commercial and industrial HVAC, plumbing, and building automation services, partnered with Chadwick Service Company , commercial heating and air conditioning contractor, expanding its footprint in the region		-	ND	-	-	-
Dec-24	 HVAC HEATING <small>Since 1983</small>	USA	Service Logic , HVAC and mechanical services company, acquired HVAC Incorporated , Oregon-based provider of commercial HVAC solutions, strengthening its West Coast market presence		-	100.0%	-	-	-
Dec-24	 POWRMATIC <small>An ACS Brand</small>	USA	ACS , provider of full-service specialty HVAC solutions, acquired Powrmatic , manufacturer of commercial and industrial heating and cooling systems, enhancing its specialty HVAC offerings		-	100.0%	-	-	-
Dec-24	 G & F	USA	Pentair , provider of sustainable water solutions, acquired G&F Manufacturing , manufacturer of pool heat pumps under the Gulfstream brand, expanding its pool equipment offerings in the Southeast		-	100.0%	\$108.0	-	-
Nov-24	 New Berlin <small>Heating & Air Conditioning</small>	USA	Sila Services , provider of residential HVAC services, acquired New Berlin Heating & Air Conditioning , provider of HVAC services, expanding its Midwest presence and enhancing service offerings		-	100.0%	-	-	-

Source: Capital IQ, Press Releases, Mergermarket

HVAC – Q4 Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Nov-24		USA	Del-Air , provider of indoor comfort, acquired Colman Heating & Air , provider of HVAC services, expanding its service offerings		-	100.0%	-	-	-
Nov-24		USA	Liberty Service Partners , provider of HVAC, electrical, and plumbing services, acquired Wilson Heating & Air Conditioning , provider of residential HVAC services		-	100.0%	-	-	-
Nov-24		USA	Fidelity Building Services Group , provider of HVAC/Mechanical Services, Building Automation, and Energy Solutions, acquired Tropic-Kool , commercial design-build and HVAC/Mechanical Services contractor, strengthening its service capabilities		-	100.0%	-	-	-
Nov-24	Österlens Kraft Fjärrvärme AB	SWE	Adven , energy company specialized in district heating, acquired Österlens Kraft Fjärrvärme AB , provider of district heating services in Sweden, enhancing its district heating operations in the region			100.0%	-	-	-
Nov-24		USA	User Friendly Home Services , national network of HVAC and home service companies, acquired Len's Refrigeration, Heating & Air Conditioning , Ohio-based HVAC service provider, enhancing its service offerings in Northeastern Ohio		-	100.0%	-	-	-
Oct-24		USA	Apex Service Partners , provider of HVAC, plumbing, and electrical home services, acquired ProFlo , provider of air conditioning and heating services, strengthening its presence and service capabilities		-	100.0%	-	-	-
Oct-24		GBR	Lords Group Trading , distributor of building, plumbing, and heating materials, acquired a 90% stake in Ultimate Renewables Supplies , provider of heat pumps and renewable energy products, enhancing its renewable heating solutions		-	90.0%	#VALUE!	-	0.4x
Oct-24		USA	Daikin , provider of HVAC systems, acquired a majority stake in Varitec Solutions , manufacturer and installer of large-scale, energy-efficient HVAC systems for commercial buildings, aiming to deliver end-to-end HVAC solutions		-	>50.0%	-	-	-
Oct-24		IRL	Purmo Group Oyj , provider of sustainable indoor climate comfort solutions, acquired Unitherm Heating Systems , provider of climate solutions centered around heat pumps, strengthening its climate solutions business		-	100.0%	-	-	-

* 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”



"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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S U S C R I B E

Global M&A Representative Engagements

 <p>has been acquired by</p> 	 <p>has sold a controlling interest to</p> 	 <p>has sold</p>  <p>Zinc Oxide Corporation a subsidiary of</p> 	 <p>has acquired</p>  <p>from</p> 	 <p>has been acquired by</p> 	 <p>Oxbow's Senior Subordinated debt issued by</p>  <p>was refinanced by</p> 	 <p>has acquired</p> 
 <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>a subsidiary of</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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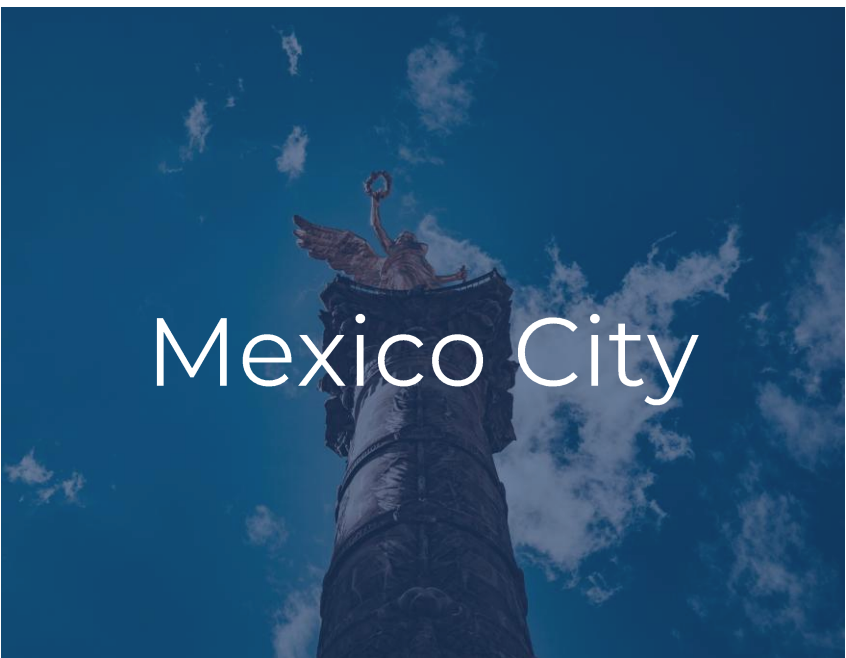
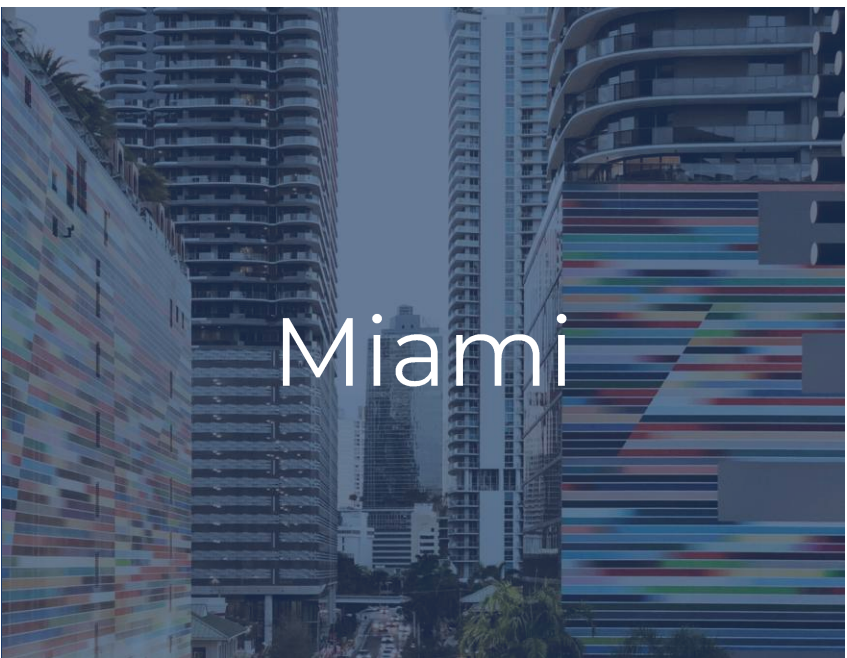


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For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and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

25
Years of Experience

+\$50B
Closed Transactions Globally

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- Mergers & Acquisitions
- Divestitures
- Joint Ventures / Alliances
- Recapitalizations
- Due Diligence / Support
- Expert Witness Testimony
- Corporate Finance Advisory
- Strategy Consulting

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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Creative Solutions. Trusted Advice.