



# Seale & Associates

HVAC INDUSTRY  
Q1 2023  
VALUATION UPDATE

# Introduction

We are pleased to share our HVAC Industry Multiples Valuation Update for Q1 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our clients' 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 23+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our HVAC Industry clients that 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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# Sector relevant experience

Extensive M&A transaction experience, including:

**• Sale of HTPG to Monomoy Capital Partners and Starboard Capital Partners**

- Exclusive financial advisor to Carrier Corp., a subsidiary of United Technologies Corp., to help with the divestiture of Heat Transfer Products Group (HTPG), a manufacturer of commercial refrigeration equipment for the food service, food retail, and other non-consumable markets
- Seale assisted Carrier in preparing all deal marketing materials, researching and screening the potential buyers' universe, confidentially prequalifying potential buyers, and negotiating the transaction

**• Sale of International Cold Storage to CrownTonka and ThermalRite**

- Exclusive financial advisor to Carrier Corp., a subsidiary of United Technologies Corp., to help with the divestiture of International Cold Storage, its commercial walk-in cooler business
- Seale assisted Carrier Corp. with preparing all deal-related marketing materials, researching and screening the potential buyers' universe, confidentially prequalifying the potential buyers, and negotiating the transaction

**• Acquisition of HTPG by Rheem**

- Engaged as exclusive financial advisor to Rheem, a subsidiary of Paloma, to advise on acquisition opportunities in food service equipment
- Seale conducted extensive market research and prequalification to identify potential acquisition opportunities that fit the defined investment criteria and negotiated the transaction with HTPG

US\$1.275B

**BEIJER REF**

has acquired



HERITAGE DISTRIBUTION HOLDINGS



a portfolio company of



acquired a

**Specialty HVAC Company**




has sold




to



GRUPO INDUSTRIAL SOLTILLO




a subsidiary of



has sold

**HTPG**  
A Division of Carrier Commercial Refrigeration, Inc.

to



MONOMOY and Starboard Capital Partners



a subsidiary of



has sold



INTERNATIONAL COLD STORAGE

to the shareholders of



CrownTonka and ThermalRite



has acquired



HTPG



has been acquired by



FEMSA



has been acquired by



AC Smith.



**TRANE**

Corporate Finance Advisory Services



# Highlighted Transaction Seale & Associates



**In 2022, Beijer Ref AB announced the acquisition of Heritage Distribution Holdings. The value of the transaction was US\$1.275 billion.**

“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.”

*Christopher Norbye  
CEO of Beijer Ref AB*

## **BEIJER REF**

- Buyer**  
Beijer Ref AB is focused on trading and distribution of HVAC/R products
- Foundation**  
1866
- Headquarters**  
Malmo, Sweden
- Employees**  
+4,500

## **HERITAGE** DISTRIBUTION HOLDINGS

- Target**  
Heritage Distribution Holdings, an American HVAC/R distributor in the US
- Foundation**  
2022
- Headquarters**  
Georgia, USA
- Employees**  
+800



SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

# RHEEM

**TARGET:** Heat Transfer Products Group (HTPG)  
**TRANSACTION TYPE:** Buy-side Advisory  
**INDUSTRIES:** HVAC, Industrial machinery  
**GEOGRAPHY:** Georgia, USA

## SITUATION

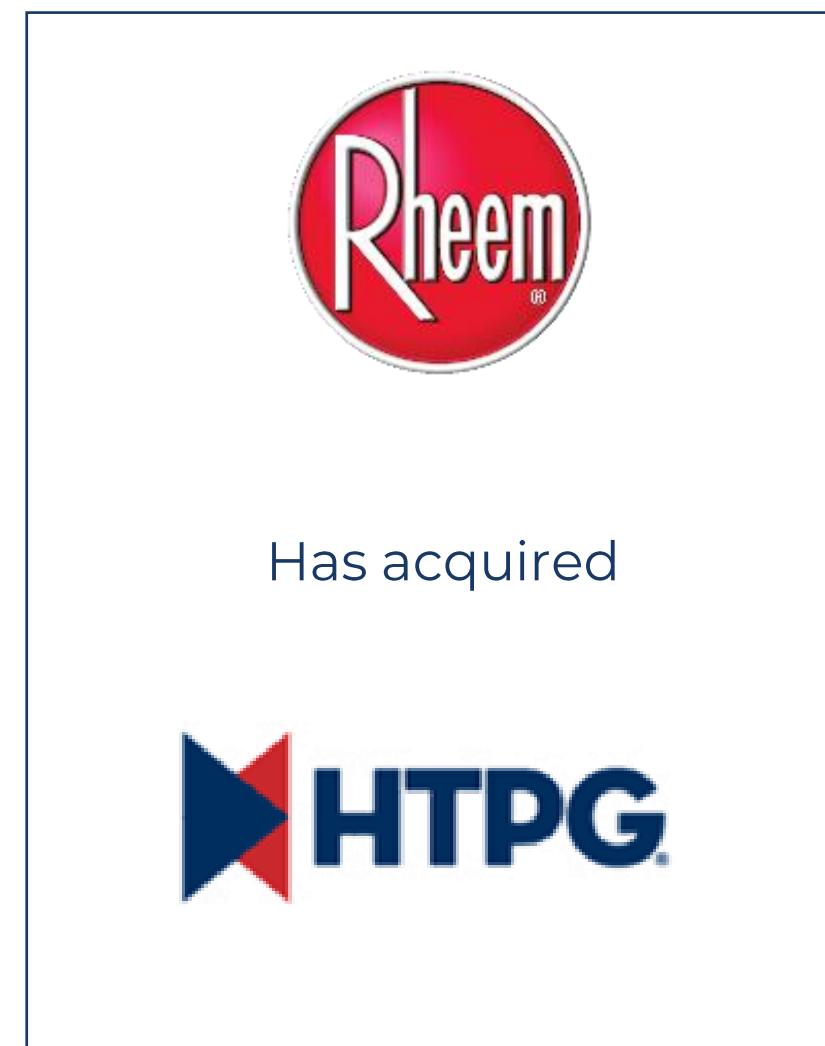
Seale & Associates was retained by Rheem Manufacturing Company to evaluate and execute strategic acquisitions across business lines. Seale advised Rheem on the successful acquisition of Heat Transfer Products Group (HTPG) in a competitive auction process. HTPG is a manufacturer of commercial refrigeration 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, 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, Chief Executive Officer,  
Rheem Manufacturing Company, Inc**






# 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		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
AAON, Inc.		USA	\$5,171	\$5,244	\$972	19.3%	30.1x	30.4x	32.2x	5.9x
Carrier Global Corporation		USA	\$38,199	\$44,500	\$21,040	13.7%	16.6x	12.6x	13.5x	2.2x
Daikin Industries, Ltd.		JPN	\$52,088	\$53,214	\$28,761	14.1%	17.3x	14.0x	13.2x	1.9x
Haier Smart Home Co., Ltd.		CHN	\$30,545	\$26,877	\$36,153	7.7%	18.6x	12.2x	9.4x	0.8x
Johnson Controls International plc		IRL	\$41,382	\$52,125	\$26,093	12.7%	13.2x	10.9x	13.3x	2.0x
Lennox International Inc.		USA	\$8,914	\$10,603	\$4,754	15.9%	17.8x	13.6x	12.8x	2.2x
Midea Group Co., Ltd.		CHN	\$53,711	\$55,690	\$50,923	10.4%	17.5x	12.3x	10.8x	1.1x
NIBE Industrier AB (publ)		SWE	\$22,934	\$23,566	\$3,844	15.9%	40.2x	34.3x	35.1x	6.1x
Resideo Technologies, Inc.		USA	\$2,680	\$3,950	\$6,413	11.9%	8.1x	5.5x	4.6x	0.6x
SPX Technologies, Inc.		USA	\$3,214	\$3,357	\$1,554	14.5%	15.1x	14.6x	16.3x	2.3x
Systemair AB (publ)		SWE	\$1,745	\$1,993	\$1,109	9.7%	17.6x	14.0x	16.7x	1.8x
Trane Technologies plc		IRL	\$42,145	\$46,247	\$16,302	16.8%	20.8x	15.5x	16.1x	2.9x
						<b>Mean</b>	16.3x	12.5x	12.7x	1.8x
						<b>Median</b>	17.4x	13.1x	13.2x	2.0x






■ Excluded from mean and median



## 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		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Beijer Ref AB (publ)		SWE	\$8,898	\$9,594	\$2,425	10.0%	39.2x	32.2x	42.7x	4.4x
Ferguson plc		GBR	\$27,400	\$32,091	\$30,011	10.8%	14.6x	9.8x	8.7x	1.1x
Reece Limited		AUS	\$7,515	\$8,714	\$5,764	8.4%	22.0x	16.7x	15.5x	1.5x
Watsco, Inc.		USA	\$11,514	\$12,116	\$7,301	11.4%	17.6x	12.2x	12.4x	1.7x
W.W. Grainger, Inc.		USA	\$34,578	\$37,287	\$15,672	16.5%	15.0x	14.2x	14.7x	2.4x
■ Excluded from mean and median						<b>Mean</b>	17.3x	13.2x	12.8x	1.7x
						<b>Median</b>	16.3x	13.2x	13.6x	1.6x

## 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		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Comfort Systems USA, Inc.	 USA	\$5,201	\$5,533	\$4,430	8.3%	11.0x	12.6x	14.6x	1.3x	
EMCOR Group, Inc.	 USA	\$7,754	\$7,833	\$11,374	6.4%	7.4x	7.1x	8.3x	0.7x	
SPIE SA	 FRA	\$4,769	\$6,256	\$8,763	7.6%	9.0x	8.4x	7.4x	0.7x	
Bravida Holding AB (publ)	 SWE	\$2,297	\$2,427	\$2,695	6.5%	14.8x	11.3x	11.6x	1.0x	
Tutor Perini Corporation	 USA	\$318	\$1,065	\$3,615	-6.1%	3.2x	5.1x	NM	0.3x	
						<b>Mean</b>	7.7x	7.9x	10.5x	0.8x
						<b>Median</b>	8.2x	7.7x	10.0x	0.7x

■ Excluded from mean and median

NM: Not Measurable



## 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		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Emerson Electric Co.		USA	\$49,792	\$63,896	\$19,846	23.4%	15.1x	13.9x	13.1x	3.2x
Honeywell International Inc.		USA	\$127,695	\$138,751	\$35,466	23.3%	19.5x	16.2x	16.2x	3.9x
Infineon Technologies AG		DEU	\$53,312	\$55,614	\$16,041	33.0%	19.6x	10.2x	10.1x	3.4x
Johnson Controls International plc		IRL	\$41,382	\$52,125	\$25,505	12.4%	13.2x	10.9x	13.3x	2.0x
Ningbo Deye Technology Group Co., Ltd.		CHN	\$8,973	\$8,551	\$858	30.6%	55.4x	79.8x	32.4x	9.9x
						<b>Mean</b>	16.9x	12.8x	13.2x	3.1x
						<b>Median</b>	17.3x	12.4x	13.2x	3.3x

■ Excluded from mean and median

# HVAC – Q1 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Mar-23	 <b>HeatWork</b> Industrial heating solutions	NOR	Manufactures mobile hydronic heating solutions	 <b>SDIPTech</b>	-	100.0%	-	-	-
Mar-23	 <b>CLADE</b>	GBR	Manufactures natural refrigerant heat pumps	 <b>GROUPE ATLANTIC</b>	-	40.0%	-	-	-
Mar-23	 <b>NUNNING</b> Heating • Air Conditioning • Refrigeration, Inc.	USA	Provides repair, maintenance, and installation of HVAC equipment	 <b>FLOW SERVICE PARTNERS</b>	-	100.0%	-	-	-
Mar-23	 <b>RSC</b> WholeServer™	USA	Distributes HVAC and refrigeration equipment	 <b>Master</b>	 <b>Rotunda</b> Capital Partners	100.0%	-	-	-
Mar-23	 <b>Alliance</b> AIR PRODUCTS	USA	Manufactures HVAC equipment	 <b>DAIKIN</b> APPLIED	-	100.0%	-	-	-
Feb-23	 <b>RAAB</b> LÜFTUNGSSICHERHEIT	DEU	Manufactures ventilation ducts	 <b>FELDER</b>	-	100.0%	-	-	-
Feb-23	 <b>EOS</b> REFRIGERATION	ESP	Manufactures industrial refrigeration products	 <b>Cold Chain Capital</b>	-	100.0%	-	-	-
Feb-23	 <b>EUROTEC</b> People • Technology • Solutions	NZL	Distributes HVAC control products	 <b>CAREL</b>	-	100.0%	-	-	-
Feb-23	 <b>SMIT</b>	ITA	Offers heating and boiler maintenance systems	 <b>lindbergh</b>	-	52.0%	-	-	-
Feb-23	 <b>Alvent</b> Professionelle Ventilationslösungen	DNK	Manufactures and supplies ventilation solutions	 <b>FSN</b> CAPITAL	-	100.0%	-	-	-

# HVAC – Q1 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jan-23	 ARZ <small>Athletic Recovery Zone (C) 2011</small>	USA	Manufactures air cooling and heating benches for sports teams	Bourne Creation Inc.	-	100.0%	-	-	-
Jan-23	Calorifica Domestica S.L.	ESP	Manufactures heating systems	 Blue Pearl ENERGY SERVICES	-	100.0%	-	-	-
Jan-23	 POWER EQUIPMENT	CZE	Manufactures industrial burners and boilers	 Babcock Wanson	-	100.0%	-	-	-
Jan-23	 NEVADA HEATING <small>DRIVING • PLUMBING • FIRESTOP</small>	USA	Manufactures and installs HVAC systems	 GOETTL	-	100.0%	-	-	-
Jan-23	 AEIB	FRA	Manufactures industrial fans, ventilation devices, and air handling equipment	ND	-	100.0%	-	-	-
Jan-23	 HAJOCA <small>SINCE 1956</small>	USA	Provides plumbing, HVAC, and industrial supplies	 LARSON <small>EXTRAORDINARY SERVICE. INNOVATIVE SOLUTIONS.</small>	-	100.0%	-	-	-
Jan-23	 METALFAB	USA	Manufactures commercial and industrial venting products	 OLYMPIC STEEL	-	100.0%	\$131.2	-	1.4x
Jan-23	 HRS <sup>40</sup>	GBR	Manufactures HVAC equipment	 Ormandy Rycroft <small>Heating &amp; Cooling Solutions</small>	-	100.0%	-	-	-
Jan-23	 Williams Distributing	USA	Distributes HVAC and plumbing products	 Goodman <small>Air Conditioning &amp; Heating</small>	-	100.0%	-	-	-



# Representative Global Engagements

 has acquired 	 has acquired 	 has sold Triumph Processing - Embee Division to 	 has sold Triumph Air Repair & Triumph Engines businesses to 	 has acquired unified brands from 	 has partnered with  a company backed by 	 has acquired 	 has sold the North American guarding business of  to 	 has sold  to 	 has sold  to 	 a subsidiary of  has sold  to 
 has sold  to Daives Baird Pty Ltd a sister company of 	 has acquired 	 has sold  to Code Flower Inc.	 has sold its GRACE Membranes Business  a subsidiary of 	 has sold  and  to 	 has sold a controlling interest to 	 has been acquired by 	 has sold SENSI CARE and ALOE+VESTA to 	 has sold their Sanitaryware Manufacturing Plant to 	 has acquired Multiple snack companies   	 has sold  to 
 has sold Commercial Flight Training Business to 	 has been acquired by 	 has sold Oxbow Sulphur, Inc. to 	 has been acquired by 	 has sold  to 	 has acquired 	 has acquired 	 has acquired 	 has sold its SYCAR Resins business to 	 has sold  to Private Equity Partners	 has been acquired by 
 has sold  to 	 has acquired  KFC Costa Rica from 	 has been acquired by 	 has sold  to 	 has sold the Films Business of  to 	 has been acquired by 	 has sold  to 	 Oxbow's Senior Subordinated debt issued by  was refinanced by 	 has sold  to 	 has acquired  from THE MOORE COMPANY	 sold its concrete pumping business to 

# Advisor to Leading Companies Worldwide

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Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry

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**Creative Solutions. Trusted Advice.**

For over 20 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.

**SERVICES AND SOLUTIONS**

**25**  
YEARS OF EXPERIENCE

**\$50B+**  
CLOSED TRANSACTIONS  
GLOBALLY

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 companies in the world...



...as well as with reputable funds, family-offices and privately held companies.





# Seale & Associates

Creative Solutions. Trusted Advice.