

A photograph of a rooftop HVAC/R system featuring four large, circular, black mesh-covered fans mounted on a white metal structure. A red vertical pipe runs along the left side. The background shows a metal truss structure and a corrugated metal roof. The entire image has a semi-transparent blue overlay.

HVAC/R Annual M&A Report 2023

HVAC/R Industry Overview

Global HVAC/R industry members include manufacturers, distributors, and service providers offering solutions to manage and control the temperature of air and water in various environments and applications. Products include air conditioners, furnaces, boilers, ventilation ducts, automation control modules, refrigerants, and evaporator coils, among others.

HVAC/R Sub-Sectors

Public Company Valuations¹

Equipment Manufacturing

Diversified manufacturers of HVAC/R equipment (e.g. furnaces, air conditioners, boilers) that contribute to temperature management in residential commercial, and industrial environments.

Key Players

- AAON
- Carrier
- Daikin
- Haier
- Johnson Controls
- Lennox
- Midea
- NIBE
- Resideo
- Rheem
- SPX Technologies
- Systemair
- Trane

Metric

Metric	EV/Revenue	EV/EBITDA
Mean	2.4x	13.7x
Median	2.1x	13.6x

Control Module Manufacturing

Diversified manufacturers of manual or automated control modules (e.g. thermostats, large control panels) that regulate HVAC/R systems in residential, commercial, and industrial environments.

Key Players

- Emerson
- Honeywell
- Infineon
- Johnson Controls

Metric

Metric	EV/Revenue	EV/EBITDA
Mean	3.3x	13.2x
Median	3.6x	13.5x

Equipment Distribution

Distributors of a wide variety of HVAC/R equipment, parts, and supplies that supply contractors or regional service firms worldwide.

Key Players

- Beijer Ref
- Ferguson
- Johnstone Supply
- Mingledorff's
- Reece
- R.E. Michel
- Russel Sigler
- Watsco
- W. W. Grainger
- Winsupply

Metric

Metric	EV/Revenue	EV/EBITDA
Mean	2.2x	16.3x
Median	2.3x	16.7x

Contracting Services

Providers of installation, repair, and maintenance services of HVAC/R equipment and systems.

Key Players

- Comfort Systems USA
- EMCOR
- SPIE
- Bravida
- Tutor Perini

Metric

Metric	EV/Revenue	EV/EBITDA
Mean	0.8x	10.0x
Median	0.8x	8.7x

Source: Capital IQ as of 12/31/2023

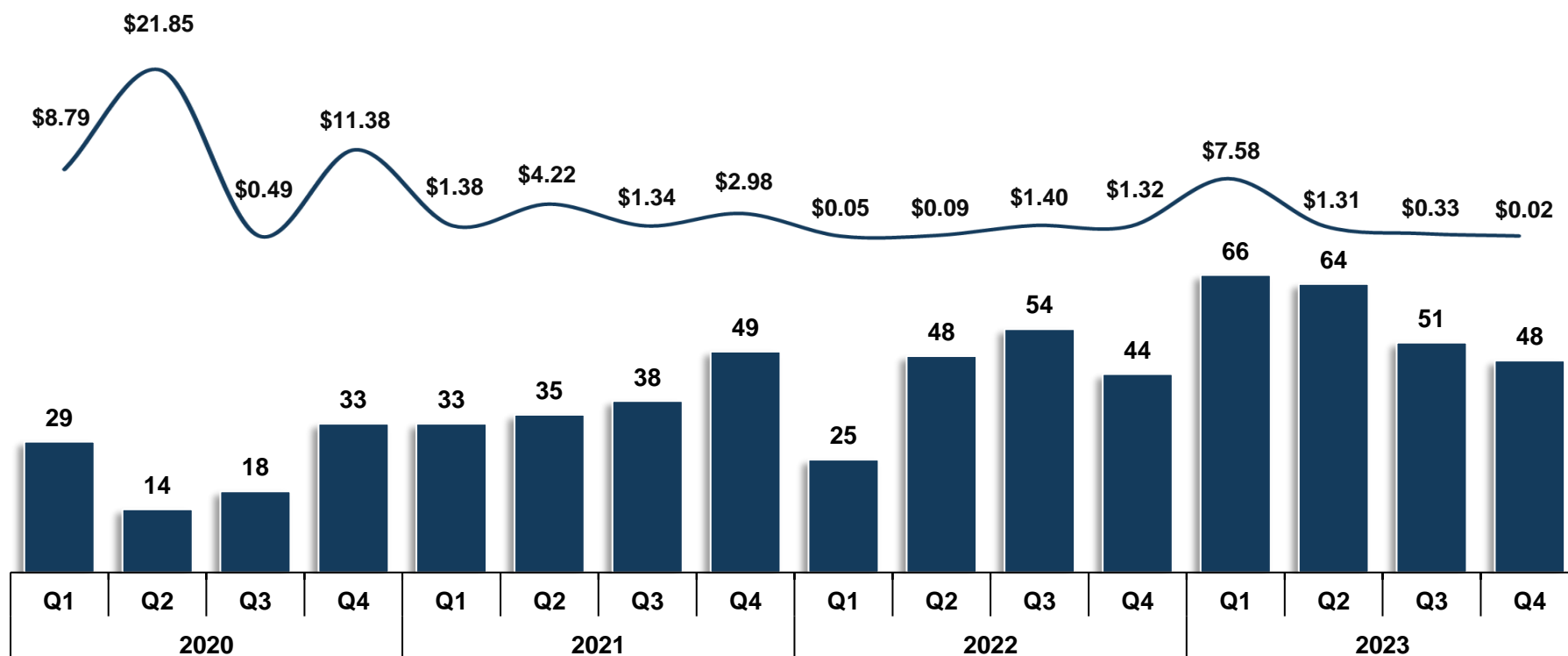
1. Represents public company valuations of Seale HVAC/R Index companies. See following pages for list of companies.

Global HVAC/R M&A Market Update

Global HVAC/R Industry Closed Deal Volume and Value ⁽¹⁾

Closed transaction volume increased **33.3%** in 2023 as compared to 2022 which can be attributed to continuous interest in HVAC service firms, with increasing activity in Western Europe. Closed deal value increased **220%+** over the same period, which is largely driven by multiple large transactions announcing in 2022, but closed in 2023. Key transactions include Brookfield Infrastructure Partners' acquisition of HomeServe plc, Chart Industries' acquisition of Howden Group, and Beijer Ref's acquisition of Heritage Distribution Holdings, with transaction values of \$6.08B, \$4.40B, and \$1.28B, respectively.

Deal Volume (# of Transactions); Deal Value (\$ in billions)



Source: Market statistics sourced from Capital IQ, Merger Market, press releases

Globally Closed Transactions by Peer Group

Peer Group	Count
Equipment Manufacturing	57
Control Module Manufacturing	8
Equipment Distribution	32
Contracting Services	132
Total Closed Deals	229

Equipment Manufacturing: “The large expansion of margins within HVAC, 410 bps year-over-year, [is] really driven by strong price cost and productivity. And that is the main driver that we see in that segment that also translates to the overall company.”

David Gitlin, CEO, Carrier

Control Module Manufacturing: “...When you look at a typical data centers, about - let's take 100-megawatt data center. That requires roughly about 30,000 tons of cooling. That can be served. Right now, the big trend is air-cooled chillers.”

George Oliver, CEO, Johnson Controls

Equipment Distribution: “The replacement market remained healthy and strong [Q3 2023] and a lot of conversation, a lot of debate is going on. Are we moving to a repair versus a replace type of market? Our indications are slightly – we are seeing a slight uptick in parts, which shows up in our numbers.”

Albert Nahmad, CEO, WATSCO

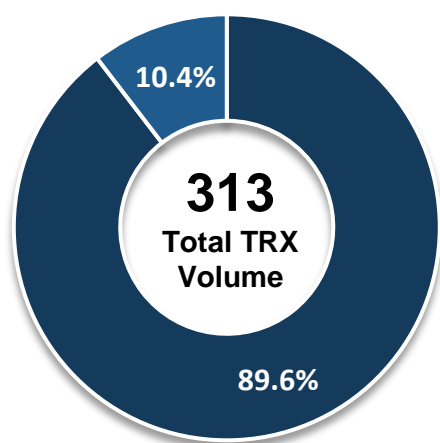
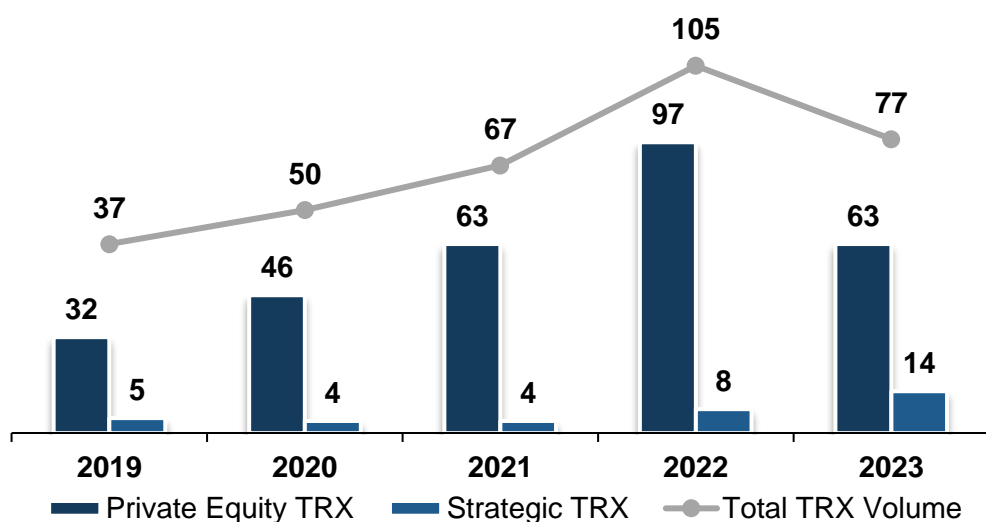
Contracting Services: “The opportunities are still very strong. It's broad-based, coast to coast, the industrial sectors, and we talked about in our prepared remarks, it's still very strong data, pharma, food, battery, et cetera. So we have not seen a let up in opportunities.”

William George, CFO, Comfort Systems USA

Source: Capital IQ, Mergermarket, Press releases
(1) Includes current pending transactions

Subsector Insight: North American HVAC/R Contracting Services

North American Contracting Services Consolidation Analysis (2019-2023)



■ Private Equity TRX % ■ Strategic TRX %

Historical Trend Analysis

- HVAC/R contracting services remains a highly attractive segment due to its consistent revenue streams and low elasticity of demand
- Contracting services transactions continuously rose during the period, peaking in 2022
- 2023 saw a decline in total transactions in line with the broader M&A market as a result of lending tightness and high interest rates
- However, total transactions in 2023 surpassed all prior years but 2022, displaying the strength of the sector's business model
- The majority of transactions in each year were consolidatory, with ~90% of all transactions in the period being made by private equity firms
- Private equity firms consolidate many local HVAC branches into their portfolio companies, paying lower multiples on smaller firms to achieve multiple arbitrage when selling the large consolidated portfolio company down the road

Largest Sub-Sector Consolidators (2019-2023)









Acquirer	Acquisition Vehicle(s)	Total TRX
Freeman, Spogli & Co	NearU HVAC Services	25
Gryphon Investors	Southern HVAC; Right Time Heating and Air	24
New Mountain Capital	StrikePoint Holdings	21
Ares Management	Coolsys Inc.	18
Morgan Stanley	Sila Heating & Air; Unique Indoor Comfort	17

Commentary
<ul style="list-style-type: none"> ■ Gryphon Investors and Morgan Stanley tied for most bolt-on acquisitions in 2023, with 5 each ■ NearU HVAC Services made 22 bolt-on acquisitions prior to being acquired by Freeman, Spogli & Co. in May of 2022 ■ New Mountain Capital made 12 bolt-on acquisitions in 2022, but their momentum has since cooled with no acquisitions since Q1 2023 ■ Other active buyers in the space include Alpine Investors (9), Leonard Green & Partners (8), and Brookfield Infrastructure Partners / HomeServe PLC (8)

























Source: Capital IQ, Mergermarket, Press releases

HVAC/R Transactions with Multiple Data

Notable HVAC/R Transactions in 2023

<p>Date Closed: 1/2/24</p>  <p>has acquired</p>  <p>Equipment Manufacturing</p>	<p>Transaction Description:</p> <p>Carrier Global Corporation, the United States based manufacturer of HVAC equipment has acquired Viessmann Climate Solutions, the Germany based manufacturer of efficient climate and energy solutions</p> <p>Deal Statistics: EV: \$13,622M EV/EBITDA: NA EV/Revenue: 3.7x</p>	<p>Date Closed: 2/1/23</p>  <p>has acquired</p>  <p>Contracting Services</p>	<p>Transaction Description:</p> <p>L Catterton Partners, the United States based private equity firm, through its portfolio company, Len the Plumber, has acquired Acree Plumbing Air & Electric, a provider of HVAC contracting services</p> <p>Deal Statistics: EV: \$50M EV/EBITDA: NA EV/Revenue: NA</p>
<p>Date Closed: 1/20/23</p>  <p>has acquired</p>  <p>Distribution</p>	<p>Transaction Description:</p> <p>Beijer Ref, a Swedish provider of refrigeration and air conditioning products, has acquired Heritage Distribution Holdings, an HVAC/R equipment distributor, from Gryphon Investors</p> <p>Deal Statistics: EV:1,275M EV/EBITDA: 13.4x EV/Revenue: 2.0x</p>	<p>Date Closed: 6/21/23</p>  <p>has acquired</p>  <p>Control Modules</p>	<p>Transaction Description:</p> <p>Johnson Controls International PLC, the United States based building solutions provider, has acquired M&M Carnot, the United States based manufacturer of HVAC controls, from Source Capital, LLC.</p> <p>Deal Statistics: NA</p>




































HVAC/R Transactions Summaries

Date Closed	Target	Location	Acquirer	Deal Size (US\$M)	Deal Description	EV/ EBITDA	EV/ Revenue
Pending				\$960	TopBuild Corp, the US-based distributor of building products and insulation installation services, has acquired Specialty Products and Insulation LLC, the US-based distributor and manufacturer of mechanical insulation and complementary products	12.5x	1.4x
Jan-24				\$13,622	Carrier Global Corp, the US-based manufacturer and provider of HVAC products, has acquired Viessmann Climate Solutions SE, the Germany-based manufacturer of heating, cooling, and ventilating products	-	3.7x
Nov-23				\$44	MANN+HUMMEL Life Sciences & Environment Holding Singapore Pte Ltd, the Singapore-based water purification solution provider, has acquired 70% of Suzhou U-Air Environmental Technology Co Ltd, the China-based manufacturer of air filters and equipment for industrial uses	-	1.02x
Sep-23				\$520	Rexel SA, the France-based supplier of HVAC products, has acquired Wasco Holding B.V, the Dutch-based distributor of plumbing and heating equipment	-	0.9x
Aug-23				\$688	Nibe Industrier AB, the Sweden-based company that offers sustainable energy solutions, has acquired CFL Holding BV, the Dutch-based manufacturer of heating, domestic hot water, ventilation, and control engineering solutions for consumer and business clients	16.0x	2.9x
Jun-23				\$423	SPX Technologies Inc, the US-based supplier of highly engineered HVAC products has acquired ASPEQ Heating Group LLC, the US-based manufacturer of electric heating and thermal management equipment	-	3.5x
Apr-23				\$16	Volution Group Plc, the UK-based supplier of ventilation products, has acquired Ventilairsec SA, the French designer and manufacturer of residential ventilation systems	-	1.8x
Mar-23				\$4,400	Chart Industries Inc., the US-based manufacturer of equipment used in the production, storage, and end-use of hydrocarbon and industrial gases, announced the acquisition of Howden Group Ltd, the United Kingdom based manufacturer of air and gas handling equipment, including industrial fans, heaters, compressors, and steam turbines	12.9x	0.8x

Source: Transaction statistics sourced from Capital IQ, Merger Market, Press releases

Selected HVAC/R Transactions

HVAC/R Transactions Multiple Data










Date Closed	Target	Location	Acquirer	Deal Size (US\$M)	Deal Description	EV/ EBITDA	EV/ Revenue
Feb-23	 RESOLUTE INDUSTRIAL		 aggreko	\$440	Aggreko Ltd, the UK-based provider of specialist power and temperature control rental services in two main product areas, mobile electricity generators, and temperature control equipment announced the acquisition of Resolute Industrial LLC, the US-based provider of water- and air-cooled chiller rental services	8.3x	3.0x
Jan-23	 HERITAGE DISTRIBUTION HOLDINGS		 BEIJER REF	\$1,275	Beijer Ref AB, a Sweden-based refrigeration and air conditioning technology distribution company has acquired Heritage Distribution Holdings, a US-based HVACR equipment distribution business	13.4x	2.0x
Jan-23			 JES 日本エコシステム株式会社	\$2	Japan Ecosystem Co Ltd, the Japan-based manufacturer and maintenance provider of totalizer systems in public stadiums, announced it has acquired all shares in Aoi Denki Kougyo Co Ltd, the local air-conditioning and other plumbing constructor	-	0.47x
Jan-23	 Air Treatment SPX		 IR Ingersoll Rand	\$525	Ingersoll Rand Inc., the US-based provider of flow control, compression equipment, and associated aftermarket parts, acquired the air treatment Business from SPX FLOW Inc., the industrial equipment manufacturer engaged in providing and supplying engineered flow components, process equipment, and turn-key systems	-	2.9x
Jan-23	 METAL-FAB		 OLYMPIC STEEL	\$131	Olympic Steel, INC, the US-based distributor and metals service company has acquired Metal-Fab, Inc., a US-based manufacturer of commercial and industrial venting products.	-	1.4x
Dec-22	 DUREX		 spirax sarco	\$342	Spirax-Sarco Engineering plc, the UK-based manufacturer of a range of products for the efficient management of steam and other industrial fluids, acquired Durex International Corp., the US-based company specializing in designing and manufacturing custom thermal solutions	13.5x	4.5x
May-22	 Cisco Air Systems <small>Compressed Air Solutions Since 1973</small>		 DXP	\$52	DXP Enterprises, the US-based industrial supplies distributor, acquired Cisco Air Systems, Inc., a US-based distributor of air compressors and related products and services	7.5x	1.2x
Jun-21	 NORTEK AIR SOLUTIONS		 MADISON INDUSTRIES	\$3,625	Madison Industries, one of the world's largest privately held companies and a provider of industrial solutions, acquired Nortek Air, a leader in providing critical air management, thermal, and HVAC solutions	12.5x	2.3x
May-21	 SILENT-AIRE		 Johnson Controls	\$870	Johnson Controls International plc, the Ireland-based company engaged in the manufacture of commercial and residential HVAC equipment and systems, acquired Silent-Aire Limited Partnership, a Canada-based designer and manufacturer of custom air handlers and modular data centers for hyperscale cloud and colocation providers	-	13.6x
Mar-21	 Royal Metal Products		 FLEX-TEK	\$108	Flex-Tek, a US-based provider of engineered components that move heat, fluid, and gases, acquired Royal Metal Products, a US-based manufacturer of residential and light commercial HVAC products	-	1.4x
Feb-21	 ADEY		 Polypipe	\$291	Polypipe Group, a manufacturer of pressure-rated high density polyethylene pipes acquired ADEY Innovation, a manufacturer and supplier of heating and cooling systems	11.7x	4.1x
Feb-21	 termet		 FERRO	\$19	Ferro Group, a Poland-based manufacturer and distributor of plumbing equipment, acquired Termet S.A., a Poland-based manufacturer of HVACR equipment	8.0x	0.6x
Feb-21	 K klimatfabriken		 volution	\$5	Volution Group plc, a leading international designer and manufacturer of energy-efficient indoor air quality solutions, acquired Nordiska Klimatfabriken AB, a Sweden-based manufacturer of low-carbon residential ventilation equipment	-	3.3x
Jan-21	 WOLSELEY		 CLAYTON DUBILIER & RICE	\$419	Clayton, Dubilier & Rice, a private equity firm focused on the industrial, manufacturing, and IT sectors, acquired Wolseley UK Limited, a leading specialist distributor of plumbing HVACR equipment	-	0.2x
Dec-20	 ClimaRad		 volution	\$52	Volution Group plc, a leading international designer and manufacturer of energy-efficient indoor air quality solutions, acquired ClimaRad B.V., the market leader for decentralized ventilation systems in the Netherlands	-	6.4x

Note: Does not included deals that are not closed

Source: Transaction statistics sourced from Capital IQ, Merger Market, Press releases

Selected HVAC/R Transactions

HVAC/R Transactions Multiple Data Continued

Date Closed	Target	Location	Acquirer	Deal Size (US\$M)	Deal Description	EV/ EBITDA	EV/ Revenue	
Nov-20	 TRUaire REGISTERS & GRILLES		 CSW INDUSTRIALS	\$360	CSW Industrials Inc, the US-based industrial growth company with a portfolio in industrial products and specialty chemicals, acquired TRUaire, the US-based supplier of passive air handling solutions	10.7x	3.6x	
Nov-20	 UNITED CoolAir All-Indoor Solutions		 MADISON INDUSTRIES	\$233	Madison Industries, one of the world's largest privately held companies and a provider of industrial solutions, through its subsidiary Madison Indoor Air Solutions LLC acquired United Coolair Corporation, the US-based company engaged in manufacturing and providing complex HVAC systems	-	3.6x	
Jan-20	 ESC AUTOMATION		 GDI Integrated Facility Services	\$71	GDI Integrated Facility Services, a Canada-based company engaged in providing integrated facility services, acquired ESC Automation, a US-based provider of integration services for security and HVAC systems	-	0.5x	
						Mean	10.9x	3.0x
						Median	11.7x	2.3x

Selected HVAC/R Transactions without Deal Multiple Data

Date Closed	Target	Sub-Sector	Acquirer	Deal Size US\$M	Description
Pending	Shinwa Vanes Co., Ltd.	Equipment Manufacturing	Riken Corporation	-	Riken Corporation, a diversified Japanese manufacturer specializing in automotive and industrial components, announced the acquisition of Shinwa Vanes Co., Ltd., a Tokyo-based producer of industrial heating equipment and systems
Pending	Webb Supply Co.	Equipment Distribution	Beijer Ref AB (publ) (OM:BEIJ B)	-	Beijer Ref AB (publ), a Swedish-based global leader in refrigeration technology and HVAC distribution, has acquired Webb Supply Co., an Ohio-based distributor of plumbing fixtures and HVAC equipment
Pending	Turner Engineering WA Pty Ltd	Equipment Distribution	Beijer Ref AB (publ) (OM:BEIJ B)	-	Beijer Ref AB (publ), a Swedish-based global leader in refrigeration technology and HVAC distribution, has acquired Turner Engineering WA Pty Ltd, an Australian provider of HVAC products and long-standing independent HVAC distributor in the region
Pending	Gordon Brothers Industries Pty Ltd	Equipment Manufacturing	Johnson Controls International plc (NYSE:JCI)	-	Johnson Control International Inc, an Ireland-manufacturer of HVAC equipment has acquired Gordon Brothers Industries Pty Ltd, a Australia-based manufacturer of industrial refrigeration equipment and systems
Pending	HYFRA Industriekühlanlagen GmbH	Equipment Manufacturing	Glen Dimplex Europe Holdings Limited	-	Glen Dimplex Europe Holdings Limited has acquired HYFRA Industriekühlanlagen GmbH, a German-based manufacturer of cooling systems and air heat exchangers
Dec-23	Brooktherm Refrigeration Limited	Equipment Distribution	Daikin Applied Europe S.p.A.	-	Daikin Applied Europe S.p.A. a global-manufacturer and supplier of components for hydronic HVAC solution systems, has acquired Brooktherm Refrigeration Limited a US-distributor of industrial refrigeration and air conditioning services
Nov-23	Quantum Energi AB	Equipment Manufacturing	Thomas von Koch (Private Individual)	\$44	Thomas von Koch, a private individual, has acquired Quantum Energi AB, a Swedish provider of innovative heat pump solutions and energy-efficient climate control technologies
Nov-23	Oerbaek Koleteknik ApS	Contracting Services	Nordic Climate Group AB	-	Nordic Climate Group AB, a Sweden-company involved in the industry of cooling systems has acquired Oerbaek Koleteknik ApS, a Denmark-sales, service, and maintenance of cooling systems
Nov-23	Kennon Heating & Air Conditioning Inc	Contracting Services	CenterOak Partners LLC	-	CenterOak Partners LL, a US-private equity firm, has acquired Kennon Heating & Air Conditioning Inc, a US-provider of heating, air conditioning, and plumbing

Note: Does not included deals that are not closed

Source: Transaction statistics sourced from Capital IQ, Merger Market, Press releases

Selected HVAC/R Transactions

Date Closed	Target	Sub-Sector	Acquirer	Deal Size US\$M	Description
Nov-23	Viessmann Refrigeration Systems Oy	Equipment Manufacturing	Epta SpA (Commercial refrigeration activities)	-	Viessmann Group GmbH & Co KG, a Germany-company engaged in developing and manufacturing cooling systems, and Epta SpA, an Italian-manufacturer of food refrigeration and product display in sales outlets, have agreed to merge their Commercial refrigeration operations to form a joint venture
Nov-23	AirX Climate Solutions Inc	Equipment Manufacturing	Gryphon Investors Inc	-	Gryphon Investors Inc, a US-private equity firm, has acquired AirX Climate Solutions Inc, a US-designer, manufacturer, distributor, and servicer of products for the specialty heating, ventilation, and air conditioning markets
Nov-23	Rorlegger Strand & Co AS	Contracting Services	Assemblin AB	-	Assemblin AB, a Sweden-provider of construction installation services, has acquired Rorlegger Strand & Co AS, a Norway-heating and sanitation company
Nov-23	Merts Heating & Air Conditioning	Contracting Services	Four Seasons Heating & Air Conditioning LLC	-	Four Seasons Heating & Air Conditioning LLC, a US-HVAC services provider, has acquired Merts Heating & Air Conditioning, a US-provider of commercial & residential heating and cooling services
Nov-23	Industrial Air, LLC	Equipment Manufacturing	Limbach Holdings, Inc. (NasdaqCM:LMB)	\$20	Limbach Holdings, Inc., a US-designer, installer, and maintainer of MEP systems, has acquired Industrial Air, LLC, a US-designer, fabricator, and installer of air conditioning and air filtration systems
Oct-23	Cofimco Srl	Equipment Manufacturing	Px3 Partners Limited	\$80	Px3 Partners Limited, a private equity firm, has acquired Cofimco Srl, an Italian manufacturer and seller of aluminum and fiberglass axial fans for air-cooled heat exchangers, air-cooled condensers, wet cooling towers, radiators, and ventilation applications worldwide. It offers drive shafts and bearing blocks for wet and dry applications and chord blades for low-noise applications
Oct-23	Burns & McBride Home Comfort	Contracting Services	Sila Heating & Air Conditioning Inc	-	Sila Heating & Air Conditioning Inc, a US-provider of HVAC services, has acquired Burns & McBride Home Comfort, a US-premier home services company
Oct-23	Levine & Sons Inc	Contracting Services	Sila Heating & Air Conditioning Inc	-	Sila Heating & Air Conditioning Inc, a US-provider of HVAC services, has acquired Levine & Sons Inc, a US-provider of heating, cooling, and plumbing services
Sep-23	EVIAB Group	Contracting Services	Nimlas Group AB	-	Nimlas Group AB, a Sweden-provider of installation services company, has acquired EVIAB Gruppen AB, a Sweden-installation services for the electricity, plumbing, safety and electrical technology sectors
Sep-23	Presidential Heating & Air Conditioning Inc	Contracting Services	Southern HVAC Corp	-	Southern HVAC Corp, a US-provider of residential HVAC, plumbing and electrical services, has acquired Presidential Heating & Air Conditioning Inc, a US-HVAC contractor specializing in heating, air conditioning, and indoor air quality services
Aug-23	Kylanlaggningar i Norrkoping AB	Equipment Distribution	Nordic Climate Group AB	-	Nordic Climate Group, a Sweden-provider of HVAC services, has acquired Kylanlaggningar i Norrkoping AB, a Sweden-provider of cooling and heat pump solutions for the climate, food industry and commercial kitchens
Aug-23	PVN Koleteknik A/S	Contracting Services	Nordic Climate Group AB	-	Nordic Climate Group AB, a Sweden-company involved in the industry of cooling systems, has acquired PVN Koleteknik A/S, a Denmark-refrigeration company
Aug-23	Trade-Wind Manufacturing, LLC	Equipment Manufacturing	The Middleby Corporation (NasdaqGS:MIDD)	-	The Middleby Corporation, a global-manufacturer of solutions for the commercial kitchen, residential indoor and outdoor appliances and systems, has acquired Trade-Wind Manufacturing, LLC, a US-designer and manufacturer of ventilation products for indoor and outdoor residential use
Aug-23	Lima Co	Contracting Services	CoolSys Inc	-	CoolSys Inc, a US-provider of refrigeration and HVAC services, has acquired Lima Co, a US-provider of quality plumbing, HVAC, refrigeration and mechanical services The terms of the deal were undisclosed. CoolSys Inc is backed by Ares Management Corp.
Jul-23	TCFG Compressor (Thailand) Co Ltd	Equipment Manufacturing	Fujitsu General Ltd	\$24	Fujitsu General Ltd, a Japan-manufacturer of electrical equipment for air conditioning, through its Thai subsidiary FGA (Thailand) Co Ltd, has acquired an additional 51% stake in TCFG Compressor (Thailand) Co Ltd, a Thai-manufacturer of air conditioner components
Jul-23	DS Maref	Equipment Distribution	Beijer Ref AB (publ) (OM:BEIJ B)	\$16	Beijer Ref AB, the Sweden-based wholesaler of commercial refrigeration, industrial refrigeration, air conditioning, and heating equipment, has acquired DS Maref, the South Korea-based distributor of refrigeration compressors and components, as well as a manufacturer of chillers and evaporators

Note: Does not included deals that are not closed

Source: Transaction statistics sourced from Capital IQ, Merger Market, Press releases

Selected HVAC/R Transactions

Date Closed	Target	Sub-Sector	Acquirer	Deal Size US\$M	Description
Jul-23	BMIL Technologies, LLC	Equipment Manufacturing	Viessmann Refrigeration Solutions GmbH	-	Viessmann Refrigeration Solutions GmbH, a Finnish-provider of innovative commercial refrigeration solutions, has acquired BMIL Technologies, LLC, a US-manufacturer of cold rooms and refrigeration equipment for industrial and commercial refrigeration applications
Jul-23	All Ways Heating & Air LLC	Contracting services	Southeast Mechanical Services Inc	-	Southeast Mechanical Services Inc., an US-based company offering HVAC maintenance, repair, and replacement services, has acquired All Ways Heating & Air LLC, a local HVAC service and installation provider
Jul-23	Integrated Systems & Controls LLC	Control Module Manufacturing	Daikin Industries Ltd	-	Daikin Industries Ltd, through its subsidiary AirReps LLC, an US-based firm representing manufacturers of premium HVAC equipment in the Pacific Northwest, has acquired Integrated Systems & Controls LLC, an industrial HVAC control module manufacturer
Jul-23	Winntech AS	Contracting services	Nordic Climate Group AB	-	Nordic Climate Group AB, a Swedish company specializing in cooling systems, has acquired Winntech AS, a Norwegian provider of HVAC services for offshore, industrial, and grocery store sectors using CO2 as a cooling medium, through its subsidiary Perfect Temperature Group AS
Jul-23	1GNITE	Contracting Services	CoolSys Inc	-	CoolSys Inc, a US-provider of refrigeration and HVAC services, has acquired 1GNITE, a US-asset recovery and specialized facility services management company
Jul-23	IcyBreeze Cooling, LLC	Equipment Manufacturing	Solo Brands, Inc. (NYSE:DTC)	\$52	Solo Brands, Inc., a US-DTC putdoow brand platform, has acquired IcyBreeze Cooling, LLC a US-multi-purpose portable air conditioner and cooler
Jun-23	CFD	Equipment Distribution	Beijer Ref AB (publ) (OM:BEIJ B)	-	Beijer Ref AB (publ), a Swedish-distributor of refrigeration technology and HVAC products, has acquired CFD, a France-based engages in the distribution of heat pumps and, geothermal energy products
Jun-23	S.G. Torrice, LLC	Equipment Distribution	Ferguson plc (NYSE:FERG)	-	Ferguson plc, a US-HVAC provider acquired S.G. Torrice, LLC, a US-based distributor of heating and cooling equipment and accessories
Jun-23	Advantage Plumbing & Sewer Co	Contracting Services	Four Seasons Heating & Air Conditioning LLC	-	Four Seasons Heating & Air Conditioning LLC, a US-based HVAC service provider, has acquired Advantage Plumbing & Sewer Co, a local company specializing in heating, cooling, plumbing, and electrical services
Jun-23	I-Vent doo	Equipment Manufacturing	Volution Group plc FAN	\$44	Volution Group plc, a UK-provider of residential, commercial, and industrial electrical fans and systems and other ventilation-related products is to acquire I-Vent doo, an Slovenia-residential ventilation systems
Jun-23	M&M Refrigeration, Inc.	Control Module Manufacturing	Johnson Controls International plc (NYSE:JCI)	-	Johnson Controls International plc, a global-leader for smart healthy, and sustainable buildings, has acquired M&M Refrigeration, Inc., a US- that specializes in industrial refrigeration equipment and controls
Jun-23	Pro-Tech Air Conditioning & Plumbing Inc	Contracting Services	Southern HVAC Corp	-	Southern HVAC Corp, US-provider of residential HVAC, plumbing, and electrical services, has acquired Pro-Tech Air Conditioning & Plumbing, a local HVAC company
Jun-23	L&M Radiator, Inc.	Equipment Manufacturing	Westinghouse Air Brake Technologies Corporation	\$239	Westinghouse Air Brake Technologies Corporation US-based provider of technology equipment and systems, has acquired L&M Radiator, Inc., specializing in the creation of industrial radiators and heat exchangers
May-23	Ourth'Invest	Equipment Manufacturing	Moury Construct SA MOUR	\$10	Moury Construct SA, a Belgian-company active in construction and renovation for both private and public sectors, has purchased Ourth'Invest, the parent company of F-DI, which specializes in ventilation, heating, and air conditioning
May-23	MHG Heiztechnik GmbH	Equipment Manufacturing	Rheem Manufacturing Co	-	Rheem Manufacturing Co, a US-manufacturer of heating, air conditioning, and water heaters, has acquired MHG Heiztechnik GmbH, a German-company known for its advanced space heating and domestic hot water heating systems
May-23	M.T.A. S.p.A.	Equipment Manufacturing	Trane Technologies plc (NYSE:TT)	-	Trane Technologies plc, an Ireland-based provides commercial and industrial HVAC services has acquired M.T.A. S.p.A., a Italian-based manufacturer of equipment for the treatment of compressed gases, industrial refrigeration, and air conditioning

Note: Does not included deals that are not closed

Source: Transaction statistics sourced from Capital IQ, Merger Market, press releases

Selected HVAC/R Transactions

Date Closed	Target	Sub-Sector	Acquirer	Deal Size US\$M	Description
May-23	Carroll Air Systems Inc	Contracting Services	Daikin Industries Ltd	-	Daikin Industries Ltd, a Japan-manufacturer of air conditioning and refrigeration equipment, through its subsidiary Daikin Applied Americas Inc., has acquired Carroll Air Systems Inc, a US-provider of HVAC systems and services
Apr-23	BrainBox AI	Control Module Manufacturing	ABB Ltd	\$20	ABB Ltd, a Switzerland-engineering company operating in robotics and in the power and automation technology areas has acquired an undisclosed stake in BrainBox AI, a Canada-provider of autonomous building technology
Apr-23	PCB Technical Solutions Ltd	Contracting Services	Sescom SA SES	\$14	Sescom SA, a Poland-technical maintenance services company has acquired PCB Technica Solutions Ltd, a UK-provider of HVAC technical maintenance services
Apr-23	Shravan Engineering Enterprises Pvt Ltd	Equipment Distribution	Beijer Ref AB (publ) (OM:BEIJ B)	-	Beijer Ref AB (publ), a Sweden-leader in refrigeration technology and HVAC distribution, has acquired Shravan Engineering Enterprises Pvt Ltd, an India-refrigeration supplier
Apr-23	Tortoise Engineering Co.,Ltd.	Equipment Manufacturing	Miura Co., Ltd. (TSE:6005)	-	Miura Co., Ltd., a Japan-manufacturer of water boilers has acquired Tortoise Engineering Co.,Ltd., a Japan-manufacturer of boilers and various pressure vessels
Mar-23	Eurotec Ltd	Equipment Distribution	Carel Industries S.p.A. (BIT:CRL)	-	Carel Industries S.p.A, an Italy-manufacturer of control and humidification solutions has acquired Eurotec Ltd, a New Zealand-distributor of instrumentation and control products for the heating, ventilating, air conditioning, refrigeration, electrical, and industrial and food industries
Mar-23	Honest Air Conditioning LLC	Contracting services	CenterOak Partners LLC	-	CenterOak Partners LLC, a US-based private equity firm has acquired Honest Air Conditioning LLC, a US-based company engaged in the business of servicing, and installing indoor air quality, electrical and plumbing products
Feb-23	Winia Co Ltd (Land and building)	Equipment Manufacturing	Winia Aid Co Ltd	\$68	Winia Aid Co Ltd, a South Korea-based provider of facilities maintenance service, has acquired Land and building of Winia Co Ltd, a South Korea-based manufacturer of refrigerator, air-conditioner and dehumidifier
Feb-23	Therma Corp	Control Module Manufacturing	Zero Infinity Partners	\$19	Zero Infinity Partners, a US-investment firm has acquired an undisclosed stake in Therma, the local provider of cooling intelligence systems which use artificial intelligence, IoT sensors, and equipment controls to reduce energy usage, prevent food waste, and reduce carbon emissions
Feb-23	Acree Plumbing Air & Electric	Contracting Services	Len the Plumber LLC	\$50	Len the Plumber LLC, a US-based residential plumbing and HVAC services platform, has acquired Acree Plumbing Air & Electric, the local HVAC services and Air conditioning contractor
Jan-23	ACR Tech Co Ltd	Equipment Manufacturing	Oculus Equity Partners	\$16	Oculus Equity Partners, a South Korea-based private equity firm, has acquired 85% stake in ACR Tech Co Ltd, the South Korea based manufacturer and provider of commercial and industrial refrigeration systems
Jan-23	Central Cooling & Heating Inc	Contracting Services	Sila Heating & Air Conditioning Inc	-	Sila Heating & Air Conditioning Inc, a US-based provider of heating, cooling, plumbing, and electrical services, has acquired Central Cooling & Heating Inc, a US company specializing in HVAC services
Jan-23	Hybrid Energy AS	Equipment Manufacturing	Johnson Controls International plc (NYSE:JCI)	-	Utopie, a French-consulting firm dedicated to sustainable development, has acquired Air Technologies, a US-based compressor distributor and service center providing a range of products, including air compressors, air dryers, and filtration systems
Jan-23	ESP Group	Contracting Services	Triton Advisers Ltd	-	Triton Advisers Ltd, the private equity firm, has acquired ESP Group, the Finland-based company specializing in new building and repair construction, offering all HVAC, electricity, and automation services reliably and skilfully
Jan-23	Vaasan Kylmakone Oy	Contracting services	Triton Advisers Ltd	-	Triton Advisers Ltd, the private equity firm, has acquired Vaasan Kylmakone Oy, the Finland-based company that plans, sells, installs, and maintains refrigeration equipment and systems for professional use

Note: Does not included deals that are not closed

Source: Transaction statistics sourced from Capital IQ, Merger Market, press releases

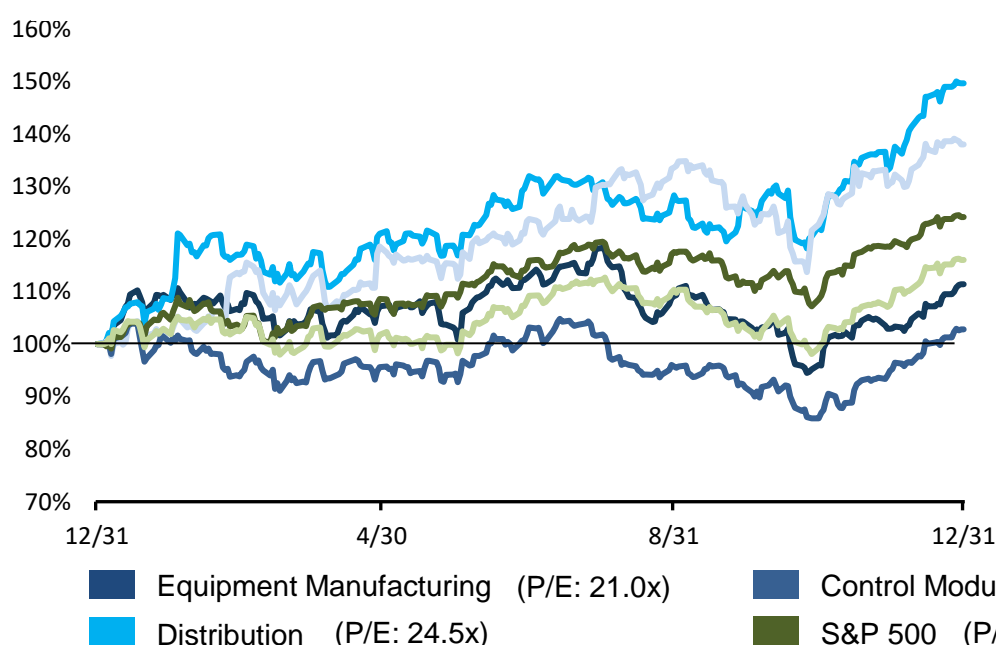
HVAC/R Public Markets: Stock Performance

- Stock prices in the Seale HVAC/R Index increased 13.1% in CY22, which is reflective of the broader public capital market increases seen throughout the year. These increases were mainly driven by reduced inflationary pressures, halted rate hikes by the Federal Reserve, and relative economic recovery throughout the year.
- HVAC/R index performance:
 - Contracting Services (+25.7%) remained relatively in line with S&P returns (+24.2%).
 - Equipment Distribution (+47.2%) was the best-performing index, beating the S&P 500 by 23%.
 - Control Module Manufacturing (+2.9%) and Equipment Manufacturing (+11.4%) lagged the S&P 500 by 21.4% and 12.8%, respectively.
- Broadly, HVAC/R companies have continued to produce positive earnings; however, equity performance has been heavily impacted by multiple expansion as investors anticipate the possibility of an imminent soft landing and declining interest rates.

2023 Indexed Stock Price Performance⁽¹⁾

Performance Drivers⁽¹⁾

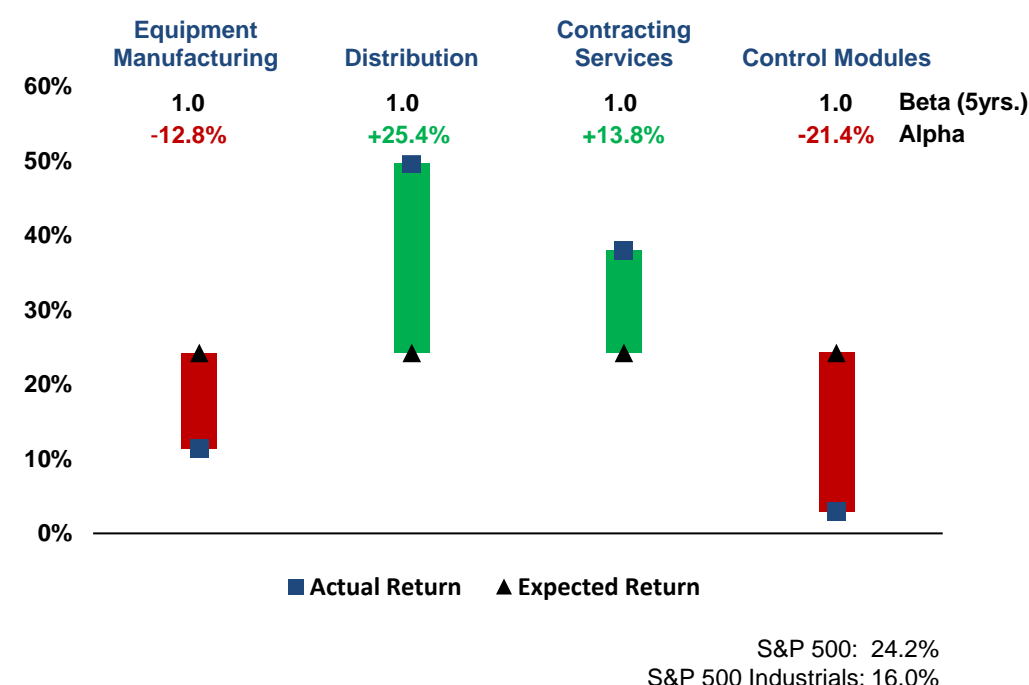
Multiple expansion driving stock increases amidst a period of low earnings growth for the HVAC/R Industry.



Sub-Sector	Change In:		Total Change
	Earnings (LTM)	Multiples (LTM)	
Equipment Manufacturing	-6.8%	18.2%	11.4%
Distribution	2.5%	47.2%	49.7%
Contracting Services	12.3%	25.7%	38.0%
Control Modules	5.3%	-2.5%	2.9%
Aggregate Performance	-1.0%	14.1%	13.1%

2023 Expected Return Analysis

Commentary



- The HVAC/R industry underperformed the broad equity market by 11.2% in 2023
- Control Module Manufacturing and Equipment Manufacturing both underperformed relative to their expected return by (21.4%) and (12.8%), respectively
 - Underperformance can be attributed to multiple compression for the former subsector, however both did not experience strong earnings growth, with equipment manufacturing producing negative growth
- Contracting Services significantly outperformed its expected return, displaying an alpha of 13.8%
 - Performance is reflective of strong earnings and low elasticity of demand which are attractive to investors
- Equipment Distribution outperformed the market by 25.4%, driven by robust multiple expansion

























Source: Market statistics sourced from Capital IQ as of 12/31/2023
(1) Based on market capitalization-weighted index methodology

Seale HVAC/R Index Metrics

Peer Group Summary⁽¹⁾

Sub-Sector	Market Cap. US\$M	Enterprise Value	Annual Sales US\$M	Gross Margin	EBITDA Margin	Annual Growth	
						5 yrs. Hist.	2 yrs. Fc.
Equipment Manufacturing	\$315,241	\$335,224	\$198,889	31.0%	14.2%	6.3%	7.9%
Control Module Manufacturing	\$272,981	\$320,294	\$95,628	38.6%	24.7%	0.0%	5.7%
Equipment Distribution	\$112,782	\$122,472	\$61,723	27.9%	11.2%	9.9%	3.3%
Service Firms	\$24,252	\$26,521	\$29,096	15.6%	8.2%	9.1%	9.0%
Aggregate	\$725,255	\$804,511	\$385,337	30.2%	13.7%	7.3%	7.3%

Equipment Manufacturing

Company	Country	Market Cap. US\$M	Enterprise Value	Annual Sales US\$M	Gross Margin	EBITDA Margin	Annual Growth		EV / EBITDA - Annual Average			12/31/2023	
							5 yrs. Hist.	2 yrs. Fc.	2020	2021	2022	EV / EBITDA	EV / Revenue
 Aaon		\$6,002	\$6,092	\$1,116	24.0%	23.5%	21.3%	20.8%	27.4x	30.2x	30.3x	23.3x	5.5x
 Carrier		\$48,203	\$53,869	\$22,101	28.1%	14.3%	0.0%	12.4%	10.4x	16.6x	12.6x	15.4x	2.4x
 DAIKIN		\$47,735	\$49,149	\$28,032	33.3%	14.1%	11.6%	5.7%	14.0x	17.3x	14.0x	11.7x	1.7x
 Haier		\$26,490	\$23,414	\$35,272	30.9%	7.8%	7.5%	7.8%	13.9x	17.5x	11.6x	7.9x	0.6x
 Johnson Controls		\$39,234	\$49,778	\$26,793	33.5%	13.7%	2.7%	4.8%	10.9x	13.2x	10.9x	11.1x	1.9x
 LENNOX		\$15,905	\$17,469	\$4,921	30.0%	17.7%	4.6%	5.0%	17.3x	17.8x	13.5x	17.7x	3.5x
 Midea		\$52,989	\$49,142	\$49,958	23.2%	10.9%	7.0%	8.5%	15.4x	17.5x	12.3x	8.5x	1.0x
 NIBE		\$14,193	\$16,002	\$4,282	31.1%	17.1%	16.9%	10.0%	26.4x	40.2x	34.3x	19.2x	3.4x
 resideo		\$2,749	\$3,977	\$6,265	27.2%	11.5%	5.6%	0.2%	8.2x	8.1x	5.5x	5.0x	0.6x
 SPX COOLING TECHNOLOGIES		\$4,611	\$5,174	\$1,701	38.0%	17.0%	2.8%	13.5%	13.8x	15.1x	14.6x	16.9x	3.0x
 systemair		\$1,628	\$1,771	\$1,121	33.8%	13.3%	10.1%	3.0%	11.9x	17.6x	14.0x	10.0x	1.4x
 TRANE		\$55,501	\$59,384	\$17,327	32.4%	17.5%	2.4%	8.1%	11.6x	20.9x	15.5x	18.3x	3.4x









Mean	30.5%	14.9%	7.7%	8.3%	15.1x	19.3x	15.7x	13.7x	2.4x
Median	31.0%	14.2%	6.3%	7.9%	13.9x	17.5x	13.8x	13.6x	2.1x

Source: Capital IQ

(1) Data represents cumulative totals and median percentages of each peer group











Peer Group Comparable Analysis

Control Module Manufacturing

Company	Country	Market Cap. US\$M	Enterprise Value	Annual Sales US\$M	Gross Margin	EBITDA Margin	Annual Growth		EV / EBITDA - Annual Average			12/31/2023	
							5 yrs. Hist.	2 yrs. Fc.	2020	2021	2022	EV / EBITDA	EV / Revenue
 EMERSON		\$55,626	\$62,189	\$15,165	49.0%	25.5%	-2.7%	9.8%	11.6x	15.1x	13.9x	15.9x	4.1x
 Honeywell		\$130,380	\$152,169	\$36,408	34.0%	23.9%	-3.2%	4.8%	14.5x	19.4x	16.2x	16.8x	4.2x
 Infineon		\$47,740	\$56,158	\$17,262	43.2%	34.5%	16.5%	6.5%	14.7x	19.6x	10.2x	8.9x	3.1x
 Johnson Controls		\$39,234	\$49,778	\$26,793	33.5%	13.7%	2.7%	4.8%	10.9x	13.2x	10.9x	11.1x	1.9x











Mean	39.9%	24.4%	3.3%	6.5%	12.9x	16.9x	12.8x	13.2x	3.3x
Median	38.6%	24.7%	0.0%	5.7%	13.1x	17.3x	12.4x	13.5x	3.6x

Equipment Distribution

Company	Country	Market Cap. US\$M	Enterprise Value	Annual Sales US\$M	Gross Margin	EBITDA Margin	Annual Growth		EV / EBITDA - Annual Average			12/31/2023	
							5 yrs. Hist.	2 yrs. Fc.	2020	2021	2022	EV / EBITDA	EV / Revenue
 BEIJER REF		\$6,798	\$7,687	\$2,784	26.4%	11.2%	20.1%	23.7%	24.7x	39.2x	32.2x	20.4x	2.5x
 FERGUSON		\$39,258	\$43,778	\$29,511	30.3%	10.2%	6.9%	2.6%	11.3x	14.6x	9.8x	12.4x	1.5x
 reece		\$9,859	\$10,942	\$5,883	27.9%	9.3%	26.9%	0.8%	15.1x	22.0x	16.6x	16.7x	1.8x
 WATSCO		\$15,735	\$16,491	\$7,262	27.7%	11.5%	9.9%	3.3%	15.8x	17.6x	12.2x	16.8x	2.3x
 GRAINGER		\$41,131	\$43,573	\$16,283	39.5%	17.1%	8.0%	7.3%	12.7x	15.0x	14.2x	15.1x	2.7x

Mean	30.4%	11.9%	14.4%	7.5%	15.9x	21.7x	17.0x	16.3x	2.2x
Median	27.9%	11.2%	9.9%	3.3%	15.1x	17.6x	14.2x	16.7x	2.3x

Contracting Services

Company	Country	Market Cap. US\$M	Enterprise Value	Annual Sales US\$M	Gross Margin	EBITDA Margin	Annual Growth		EV / EBITDA - Annual Average			12/31/2023	
							5 yrs. Hist.	2 yrs. Fc.	2020	2021	2022	EV / EBITDA	EV / Revenue
 COMFORT SYSTEMS USA		\$7,324	\$7,449	\$4,966	18.4%	9.0%	19.3%	18.0%	7.8x	11.0x	12.6x	14.3x	1.5x
 EMCOR		\$10,135	\$10,047	\$12,093	15.9%	7.3%	8.9%	10.8%	5.3x	7.4x	7.1x	8.5x	0.8x
 SPIE		\$5,148	\$7,075	\$9,351	8.4%	6.8%	5.3%	7.3%	8.8x	9.0x	8.3x	8.8x	0.7x
 bravida		\$1,645	\$1,950	\$2,685	15.2%	15.2%	9.4%	4.8%	12.3x	14.8x	11.3x	8.5x	0.7x
 Tutor Perini		\$473	\$1,144	\$3,765	1.5%	-3.9%	-3.3%	7.7%	3.6x	3.2x	5.1x	NA	0.3x

Mean	11.9%	6.9%	7.9%	9.7%	7.5x	9.1x	8.9x	10.0x	0.8x
Median	15.2%	7.3%	8.9%	7.7%	7.8x	9.0x	8.3x	8.7x	0.7x

Source: Market statistics sourced from Capital IQ

ABOUT SEALE & ASSOCIATES

Seale & Associates is a global investment bank applying a process-driven approach to a broad range of services, including mergers and acquisitions, corporate finance, and enterprise-level strategy consulting.

Mergers & Acquisitions

- Mergers & Acquisitions
- Divestitures
- Joint Ventures / Alliances
- Takeover Defense Support
- Due Diligence / Support

Corporate Finance

- Valuation
- Restructuring
- Recapitalizations
- Fairness Opinions

Strategy Consulting

- Strategic Alternatives Assessments
- Enterprise Level Strategy
- Competitive Intelligence
- Market Analysis

REPRESENTATIVE INDUSTRY 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
- **Sale of State Water Heaters to AO Smith Corporation**
 - Exclusive financial advisor to the State Water Heaters, a manufacturer of residential and commercial water heaters, in the sale of the company
 - Seale assisted State Water Heaters with preparation of all deal-related selling materials, coordinating due diligence, and negotiating an exclusive deal with the buyer company
- **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




a portfolio company of



has acquired a

Specialty HVAC Company



has sold

HTPG

to




a subsidiary of



has sold



to the shareholders of




has been acquired by




has acquired




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