



Seale & Associates

**HVACR
INDUSTRY UPDATE
2022**

HVACR Industry Overview

Global HVACR industry members include manufacturers, distributors, and service providers offering solutions to manage and control the temperature in 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.

Public Company Trading Multiples

| Sub-Sector | Key Players | EV/Revenue Multiple ⁽¹⁾ | EV/EBITDA Multiple ⁽¹⁾ |
|---|--|------------------------------------|-----------------------------------|
| Equipment Manufacturing | | | |
| Diversified manufacturers of HVACR equipment (e.g. furnaces, air conditioners, boilers) that contribute to temperature management in residential and commercial environments. | <ul style="list-style-type: none"> ▪ AAON ▪ Carrier ▪ Daikin ▪ Haier ▪ Johnson Controls ▪ Lennox ▪ Midea ▪ NIBE ▪ Resideo ▪ SPX Technologies ▪ Systemair ▪ Trane | 2.1x | 13.2x |
| Control Module Manufacturing | | | |
| Diversified manufacturers of manual or automated control modules (e.g. thermostats, large control panels) that regulate HVACR systems in residential and commercial environments. | <ul style="list-style-type: none"> ▪ Emerson ▪ Honeywell ▪ Infineon ▪ Johnson Controls | 3.2x | 14.2x |
| Equipment Distribution | | | |
| Distributors of a wide variety of HVACR equipment, parts, and supplies that supply contractors or regional service firms worldwide. | <ul style="list-style-type: none"> ▪ Beijer Ref ▪ Ferguson ▪ Reece ▪ Watsco ▪ W. W. Grainger | 1.4x | 12.9x |
| Contracting Services | | | |
| Providers of installation, repair, and maintenance services of HVACR equipment and systems. | <ul style="list-style-type: none"> ▪ Comfort Systems USA ▪ EMCOR ▪ SPIE ▪ Bravida ▪ Tutor Perini | 0.9x | 11.1x |

Source: Market statistics sourced from Capital IQ as of 12/31/2022

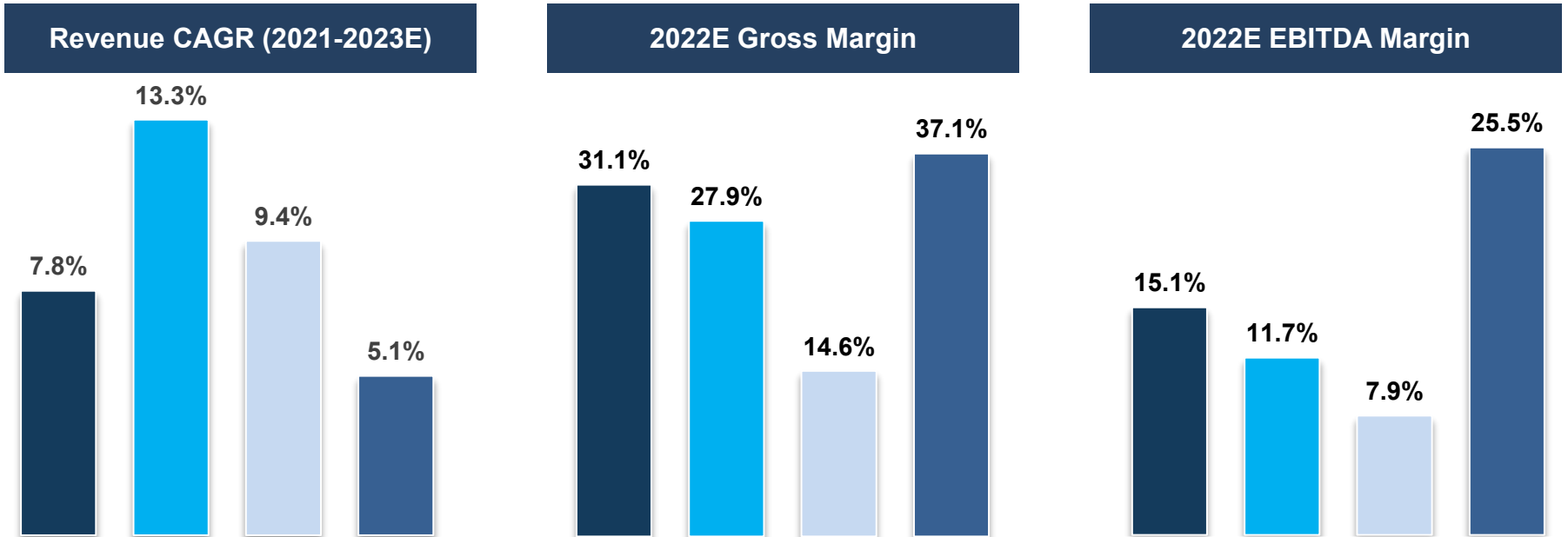
(1) Valuation multiples represent median of each subsector

HVACR Sub-Group Performance Trends

Trading multiples for the HVACR industry on 12/31/2022 recorded a cumulative median EV/2022E of 13.0x compared to 16.8x on 1/1/2022:

- Equipment Manufacturing: 13.2x as of 12/31/2022 vs. 17.2x as of 01/01/2022
- Control Module Manufacturing: 14.9x as of 12/31/2022 vs. 17.0x as of 01/01/2022
- Equipment Distribution: 12.9x as of 12/31/2022 vs. 17.1x as of 01/01/2022
- Contracting Services: 11.1x as of 12/31/2022 vs. 11.7x as of 01/01/2022

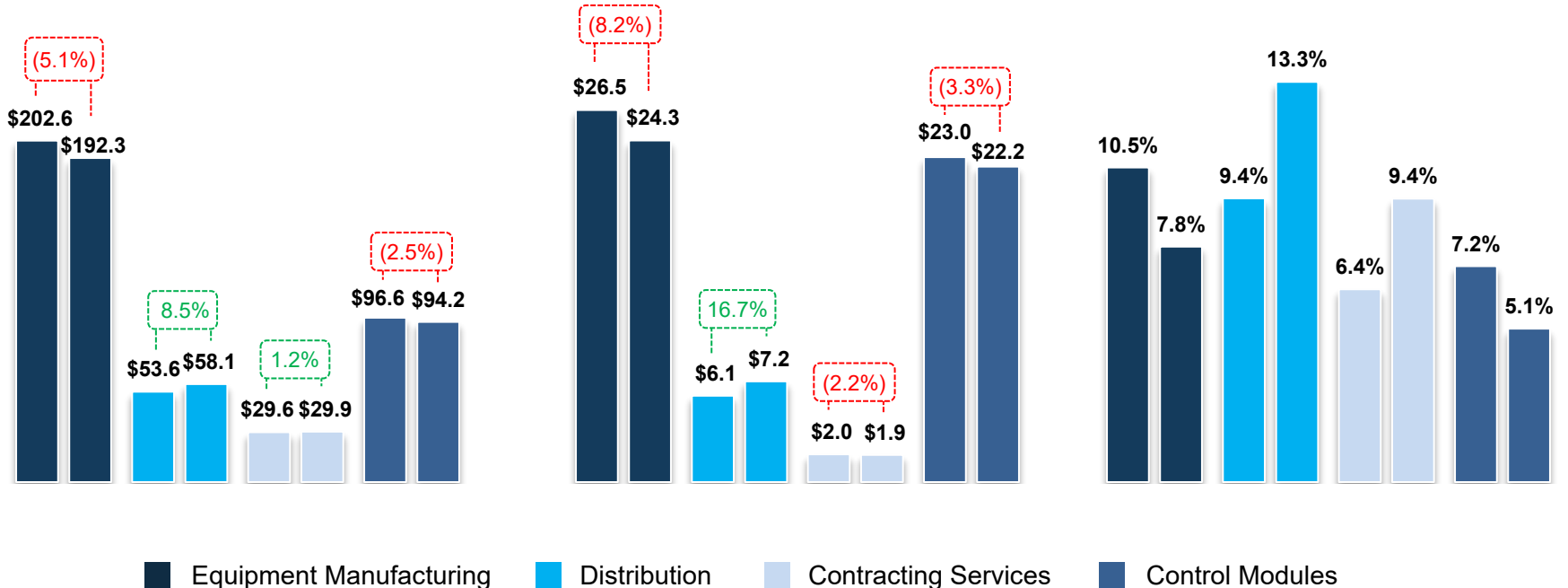
Financial Metrics for HVACR Indices (12/31/2022)



Comparative Analysis – HVACR Index Financial Metrics (1/1/2022 vs. 12/31/2022)



Financial performance among most HVACR sub-sectors remained relatively strong in the face of increasingly difficult economic hardships. Equipment and Control Module Manufacturing saw a decline in both revenue and EBITDA expectations, as increased commodity prices and longer lead times placed pressure on both their top and bottom lines. Distribution was the only sub-sector that realized growth in their financial expectations and are expected to realize a CAGR of 13.3% from 2021-2023.



Source: Market statistics sourced from Capital IQ as of 12/31/2022

Highlighted Transaction & Subsector Insight

Beijer Ref Acquires Heritage Distribution Holdings from Gryphon Investors

US\$1.275B

BEIJER REF

has acquired



HERITAGE DISTRIBUTION HOLDINGS

The undersigned acted as exclusive financial advisor to Beijer Ref

Seale & Associates

12.15.2022 – Seale & Associates acted as an exclusive financial advisor to Beijer Ref AB on its agreement to acquire Heritage Distribution Holdings from Gryphon Investors for US\$1.275B.

The acquisition represents Beijer Ref's entry into the North American market and will establish the company as a leading HVACR distributor in the US South/Southeast Region, one of the most attractive regions for HVACR in North America.

Headquartered in Atlanta, Georgia, Heritage Distribution has 64 branches in 10 states and approximately 800 employees. The company has a strong track record of high and consistent organic growth and a high share of recurring revenues derived from repair and replacement.

The acquisition of Heritage Distribution constitutes an important strategic step for Beijer Ref. The North American market is highly fragmented, and Heritage Distribution offers an excellent platform from which we can continue to drive consolidation.

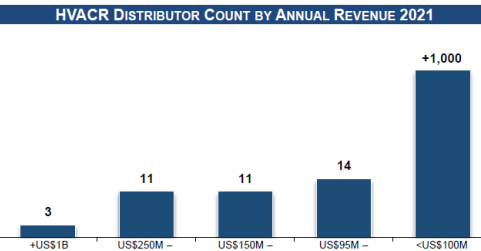
Sub-sector Insight: Consolidation in US Equipment Distribution Market Continues

Seale & Associates 2022 Market Consolidation Report

Commentary

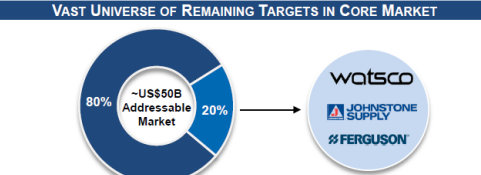
- ~US\$50B addressable market with a balanced mix between residential (46%), commercial (37%) and commercial refrigeration (17%)
- Market very segmented with lots of room for inorganic growth
- After Watco acquisition of TEC, only 13 US HVACR distributors have revenue >\$250M
- ~50% of top 13 companies have not made acquisitions since 2017
- Western US remains least consolidated region

HVACR DISTRIBUTOR COUNT BY ANNUAL REVENUE 2021



| Ranking | Company | # of Locations | Geographic Presence | # of Transactions 2017-2022 (Total / HVAC) |
|---------|--------------------------------|----------------|-------------------------|--|
| 1 | WATSCO | 572 | Northeast, South, West | 8 / 6 |
| 2 | JOHNSTONE SUPPLY | 424 | National | 0 |
| 3 | FERGUSON | 1,459 | National | 16 / 3 |
| 4 | U.S. MICHEL COMPANY | 290 | National | 0 |
| 5 | Sigler | 32 | West, South | 0 |
| 6 | WINSUPPLY | 600 | National | 22 / 2 |
| 7 | WINGLADOFFS | 38 | South | 2 / 2 |
| 8 | J.W. WEBB COMPANY | 90 | Northeast, Mid-Atlantic | 2 / 2 |
| 9 | US AIR CONDITIONING | 50 | West | 0 |
| 10 | HERITAGE DISTRIBUTION HOLDINGS | 64 | South, Midwest | 4 / 4 |
| 11 | HABEGGER | 35 | South, Midwest | 1 / 1 |
| 12 | DAIKIN | 27 | Northeast, Midwest | 11 / 7 |
| 13 | LARSON | 52 | Midwest, West | 0 |
| NA | DAIKIN | 50+ | Midwest | 11 / 6 |

VAST UNIVERSE OF REMAINING TARGETS IN CORE MARKET



¹ Daikin is an equipment manufacturer but has been acquisitive in the US HVACR Distribution market.

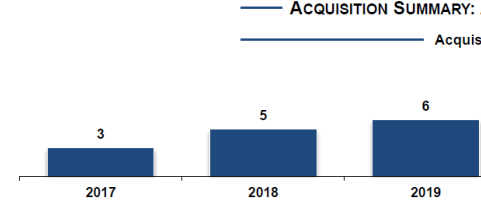
Recent M&A Activity

- January 2023: Hajoca Corporation** acquires majority stake in **Gustave A. Larson**, a major distributor of HVAC equipment, parts, and supplies.
- January 2023: Daikin Industries** acquires **Williams Distributing**, a distributor of heating, ventilation, and air conditioning equipment and residential building products.
- December 2022: Ferguson plc** acquires **Airefco**, a distributor of HVAC equipment, parts, and supplies.
- October 2022: Heritage Distribution Holdings** acquires **Coastal Supply Co. Inc.**, a local distributor and service provider of HVACR equipment.
- September 2022: Dakota Supply Group** acquires **Western Steel & Plumbing**, a distributor of HVAC and plumbing products.
- August 2022: Heritage Distribution Holdings** acquires **Controlled Temp Supply**, a local provider of HVACR equipment, parts, supplies, and customer service.
- July 2022: HOP Energy** acquires **Rycor HVAC**, a local full-service reseller of HVAC equipment.

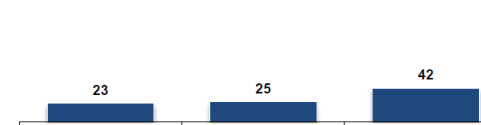
Commentary

- 2021 was the most active year for M&A in the HVAC Dist. space
- Munch's Supply Co. has strongest inorganic growth throughout the period
- Many sponsor-backed companies are driving inorganic growth
- Many of the top 13 companies were relatively inactive during period
- No acquisitions took place during 2020 due to covid-19

ACQUISITION SUMMARY: ACQUIRORS > \$250M REVENUE



Total Branches Acquired per Year

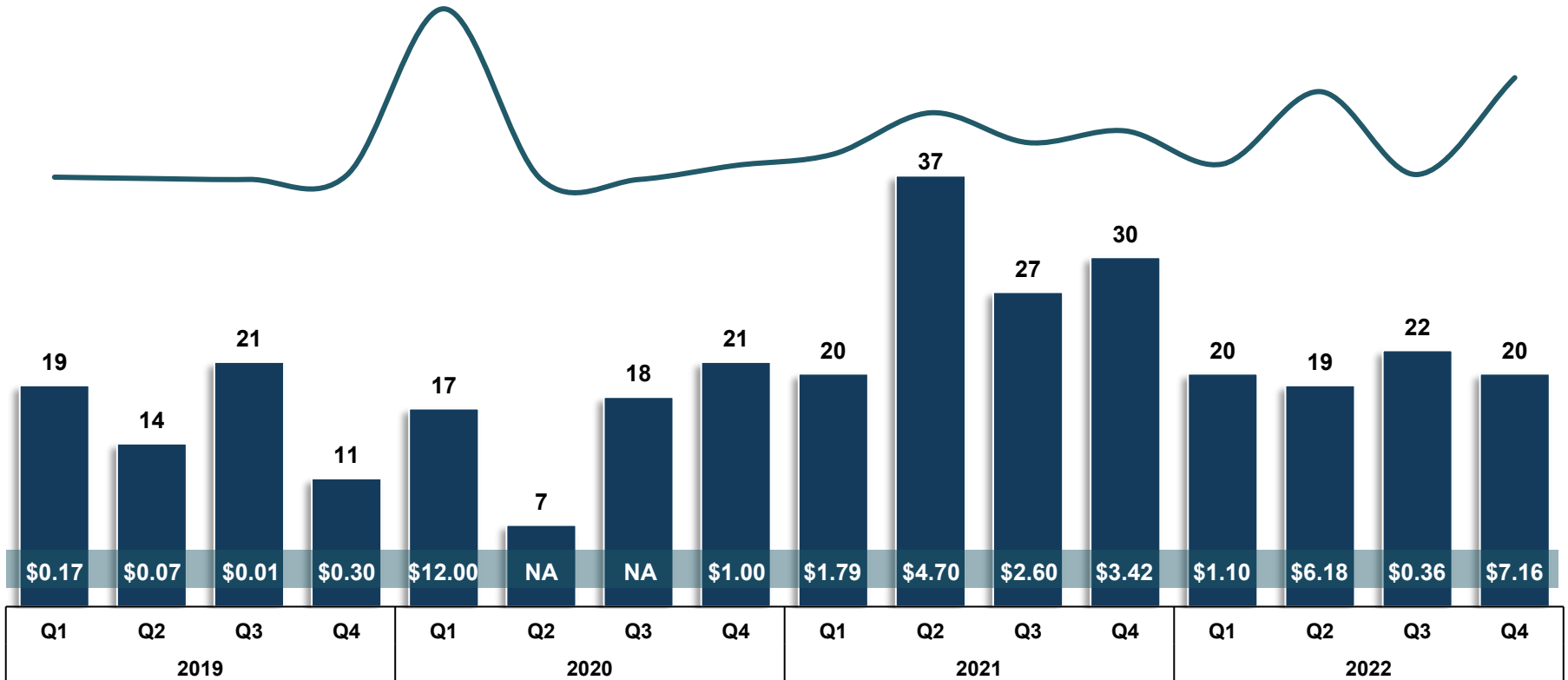


HVACR M&A Market Update

Global HVACR Industry Announced Deal Volume and Value ⁽¹⁾

Announced transaction volume declined **21.1%** in 2022 as compared to 2021, which can be attributed to increased inflationary pressures, rising interest rates, and economic uncertainties in 2022. Announced deal value increased **19.1%** over the same period, which is largely driven by multiple large transactions in Q2 and Q4, namely 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

Closed Transactions by Peer Group

| Peer Group | Count |
|------------------------------|-----------|
| Equipment Manufacturing | 16 |
| Control Module Manufacturing | 4 |
| Equipment Distribution | 21 |
| Contracting Services | 34 |
| Total Closed Deals | 75 |

Equipment Manufacturing: The transition to heat pump technology will be further accelerated by the Inflation Reduction Act, sparking M&A activity to acquire scaled businesses with this technology.

David Gitlin, CEO, Carrier

Control Module Manufacturing: “We do think sort of the valuation is becoming much more appealing which is driving an improved pipeline, which is driving more activity”

Darius Adamczyk, CEO, Honeywell

Equipment Distribution: Increased private equity interest in HVACR distribution continues to drive more competition in the space.

“We will not chase pricing because we’re in for the long term, I don’t know how long [EBITDA multiples] going to be [high] in terms of valuations for businesses”

Albert Nahmad, CEO, WATSCO









Contracting Services: “We do think that the market is changing, that the cost of capital has an effect on what people are willing to -- people are willing to invest capital, and that there are a lot of companies for sale right now “

William George, CFO, Comfort Systems USA

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

HVACR Transactions with Deal Multiple Data

Notable HVACR Transactions in 2022































| | | | |
|--|--|--|---|
| <p>Date Announced: 11/9/22</p>  <p>Is to acquire</p>  <p>Equipment Manufacturing</p> | <p>Transaction Description:</p> <p>Chart Industries Inc, the United States based manufacturer of equipment used in the production, storage and end-use of hydrocarbon and industrial gases is to acquire Howden Group Ltd, the United Kingdom based manufacturer of air and gas handling equipment.</p> <p>Deal Statistics: EV:4,400M EV/EBITDA: 12.9x</p> | <p>Date Announced: 5/19/22</p>  <p>Has acquired</p>  <p>Contracting Services</p> | <p>Transaction Description:</p> <p>Brookfield Infrastructure Partners, the Canada based investor and operator of utility businesses, transport and energy businesses, and timber assets has acquired HomeServe plc, the UK based provider of home warranties and residential repair services.</p> <p>Deal Statistics: EV:52M EV/EBITDA: 7.5x</p> |
| <p>Date Announced: 5/3/23</p>  <p>Has acquired</p>  <p>Distribution</p> | <p>Transaction Description:</p> <p>The Hajoca Corp, a larger privately held distributor of plumbing, heating and cooling, and industrial supplies, has taken a major ownership position in HVACR equipment, parts and supplies distributor Gustave A. Larson Company.</p> <p>Deal Statistics: EV:52M EV/EBITDA: 7.5x</p> | <p>Date Announced: 3/3/22</p>  <p>Has acquired</p>  <p>Control Modules</p> | <p>Transaction Description:</p> <p>One Rock Capital Partners LLC, the United States based private equity firm, is to acquire Therm O Disc Inc, the United States based manufacturer of temperature sensors and controls for the HVAC, appliance, automotive, and electronics industries, from Emerson Electric Co.</p> <p>Deal Statistics: EV:52M EV/EBITDA: 7.5x</p> |

HVACR Transactions Summaries

| Date Closed | Target | Location | Acquirer | Deal Size (US\$M) | Deal Description | EV/ EBITDA | EV/ Revenue |
|-------------|---|---|---|-------------------|---|------------|-------------|
| Pending |  |  |  | \$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 |
| Pending |  |  |  | \$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 |
| Pending |  |   |  | \$86 | Ingersoll Rand Inc., a global provider of mission-critical flow creation and industrial solutions, announced the acquisition of Everest Blowers Private Limited, the Indian market leader for customized blower and vacuum pump solutions, and Airmax Groupe, a French compressed air specialist with strong end-user relationships and a technician network focused on aftermarket service | - | 2.5x |
| Jan-23 |  |  |  | \$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 |  |  |  | \$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 |
| Dec-22 |  |  |  | \$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 |  |  |  | \$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 |  |  |  | \$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 |









































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

HVACR Transactions with Deal Multiple Data (cont.)

| Date Closed | Target | Location | Acquirer | Deal Size (US\$M) | Deal Description | EV/ EBITDA | EV/ Revenue | |
|-------------|--|---|--|-------------------|---|---------------|--------------|-------------|
| 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 GROUP | \$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 |  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 | |
| 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 | 3.1x |
| | | | | | | Median | 11.7x | 2.7x |

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











































HVACR Transactions without Deal Multiple Data

| Date Closed | Target | Sub-Sector | Acquirer | Deal Size US\$M | Description |
|-------------|---|-------------------------|--|-----------------|--|
| Jan-23 |  HomeServe | Contracting Services |  Brookfield Infrastructure Partners | \$6079 | Brookfield Infrastructure Partners, the Canada based investor and operator of utility businesses, transport and energy businesses, and timber assets has acquired HomeServe plc, the UK based provider of home warranties and residential repair services. |
| Dec-22 |  SEAT | Equipment Manufacturing |  CAPITAL EXPORT | - | Capital Export SAS, the France based private equity investment fund, has acquired SEAT Ventilation SA, the local France-based designer and manufacturer of industrial fans. |
| Dec-22 |  Stan Gelber & Sons | Contracting Services |  Service Experts | - | Service Experts Heating & Air Conditioning LLC, the United States based provider of heating and air conditioning systems has acquired Stan Gelber & Sons Inc, the local HVAC Contractor. |
| Dec-22 |  AIREFFCO INC. | Distribution |  FERGUSON | - | Ferguson plc, the United Kingdom based provider of plumbing and heating products has acquired Aireffco, the United States based distributor of HVAC equipment, parts and supplies. |
| Dec-22 |  VENSTAR | Control Modules |  DAIKIN | - | Daikin Industries Ltd, the Japan based manufacturer of air conditioning and refrigeration equipment, fluorochemicals and oil hydraulic motors, has acquired Venstar Inc, the United States based thermostat and energy management system manufacturer. |
| Nov-22 |  HYGRO MEDIA | Equipment Manufacturing |  Munters | - | Munters Group AB, the Sweden based producer and marketer of air ventilation and dehumidification units and systems has acquired Hygromedia LLC, the United States based manufacturer of desiccant dehumidification media. |
| Nov-22 |  Bell Simons Companies | Distribution |  MUNCH'S SUPPLY | - | Mar-Cone Appliance Parts Center Inc, the United States based provider of original equipment manufacturer-branded residential appliance repair parts has acquired through its subsidiary Munch's Supply LLC, Bell Simons Co, the local distributor of heating, air conditioning, plumbing and refrigeration equipment. |
| Nov-22 |  Fortress Heating & Air Conditioning | Distribution |  Master | - | The Master Group, the Canada based provider of HVAC services has acquired Fortress Group Inc, the local provider of heating, ventilation, air conditioning, and refrigeration equipment. |
| Nov-22 |  DEL-AIR HEATING & AIR CONDITIONING - APPLIANCES | Contracting Services |  ASTARRA CAPITAL PARTNERS | - | Astara Capital Partners LLC, the United States based private Equity Firm has acquired Del-Air Heating & Air Conditioning, the US based provider of air conditioning, heating, and appliance services. |
| Nov-22 |  M.E. FLOW | Contracting Services |  SOUTHERN HVAC | - | Southern HVAC Corp, the United States based provider of residential HVAC, plumbing and electrical services has acquired M.E. Flow, a provider of heating, air conditioning and plumbing maintenance, repair, and replacement services. |
| Nov-22 |  AHD | Distribution |  BEIJER REF | \$44 | Beijer Ref AB, the Sweden based wholesaler of commercial refrigeration, industrial refrigeration, air conditioning and heating equipment has acquired acquire Australian Air Conditioning Distributors, an Australian based distributor of HVACR equipment. |
| Oct-22 |  EBERLE | Control Modules |  BORROMIN | \$45 | Borromin Capital Management GmbH has acquired Eberle Controls GmbH, the local manufacturer and distributor of heating and air-conditioning controls. |
| Oct-22 |  Kendall Heating & Cooling | Contracting Services |  NearU | - | NearU HVAC Services, the United States based provider of HVAC repair and installation services has acquired Kendal Air Heating & Cooling Inc, the US-based leading provider of HVAC services. |
| Oct-22 |  MORGANA | Equipment Manufacturing |  Cold Chain Capital | - | Cold Chain Capital LLC, the private equity firm engaged in investing for HVACR: Heating, Ventilation, Air Conditioning, and Refrigeration companies has acquired Morgana SAS, the France based manufacturer of made-to-measure finned heat exchangers. |
| Oct-22 |  Coastal Supply Company | Distribution |  HERITAGE DISTRIBUTION HOLDINGS | - | Heritage Distribution Holdings, the United States based heritage Distribution Holdings is a part of Gryphon has acquired Coastal Supply Co Inc, the local HVAC/R distributor servicing. |
| Oct-22 |  Easy Air CONDITIONING | Distribution |  BEIJER REF | - | Beijer Ref, the Sweden based wholesaler of commercial refrigeration, industrial refrigeration, air conditioning/heating equipment, acquires Easy Air Conditioning, the UK-based distributor of commercial AC and heat recovery system supplies. |
| Oct-22 |  ACREE PLUMBING - AIR - ELECTRIC | Contracting Services |  LEN THE PLUMBER | \$50 | LTP Home Services Group, the United States based us-based leading residential plumbing and HVAC services platform operating in the Mid-Atlantic and Southeast regions has acquired Acree Plumbing Air & Electric, the local HVAC services and Air conditioning contractor. |
| Sep-22 |  Allied SERVICE GROUP | Contracting Services |  CFESA | - | Commercial Foodservice Repair Company Inc, the United States based provider of installation, preventative maintenance, and repair for foodservice facilities has acquired Allied Service Group, the local mechanical and electrical contractor for the mechanical services of air conditioning, heating, ventilation, and refrigeration. |
| Sep-22 |  MTL COOL | Equipment Manufacturing |  RONIN | - | Ronin Equity Partners LLC, the US based private equity firm has acquired MTL Cool, the Canada based commercial refrigeration equipment manufacturer. |
| Sep-22 |  WESTERN STEEL & PLUMBING | Distribution |  DSG DAKOTA SUPPLY GROUP | - | Dakota Supply Group, the US based distributor of HVACR equipment and supplies, has acquired Western Steel & Plumbing, Inc. a distributor of plumbing and HVAC products in Bismarck and Minot, North Dakota. |

Note: Does not included deals that are not closed

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






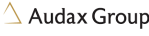




































HVACR Transactions without Deal Multiple Data (cont.)

| Date Closed | Target | Sub-Sector | Acquirer | Deal Size US\$M | Description |
|-------------|--|-------------------------|--|-----------------|---|
| Aug-22 |  AIRMAX | Contracting Services |  FIX IT GROUP | - | Fix-It Group, the United States based provider of plumbing, heating, electrical and AC repairs and upgrades, services has acquired Airmax Group, the local provider of heating and air conditioning services for homeowners. |
| Aug-22 |  CONTROLLED TEMP SUPPLY | Distribution |  HERITAGE DISTRIBUTION HOLDINGS | - | Heritage Distribution Holdings, the United States based wholesale HVAC Distributor has acquired Controlled Temp Supply, the local controlled Temp Supply providing HVAC/R equipment, parts, supplies, and customer service to residential and commercial customers in Oxford, MS. |
| Aug-22 |  PUEBLO | Contracting Services |  OMERS | - | OMERS Private Equity Inc, the Canada based private equity firm has acquired Pueblo Mechanical & Controls Inc, the United States based provider of heating, ventilation, and air conditioning installation and repair service from Huron Capital Partners LLC, the United States based private equity investment firm. |
| Aug-22 |  Supco | Equipment Manufacturing |  nsi | - | NSi Industries LLC, the US based manufacturer of electrical lugs has acquired Sealed Unit Parts Co Inc, the local US-based manufacturer and distributor of components and tools designed heating, ventilating, air conditioning, refrigeration and appliance parts. |
| Aug-22 |  RENSA | Equipment Manufacturing |  Audax Group | \$227 | Audax Group LP, the United States based private equity firm, has acquired Air Filtration Holdings LLC, the local manufacturer of high quality air filters. |
| Aug-22 |  HURLBURT | Contracting Services |  H-H-H | - | Heartland Home Services Inc, the United States based provider of heating and air-conditioning contracting services has acquired Hurlburt Heating AC & Plumbing, the local company operating in HVACR equipment services. |
| Aug-22 |  Atelier construction | Equipment Manufacturing |  CAPITAL EXPORT | - | Capital Export SAS, the private equity investment fund and Rives Croissance SAS, the venture capital firm, has acquired ACFRI International SAS, the France based manufacturer of refrigeration equipment for the catering business, have acquired the company. |
| Jul-22 |  RoboVent | Equipment Manufacturing |  Nederman | \$42 | Nederman Holding AB, the Sweden based manufacturer of work environment equipment, including extraction systems, vacuum cleaning and workplace acoustics has acquired RoboVent Products Group Inc, the United States based provider of industrial ventilation and filtration solutions. |
| Jul-22 |  R. BROOKS | Contracting Services |  FLOW | \$23 | RLJ Equity partners backed portfolio company, Flow Service Partners, the United States based provider of heating, ventilation, air conditioning, and refrigeration and plumbing services has acquired R Brooks Mechanical Heating & Air Conditioning Inc, the local provider of heating, ventilation and air conditioning services. |
| Jul-22 |  SEXSON | Contracting Services |  MID-AM | - | Mid-Am Building Solutions LLC, the US-based midwestern-focused platform of Craft Work Capital Partners LLC has acquired a controlling stake in Sexson Mechanical Corp, the local company that provides a full suite of mechanical and electrical contracting services, including that for HVACR, electrical, and plumbing systems. |
| Jul-22 |  RYCOR HVAC | Distribution |  HOP Energy | - | HOP Energy LLC, the United States based full service energy company has acquired Rycor HVAC, the local full-service reseller of Mitsubishi mini-split heat pump systems. |
| Jul-22 |  Certified Refrigerant Services, Inc. | Contracting Services |  A-GAS | - | A-Gas US Inc, the United States based provider of the supply and life cycle management of specialty chemicals such as refrigerants, hydrocarbon blowing agents has acquired Certified Refrigerant Services Inc, the local refrigerant management and logistics company servicing all segments of the refrigerant and HVAC industry. |
| Jul-22 |  Comfort Control SYSTEMS, INC. | Distribution |  AQUARIUS | - | Aquarius Water Conditioning Inc, the Canada based HVACR service provider, has acquired Comfort Control Systems, Inc. a distributor and installer of HVACR equipment. |
| Jul-22 |  CM3 | Contracting Services |  DAIKIN | - | Daikin Industries Ltd, a listed Japan-based manufacturer of air conditioning and refrigeration equipment, has acquired a majority stake in CM3 Building Solutions Inc, the United States based provider of building services including automation and technology, energy services, security and fire protection, and HVAC support. |
| Jul-22 |  MAGIC | Contracting Services |  Any Hour Electric Inc | - | Any Hour Electric Inc, the United States based provider of HVAC services has acquired Magic Electric Plumbing Heating & Air, the local provider of Plumbing, Heating & Air services. |
| Jul-22 |  Elmac Technologies | Equipment Manufacturing |  PROTECTOSEAL | - | Protectoseal Co, the United States based manufacturer of a wide variety of tank vents and fittings. has acquired Elmac Technologies Limited, the United Kingdom based auk-based maker of flame arresters and low pressure venting equipment. |
| Jul-22 |  ICETRO | Equipment Manufacturing |  THE MIDDLEBY CORPORATION | \$52 | Middleby Corp, the United States based developer, manufacturer and marketer of a broad line of equipment used for commercial food preparation as well as residential kitchen equipment has acquired Icetrol Co Ltd, the South Korea based industrial refrigeration and refrigeration equipment manufacturer. |
| Jun-22 |  PRO PLUMBING SERVICES LLC | Contracting Services |  SOUTHERN HVAC | - | Southern HVAC Corp, the United States based provider of residential HVAC, plumbing and electrical services has acquired Pro Plumbing Services LLC, the local provider of plumbing, electrical, heating, and air conditioning services. |
| Jun-22 |  DOUG'S Service Company | Contracting Services |  Air Pros | - | Air Pros USA, the United States based residential heating, ventilation, and air conditioning and home services company has acquired Doug's Service Co, the local provider of heating, air conditioning, electrical, and plumbing services. |
| Jun-22 |  Dallas Plumbing Co | Contracting Services |  Air Pros | - | Air Pros USA, the United States based residential heating, ventilation, and air conditioning and home services company has acquired Dallas Plumbing Co, the local provider of HVAC and plumbing services. |
| Jun-22 |  Aaron & Company | Distribution |  FERGUSON | - | Ferguson plc, the United Kingdom based provider of plumbing and heating products has acquired Aaron & Company Inc, the United States based distributor of plumbing supply, HVAC and sheet metal wholesale. |

Note: Does not include deals that are not closed

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


























HVACR Transactions without Deal Multiple Data (cont.)

| Date Closed | Target | Sub-Sector | Acquirer | Deal Size US\$M | Description |
|-------------|---|-------------------------|---|-----------------|---|
| Jun-22 |  TOMCO | Contracting Services |  The Arcticom Group® | - | Arcticom Group LLC, the United States based provider of maintenance programs, repairs, retrofits, remodels and new stores deployments in the commercial refrigeration industry has acquired Tomco Mechanical Corp, the local provider of refrigeration and HVAC services. |
| Jun-22 |  | Contracting Services |  ARS RESCUE ROOTER Making it work. Making it right! | - | American Residential Services, a Memphis, Tennessee-based provider of residential heating, ventilation, air conditioning (HVAC) and plumbing services, has acquired a family of companies including Absolute Air, Captain Electric, and OyBoy Heating and Cooling, which provide HVACR and electrical services. |
| Jun-22 |  THERMOGENICS INTELLIGENT STEAM | Equipment Manufacturing |  Audax Group | - | Audax Management Co LLC, the United States based private equity firm. has acquired Thermogenics Inc, a Canada based manufacturer of steam and hot-water boilers. |
| Jun-22 |  THERMODISC | Control Modules |  ONE ROCK CAPITAL PARTNERS | \$1000 | One Rock Capital Partners LLC, the United States based private equity firm, is to acquire Therm O Disc Inc the United States based manufacturer of temperature sensors and controls for the HVAC, appliance, automotive, and electronics industries. |
| May-22 |  Service Minds | Contracting Services |  Altamont CAPITAL PARTNERS | - | Altamont Capital Management LLC, the United States based private equity firm has acquired Service Minds Inc, the local owner and operator of multiple franchisees including Mister Sparky, One Hour Heating & AC and Benjamin Franklin Plumbing systems providing electrical, plumbing and HVAC services. |
| May-22 |  ALMCOE REFRIGERATION COMPANY | Contracting Services |  smart care EQUIPMENT SOLUTIONS | - | Zone Climate Services Inc, the United States based provider of refrigeration and HVAC services has acquired Almco Refrigeration Company, the local service agency specializing in refrigeration for commercial, retail, and industrial cold storage operations. |
| May-22 |  N.B. HANDY THE PREFERRED CHOICE SINCE 1981 | Distribution |  | - | Industrial Opportunity Partners, a US based private equity firm, has acquired N.B. Handy Company, Inc. a distributor of metals, HVAC, commercial roofing, and machinery products. |
| May-22 |  NEXGEN AIR CONDITIONING • HEATING • PLUMBING | Contracting Services |  Wrench Group | - | Wrench Group LLC, the United States based provider of home maintenance and repair services specializing in heating, ventilation and air conditioning, plumbing and electrical services has acquired NexGen HVAC & Plumbing LLC, the local provider of air conditioning, heating and plumbing services. |
| May-22 |  ICM CONTROLS | Control Modules |  Lorraine CAPITAL | - | Lorraine Capital, the US based private equity firm has acquired ICM Controls, the US based family-owned electronic controls manufacturer for the HVAC industry. |
| May-22 |  CCOM GROUP, INC. | Equipment Manufacturing |  DAIKIN | \$35 | Daikin Industries, a Japan based manufacturer of air conditioning and refrigeration equipment, has acquired CCOM Group, Inc., a distributor of heating, ventilating, and air conditioning equipment (HVAC) in the United States. |
| Apr-22 |  FRIGOMETRO Frigometro Metropolitan | Contracting Services |  emergentcold LatAm | - | Emergent Cold Latin America, the Brazil based temperature-controlled warehousing and logistics provider has acquired Frigometro SAS, the Colombia based provider of cold storage solutions. |
| Apr-22 |  ED'S SUPPLY COMPANY INC | Distribution |  | - | Heritage Distribution Holdings, the United States based wholesale distributor providing heating, ventilation, air conditioning, and refrigeration equipment, parts, supplies, and customer service has acquired Ed's Supply Co Inc, the United States based wholesale HVAC Distributor. |
| Apr-22 |  ARBO | Equipment Manufacturing |  | - | NB Renaissance Partners, the US-based private equity, has agreed to acquire Arbo Spa the Italy based distributor of spare parts, components and accessories for heating, air conditioning and domestic boilers, in a management buyout transaction. |
| Apr-22 |  SASCO CASCO | Distribution |  | - | Munch's Supply LLC, the US based distributor of HVACR equipment, has acquired System Aire Supply Co., Inc. / Control-Aire Supply Co., a HVAC wholesale distributor. |
| Apr-22 |  wardlaw | Contracting Services |  | - | Right Time Heating & Air Conditioning Canada Inc, the Canada based provider of home heating and cooling solutions has acquired Wardlaw Heating & Cooling, the local an air conditioning solutions provider. |
| Apr-22 |  MACKAY AIR SUPPLIES | Distribution |  | - | Beijer Ref AB, the Sweden based distributor of HVACR equipment has acquired, Mackay Air Supplies, the Australia based company that engages in the distribution of HVAC&R. |
| Mar-22 |  CONDITIONED AIR SOLUTIONS | Contracting Services |  | - | Concentric Equity Partners LP, the private equity firm has acquired Conditioned Air Solutions, the United States based owned and operated Commercial and Residential HVAC company. |
| Mar-22 |  LEN The PLUMBER | Contracting Services |  | - | Catterton Management Co LLC, the private equity firm has acquired LTP Home Services Group, the United States based residential plumbing and HVAC services platform operating in the Mid-Atlantic and Southeast regions. |
| Mar-22 |  A.B.MAY | Contracting Services |  | - | Frontier Service Partners, the United States based residential services company has acquired AB May Co, the local residential services company offering HVAC, plumbing and electrical services. |
| Mar-22 |  L.M.B.SAS | Equipment Manufacturing |  | - | A group of investors led by Tikehau Capital, is to acquire LMB, the local designer and manufacturer of high performance fans and AC/DC Brushless motors for the aerospace and defense markets. |
| Mar-22 |  Smith & Oby | Contracting Services |  | - | McNally Capital LLC, the United States based private Equity Firm also providing advisory services has invested in Smith & Oby Co, the local HVAC and plumbing mechanical contractor. |

Note: Does not included deals that are not closed

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

Closed HVACR Transactions without Deal Multiple Data

| Date Closed | Target | Sub-Sector | Acquirer | Deal Size US\$M | Description |
|-------------|---|-------------------------|---|-----------------|---|
| Mar-22 |  | Contracting Services |  | - | Right Time Heating & Air Conditioning Canada Inc, the Canada based provider of home heating and cooling solutions has acquired Comfort Group, the local provider of residential heating, cooling, and indoor air quality services. |
| Mar-22 |  | Contracting Services |  | - | Rush Street Ventures, the United States based US-based private equity firm has acquired a controlling stake in Harmonic Heating & Air Conditioning, the local US-based heating, air conditioning, electrical, home renovation and handyman services provider. |
| Feb-22 |  | Equipment Manufacturing |  | - | Zehnder Group AG, the Switzerland based manufacturer of furnaces, measuring instruments, battery charges, sheet metal housing and welding machines through its subsidiaries has agreed to acquire Airia Brands Inc, the Canada based company engaged in development, manufacturing and distribution of heat recovery ventilation systems. |
| Feb-22 |  | Distribution |  | - | Wittichen Supply Co, the United States based wholesale distributor providing heating, ventilation, air conditioning, and refrigeration equipment, parts, supplies, and customer service has acquired Benoist Brothers Supply Co., the local us-based family owned HVAC firm. |
| Feb-22 |  | Contracting Services |  | - | SEI Group Inc, the United States based provider of installation services of products including insulation, garage doors, and house wrap for single-family and multi-family residential buildings has acquired Coastal Insulation & Fireplaces LLC and Cool Insulation Co, the local providers of insulation solutions. |
| Feb-22 |  | Contracting Services |  | - | The Kelvin Group, the US-based provider of industrial and commercial mission-critical mechanical services, process safety management, and environmental compliance has acquired Refrigeration Design & Service Inc, the local company provides a full line of services to meet the needs of the industrial refrigeration marketplace. |
| Jan-22 |  | Equipment Manufacturing |  | \$354 | Compagnie Benelux Participations, the investment firm which engages in private equity buy-outs and growth capital investments has acquired a majority stake in Groupe Climater SAS, the local air-conditioning equipment manufacturer and installer. |
| Jan-22 |  | Contracting Services |  | - | A&M Capital Partners LP, the US-based private equity fund of Alvarez & Marsal Capital, LLC has acquired a majority stake in Arcticom Group LLC, the local provider of maintenance programs, repairs, retrofits, remodels and new stores deployments in the commercial refrigeration industry. |
| Jan-22 |  | Distribution |  | - | Ferguson plc, the UK-based provider of plumbing and heating products, has acquired acquire Plumbers Supply Co, the US-based owned wholesale distributor of pipe valves & fittings, pumps/hydraulics, electric and hand tools. |
| Jan-22 |  | Distribution |  | - | Chroma ATE Inc, the Taiwan (China) based manufacturer of testing equipment and solutions for electronics in various industries has acquired Environmental Stress Systems Inc, the United States based supplier of thermal platforms, space simulation thermal chambers, cascade condensers, and liquid recirculating chillers. |
| Jan-22 |  | Distribution |  | - | Daikin Industries Ltd, the Japan based manufacturer of air conditioning and refrigeration equipment, has acquired ThermalNetics Inc, a United States based supplier of heating and cooling equipment. |
| Jan-22 |  | Distribution |  | - | Daikin Industries Ltd, the Japan based manufacturer of air conditioning and refrigeration equipment, has acquired a majority stake in TriState HVAC Equipment LLP, the United States based representative and integrator of commercial HVAC (heating, ventilation and air conditioning) mechanical systems and related equipment. |
| Jan-22 |  | Distribution |  | - | Mar-Cone Appliance Parts Center Inc, the United States based provider of original equipment manufacturer-branded residential appliance repair parts, has acquired Munch's Supply LLC, the local distributor of heating and air conditioning products. |

Note: Does not included deals that are not closed

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

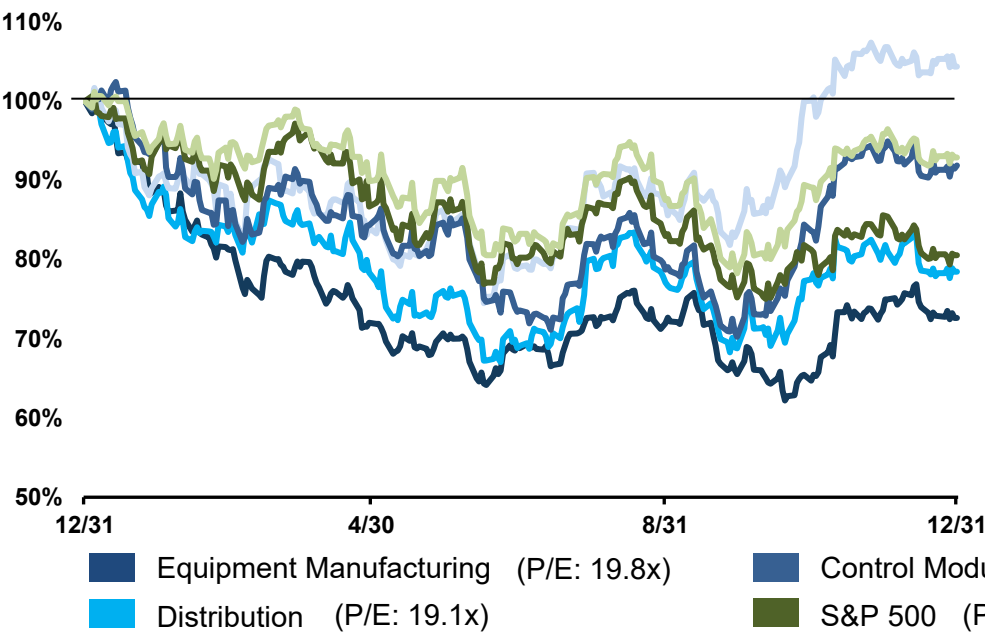
HVACR Public Markets: Stock Performance

- Indexed HVACR stock prices declined 17.9% in CY22, which is reflective of the broader public capital market declines seen throughout the year. These declines were mainly driven by increased inflationary pressures, accelerated rate hikes by the Federal Reserve, geopolitical events, and uncertainties about an impending recession
- HVACR index performance:
 - Equipment Distribution (-21.5%) remained relatively in line with S&P returns (-19.4%).
 - Contracting Services (+4.4%) and Control Module Manufacturing (-7.1%) outperformed the S&P 500 by 23.8% and 12.3%, respectively. Contracting Services was the only index that ended the year with a positive return.
 - Equipment Manufacturing (27.4%) was the worst-performing index, lagging the S&P 500 by almost 8%.
- Broadly, HVACR companies have continued to produce positive earnings; however, equity performance has been heavily impacted by multiple compression as investors move away from risk assets amidst looming future growth in the broad-based economy.

2022 Indexed Stock Price Performance⁽¹⁾

Performance Drivers⁽¹⁾

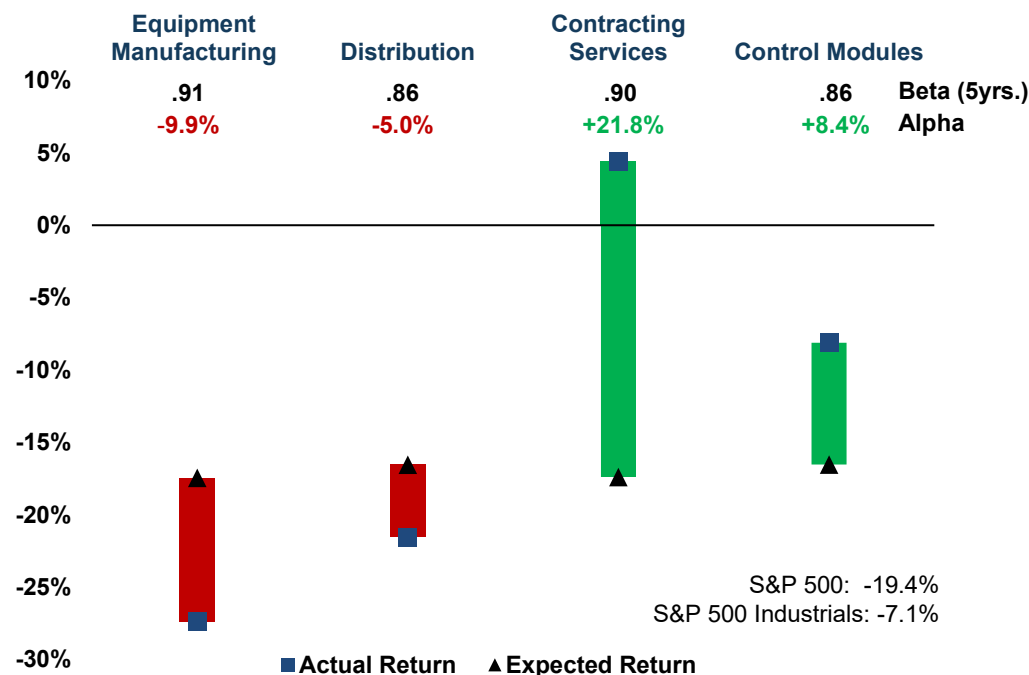
Multiple compression driving stock declines amidst a period of strong earnings growth for the HVACR Industry.



| Sub-Sector | Change In: | | Total Change |
|------------------------------|----------------|-----------------|---------------|
| | Earnings (LTM) | Multiples (LTM) | |
| Equipment Manufacturing | 6.5% | -33.8% | -27.4% |
| Distribution | 19.7% | -41.2% | -21.5% |
| Contracting Services | -4.8% | 9.2% | 4.4% |
| Control Modules | 13.6% | -22.1% | -8.5% |
| Aggregate Performance | 11.1% | -29.5% | -18.4% |

2022 Expected Return Analysis

Commentary



- The HVACR industry underperformed the broad equity market by 1.2% in 2022
- Equipment Manufacturing and Distribution both underperformed relative to their expected return by -9.9% and -5.0%, respectively
 - Underperformance can be attributed to significant multiple compression in both subsectors – a reduction of 30%+
- Contracting Services significantly outperformed its expected return, displaying an alpha of 21.8%
 - Home digitalization and green initiatives amongst the strongest drivers for the industry sub-group
- Control Modules outperformed the market by 8.4%, driven by digitalization trends in the largest HVACR markets

























Source: Market statistics sourced from Capital IQ as of 12/31/2022
 (1) Based on market capitalization-weighted index methodology

Peer Group Comparable Analysis

Peer Group Summary⁽¹⁾

| Sub-Sector | Market Cap. US\$M | Enterprise Value | Annual Sales US\$M | Gross Margin | EBITDA Margin | Annual Growth | | EV / EBITDA - Annual Average | | | 12/31/2022 | |
|------------------------------|-------------------|------------------|--------------------|--------------|---------------|---------------|------------|------------------------------|-------|-------|-------------|--------------|
| | | | | | | 5 yrs. Hist. | 2 yrs. Fc. | 2019 | 2020 | 2021 | EV / EBITDA | EV / Revenue |
| Equipment Manufacturing | \$284,364 | \$307,966 | \$186,888 | 30.9% | 13.2% | 6.4% | 7.6% | 13.0x | 13.9x | 17.6x | 13.2x | 2.1x |
| Control Module Manufacturing | \$287,230 | \$321,851 | \$94,013 | 37.6% | 23.9% | 1.5% | 5.3% | 11.0x | 13.1x | 17.3x | 14.2x | 3.2x |
| Equipment Distribution | \$74,753 | \$83,840 | \$59,129 | 27.9% | 10.9% | 10.9% | 5.9% | 14.1x | 15.1x | 17.6x | 12.9x | 1.4x |
| Service Firms | \$17,578 | \$20,564 | \$24,740 | 14.8% | 7.1% | 7.8% | 9.6% | 10.0x | 8.8x | 11.0x | 10.6x | 0.9x |
| Aggregate | \$663,925 | \$734,222 | \$364,770 | 29.2% | 12.3% | 7.8% | 7.0% | 12.3x | 12.5x | 17.0x | 12.9x | 1.8x |

Equipment Manufacturing









| Company | Country | Market Cap. US\$M | Enterprise Value | Annual Sales US\$M | Gross Margin | EBITDA Margin | Annual Growth | | EV / EBITDA - Annual Average | | | 12/31/2022 | |
|--|---|-------------------|------------------|--------------------|--------------|---------------|---------------|--------------|------------------------------|--------------|--------------|--------------|--------------|
| | | | | | | | 5 yrs. Hist. | 2 yrs. Fc. | 2019 | 2020 | 2021 | EV / EBITDA | EV / Revenue |
|  AODV |  | \$4,007 | \$4,074 | \$770 | 24.0% | 15.5% | 14.4% | 37.4% | 28.8x | 27.4x | 30.2x | 34.0x | 5.3x |
|  Carrier |  | \$34,496 | \$41,225 | \$20,449 | 27.4% | 13.9% | 0.0% | 2.6% | - | 10.4x | 16.6x | 12.4x | 2.0x |
|  DAIKIN |  | \$44,838 | \$44,942 | \$24,674 | 33.3% | 14.2% | 10.4% | 12.3% | 11.1x | 14.0x | 17.3x | 11.6x | 1.7x |
|  Haier |  | \$32,811 | \$30,325 | \$34,111 | 30.9% | 7.3% | 9.1% | 9.0% | 9.7x | 14.3x | 18.6x | 11.4x | 0.9x |
|  Johnson Controls |  | \$43,949 | \$53,279 | \$25,299 | 33.0% | 12.6% | 2.1% | 5.7% | 9.5x | 10.9x | 13.2x | 13.5x | 2.1x |
|  LENNOX |  | \$8,478 | \$10,239 | \$4,589 | 27.3% | 15.3% | 3.6% | 1.0% | 18.0x | 17.3x | 17.8x | 12.9x | 2.2x |
|  Midea |  | \$51,495 | \$53,466 | \$49,233 | 23.2% | 9.9% | 8.8% | 6.1% | 12.3x | 15.4x | 17.5x | 10.4x | 1.1x |
|  NIBE |  | \$18,780 | \$19,465 | \$3,313 | 31.1% | 16.0% | 14.7% | 20.1% | 19.3x | 26.4x | 40.2x | 32.6x | 5.5x |
|  resideo |  | \$2,399 | \$3,746 | \$6,264 | 27.4% | 12.2% | 0.0% | 5.4% | 15.5x | 8.2x | 8.1x | 4.5x | 0.6x |
|  SPX |  | \$2,967 | \$3,030 | \$1,382 | 35.5% | 8.7% | -0.7% | 11.6% | 14.2x | 13.8x | 15.1x | 22.6x | 2.2x |
|  systemair |  | \$1,433 | \$1,694 | \$981 | 33.8% | 9.2% | 8.7% | 9.4% | 10.6x | 11.9x | 17.6x | 16.0x | 1.6x |
|  TRANE |  | \$38,712 | \$42,480 | \$15,487 | 31.0% | 16.4% | 2.1% | 8.0% | 13.0x | 11.6x | 20.9x | 15.5x | 2.7x |
| | | Mean | | | 29.8% | 12.6% | 6.1% | 10.7% | 14.7x | 15.2x | 19.4x | 16.5x | 2.3x |
| | | Median | | | 30.9% | 13.3% | 6.1% | 8.5% | 13.0x | 13.9x | 17.6x | 13.2x | 2.1x |

Source: Market statistics sourced from 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\$MM | Enterprise Value | Annual Sales US\$M | Gross Margin | EBITDA Margin | Annual Growth | | EV / EBITDA - Annual Average | | | 12/31/2022 | |
|--|---|--------------------|------------------|--------------------|--------------|---------------|---------------|-------------|------------------------------|--------------|--------------|--------------|--------------|
| | | | | | | | 5 yrs. Hist. | 2 yrs. Fc. | 2019 | 2020 | 2021 | EV / EBITDA | EV / Revenue |
|  EMERSON |  | \$56,810 | \$71,824 | \$19,629 | 41.7% | 23.4% | 5.2% | -10.4% | 12.4x | 11.6x | 15.1x | 14.9x | 3.7x |
|  Honeywell |  | \$138,350 | \$154,691 | \$34,937 | 32.3% | 24.3% | -2.5% | 3.6% | 14.0x | 14.5x | 19.4x | 17.5x | 4.4x |
|  infineon |  | \$46,555 | \$42,058 | \$13,942 | 43.2% | 32.1% | 15.0% | 7.9% | 9.7x | 14.7x | 19.6x | 8.4x | 2.8x |
|  Johnson Controls |  | \$43,949 | \$53,279 | \$25,299 | 33.0% | 12.6% | 2.1% | 5.7% | 9.5x | 10.9x | 13.2x | 13.5x | 2.1x |
| | | Mean | | | 37.6% | 23.1% | 4.9% | 1.7% | 11.4x | 12.9x | 16.9x | 13.6x | 3.2x |
| | | Median | | | 37.3% | 23.9% | 3.6% | 4.7% | 11.0x | 13.1x | 17.3x | 14.2x | 3.2x |

Equipment Distribution

| Company | Country | Market Cap. US\$M | Enterprise Value | Annual Sales US\$M | Gross Margin | EBITDA Margin | Annual Growth | | EV / EBITDA - Annual Average | | | 12/31/2022 | |
|---|---|-------------------|------------------|--------------------|--------------|---------------|---------------|-------------|------------------------------|--------------|--------------|--------------|--------------|
| | | | | | | | 5 yrs. Hist. | 2 yrs. Fc. | 2019 | 2020 | 2021 | EV / EBITDA | EV / Revenue |
|  BEIJER REF |  | \$5,369 | \$5,984 | \$1,899 | 26.4% | 9.3% | 17.0% | 22.2% | 19.7x | 24.7x | 39.2x | 27.3x | 3.0x |
|  FERGUSON |  | \$26,250 | \$30,309 | \$29,694 | 30.5% | 10.9% | 8.7% | 1.0% | 10.9x | 11.3x | 14.6x | 8.2x | 1.0x |
|  reece |  | \$6,213 | \$7,356 | \$5,274 | 27.9% | 9.2% | 25.8% | 2.7% | 15.1x | 15.1x | 22.0x | 13.1x | 1.4x |
|  watsco |  | \$8,815 | \$9,429 | \$7,205 | 27.9% | 11.5% | 10.9% | 9.1% | 14.1x | 15.8x | 17.6x | 9.8x | 1.3x |
|  GRAINGER |  | \$28,107 | \$30,763 | \$14,785 | 37.8% | 15.7% | 7.6% | 10.6% | 10.9x | 12.7x | 15.0x | 12.9x | 2.1x |
| | | Mean | | | 30.1% | 11.3% | 14.0% | 9.1% | 14.2x | 15.9x | 21.7x | 14.3x | 1.8x |
| | | Median | | | 27.9% | 10.9% | 10.9% | 9.1% | 14.1x | 15.1x | 17.6x | 12.9x | 1.4x |

Contracting Services

| Company | Country | Market Cap. US\$MM | Enterprise Value | Annual Sales US\$M | Gross Margin | EBITDA Margin | Annual Growth | | EV / EBITDA - Annual Average | | | 12/31/2022 | |
|---|---|--------------------|------------------|--------------------|--------------|---------------|---------------|-------------|------------------------------|-------------|-------------|--------------|--------------|
| | | | | | | | 5 yrs. Hist. | 2 yrs. Fc. | 2019 | 2020 | 2021 | EV / EBITDA | EV / Revenue |
|  COMFORT SYSTEMS USA |  | \$4,102 | \$4,547 | \$3,879 | 17.6% | 7.8% | 17.7% | 20.4% | 9.3x | 7.8x | 11.0x | 13.1x | 1.2x |
|  EMCOR |  | \$7,058 | \$7,368 | \$10,766 | 14.4% | 6.0% | 7.1% | 8.8% | 7.2x | 5.3x | 7.4x | 8.4x | 0.7x |
|  SPIE |  | \$4,241 | \$6,263 | \$7,881 | 8.4% | 6.4% | 7.5% | 8.2% | 10.0x | 8.8x | 9.0x | 9.4x | 0.8x |
|  bravida |  | \$2,177 | \$2,386 | \$2,213 | 15.2% | 15.2% | 8.1% | 10.4% | 12.4x | 12.3x | 14.8x | 11.8x | 1.0x |
|  Tutor Perini CORPORATION |  | \$389 | \$1,076 | \$3,921 | 4.6% | 0.8% | -4.0% | -7.3% | 5.3x | 3.6x | 3.2x | 10.4x | 0.3x |
| | | Mean | | | 12.1% | 7.2% | 7.3% | 8.1% | 8.8x | 7.5x | 9.1x | 10.6x | 0.8x |
| | | Median | | | 14.4% | 6.4% | 7.5% | 8.8% | 9.3x | 7.8x | 9.0x | 10.4x | 0.8x |

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



HERITAGE DISTRIBUTION HOLDINGS



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




CONTACT

Robert Whitney
 Managing Director
 O: (703) 294-6490
 M: (703) 801-8939



HEADQUARTERS

901 N. Glebe Road
 5th Floor
 Arlington, Virginia 22203
 (703) 294-6770

Seale & Associates