

Seale & Associates

Creative Solutions. Trusted Advice.

**HVAC
INDUSTRY**

**Q4
2020**

**VALUATION
UPDATE**

INTRODUCTION

We are pleased to share our HVAC Industry Valuation Update for Q4 2020.

We at Seale & Associates are committed to provide process-driven solutions designed to optimize value and achieve our clients' strategic objectives on a range of transactions including Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures, among other corporate finance and strategy consulting services.

Over the course of 20 years we have been successfully serving clients all over the world, and we are delighted to provide investment banking advisory services to our HVAC clients that are looking to grow through acquisitions or optimize their portfolio through strategic divestitures.

Sector Relevant Experience



Read more on the following page.



Team



Sergio García

Managing Director

O: +52 (55) 8000 7463

M: +52 (55) 5454 3152

sgarcia@sealeassociates.com



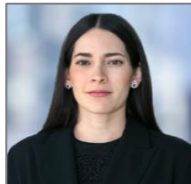
Carlos Hernández

Managing Director

O: +1 (571) 482 3431

M: +1 (703) 795 4903

chernandez@sealeassociates.com



Sofía Félix

Head of Business Development

O: +52 (55) 8000 7463

M: +52 (55) 3489 1049

sfelix@sealeassociates.com



Miguel Leal

Business Development

O: +52 (55) 8000 7463

M: +52 (55) 4381 1348

mleal@sealeassociates.com

Washington, D.C. ♦ Mexico City ♦ Miami ♦ Monterrey



Rheem Manufacturing Company, Inc.

Target : Heat Transfer Products Group (HTPG)

Transaction Type : Buy-side Advisory

Industries : HVAC, Industrial Machinery

Geography : Georgia, USA

Situation

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

Seale & Associates' Approach

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

Outcome

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
















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

**J.R. Jones, Chief Executive Officer,
Rheem Manufacturing Company, Inc.**








Seale & Associates
Creative Solutions. Trusted Advice.

COMPARABLE PUBLIC COMPANIES – GLOBAL

Company	Country	Market Cap. US\$MM	Enterprise Value US\$MM	Revenue US\$MM	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2020			
						2019	2020	EV/EBITDA	EV/Revenue		
Aalberts N.V.		NLD	\$4,932	\$5,954	\$3,030	12.5%	10.7x	10.6x	13.0x	1.8x	
Alfa Laval AB (publ)		SWE	\$11,558	\$12,463	\$4,883	18.8%	12.4x	10.8x	11.8x	2.3x	
A. O. Smith Corporation		USA	\$8,852	\$8,503	\$2,812	17.3%	12.4x	14.5x	16.8x	3.0x	
Burnham Holdings, Inc.		USA	\$63	\$95	\$191	6.8%	6.2x	5.6x	6.6x	0.5x	
Carrier Global Corporation		USA	\$32,691	\$41,834	\$17,363	15.1%	-	10.4x	13.9x	2.4x	
Daikin Industries, Ltd.		JPN	\$64,987	\$65,046	\$22,995	14.9%	11.1x	14.0x	18.5x	2.8x	
Gree Electric Appliances, Inc. of Zhuhai		CHN	\$56,181	\$39,398	\$24,887	10.4%	7.2x	10.8x	14.6x	1.5x	
Johnson Controls International plc		IRL	\$33,727	\$41,888	\$22,317	13.1%	9.5x	10.9x	11.5x	1.9x	
Lennox International Inc.		USA	\$10,490	\$11,643	\$3,605	14.6%	18.0x	17.3x	18.6x	3.2x	
LG Electronics Inc.		KOR	\$21,213	\$27,655	\$52,000	7.8%	4.5x	4.9x	6.8x	0.5x	
NIBE Industrier AB (publ)		SWE	\$16,552	\$17,342	\$2,969	15.9%	19.3x	NR	NR	5.4x	
Resideo Technologies, Inc.		USA	\$3,041	\$4,245	\$4,874	8.5%	NR	10.1x	9.0x	0.9x	
Trane Technologies plc		IRL	\$34,857	\$37,395	\$15,982	15.1%	13.0x	11.6x	14.1x	2.3x	
NR: Not Relevant							Mean	11.3x	11.0x	12.9x	2.2x
							Median	11.1x	10.8x	13.4x	2.3x





HVAC – Q4 GLOBAL TRANSACTIONS

Date	Target	Country	Description	Seller	Buyer	Additional Notes
Dec-20	Combustion & Control Solutions, Inc.	USA	Manufactures boilers, parts and equipments, and provides engineered solutions	 COMBUSTION & CONTROL SOLUTIONS, INC. Performance. Integrity. Results.	 ALDERMAN FOUNDED 1981	-
Dec-20	SINCLAIR Global Group s.r.o.	CZE	Manufactures air conditioning, heat pumps, and LED lightings	 SINCLAIR	 BEIJER REF	Acquired a 85.0% stake
Dec-20	ClimaRad B.V.	NLD	Manufactures and sells decentralized heat recovery ventilation units	 ClimaRad® Future comfort today	 revolution group	
Dec-20	Esindus SA	ESP	Manufactures cooling systems, including air condensers and air coolers	 esindus	 HAMON	Acquired the remaining 61.1% stake
Dec-20	Metal Industries, Inc.	USA	Manufactures and delivers products to the HVAC industry	 METAL INDUSTRIES, INC.	 GREENHECK Quick Delivery	-
Dec-20	Sander Mechanical Service Inc.	USA	Offers commercial HVACR, building automation, controls, and energy management services	 SANDER MECHANICAL SERVICE	 ServiceLogic	-
Dec-20	ClimaLevel Energiesysteme GmbH	DEU	Manufactures and sells underfloor heating, ventilation, and cooling systems	 3U HOLDING	Private investor	Acquired an additional 75.0% stake
Nov-20	ACV Wärmetechnik GmbH	DEU	Manufactures stainless steel water heating systems	 GROUPE ATLANTIC	 AE Austria Email	-
Nov-20	United Coolair Corp.	USA	Designs and fabricates standard and custom air conditioning systems	 UNITED CoolAir	 MADISON INDUSTRIES	-
Nov-20	Fujine Sangyo, K.K.	JPN	Manufactures climate control products	Fujine Sangyo, K.K.	 ITOCHU	Acquired an additional 92.0% stake for US\$3.5 million. EV/Revenue: 0.1x
Nov-20	Gardfeldts Kyl Ab	SWE	Designs and installs cooling, chilling, and heat pumps	Gardfeldts Kyl Ab	 FRANCKS KYLINDUSTRI	-
Oct-20	Innovative Ventilation Systems, Inc.	USA	Develops air conditioning systems for confined spaces	 INNOVATIVE VENTILATION SYSTEMS, INC.	 onpoint INDUSTRIAL SERVICES	-
Oct-20	W. H. Jacklin, Inc.	USA	Designs, builds, and installs HVAC equipment	 W.H. Jacklin, INC. QUALITY HVAC SERVICE, MAINTENANCE & CONSTRUCTION SINCE 1949	 CORNERSTONE ENGINEERING MECHANICAL PARTWORK	-
Oct-20	Alfred Pieper GmbH	DEU	Engineers and manufactures HVACR systems, sanitary systems, and control technology	 PIEPER Gebäude.technik.	 VINCI ENERGIES	-
Oct-20	HEYLO GmbH	DEU	Manufactures temporary climate control solutions	 HEYLO CLIMATE SOLUTIONS	 Dantherm CONTROL YOUR CLIMATE	-
Oct-20	Steril-Aire, Inc.	USA	Manufactures and markets ultraviolet emitters for indoor air quality, and HVACR systems	 STERIL-AIRE	 MADISON INDUSTRIES	-
Oct-20	William R. Nash, Inc.	USA	Designs, installs, and offers plumbing services, and HVAC and fire protection systems	 WRN	 HB GLOBAL, LLC	-
Oct-20	Britech Corp.	CAN	Manufactures and supplies electric radiant heating systems	 BRITECH HEATING CABLES & CONTROLS	 OUELLET CHAUFFAGE ELECTRIQUE	-

REPRESENTATIVE GLOBAL ENGAGEMENTS

Honeywell
has sold
TENSOR
to

GE Power Systems


has acquired



has acquired



has acquired



has sold
 **JAMES BURN INTERNATIONAL**
to

and
JBI Holding SAS




has been acquired by



has partnered with

a subsidiary of
FEMSA


has acquired



has acquired




has acquired
The Zinc Recycling Business
of




has been acquired by
FEMSA

Grupo Educativo IEJV
UNIVERSIDAD JOSÉ VASCONCELOS

has been acquired by
NACER GLOBAL


a subsidiary of

has sold
HTPG
to
 and 


has been recapitalized by


tyco
has sold the North American guarding business of

to
GARDA


Engineers & Constructors
has acquired



has been acquired by



has sold
SENSI CARE and **ALOE VESTA**
to



has been acquired by
COLFAX


has sold
Cosmoceol Química
to

a business unit of
ICL

intelectiva
has acquired

KFC Costa Rica
from
QSR


has sold its concrete pumping business to



has acquired
  
dealerships from



Holding company of
sanfer
has acquired a majority stake in



has been acquired by




Grupo Galaz, S.A de C.V.
has been acquired by






has acquired
Workshop and store in Mexico City from



has been acquired by



has merged its beverage division with

FEMSA


has sold its sanitaryware businesses
ST. THOMAS CREATIONS
and

to


Seale & Associates

Creative Solutions. Trusted Advice.

Since 1999, **Seale & Associates** has been the trusted advisor to respected public and private companies from around the world. Seale is a global investment bank with extensive experience in mergers and acquisitions (M&A), corporate finance advisory, and enterprise level strategy consulting with a track record of success in a diverse range of industries. Our experienced team of professionals are committed to serving clients with excellence and integrity, while offering innovative ideas and solutions to address complex transactions.

ADVISOR TO LEADING COMPANIES WORLDWIDE

CONTACT INFORMATION



Headquarters

901 N. Glebe Road
Suite 500
Arlington, Virginia
+1 (703) 294 6770



Latin America Office

Av. Ejército Nacional 769
2nd floor
Mexico City
+52 (55) 8000 7463

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

Washington, D.C. | Miami | Mexico City | Monterrey

Contact Information

James A. Seale

President

jseale@sealeassociates.com

Brett M. Carmel

Senior Managing Director

bcarmel@sealeassociates.com

Felipe Bueno Viesca

Senior Director

fbueno@sealeassociates.com

Sergio Garcia del Bosque

Managing Director

sgarcia@sealeassociates.com

Adan Sierra

Managing Director

asierra@sealeassociates.com

Carlos Hernandez

Managing Director

chernandez@sealeassociates.com

Alejandro Montemayor

Vice President

amontemayor@sealeassociates.com

Armando Rios

Associate

arios@sealeassociates.com

Aaron Garcia

Senior Analyst

agarcia@sealeassociates.com

Sofia Felix

Business Development

sfelix@sealeassociates.com

Miguel Leal

Business Development

mleal@sealeassociates.com

Andre de Lachica

Junior Analyst

adelachica@sealeassociates.com

Andre Leroy

Junior Analyst

lleroy@sealeassociates.com

Carlos Bonilla

Junior Analyst

cbonilla@sealeassociates.com

Daniela Aldasoro

Junior Analyst

daldasoro@sealeassociates.com

Daniela Verdugo

Junior Analyst

dverdugo@sealeassociates.com

Jose Pablo Arronte

Junior Analyst

jarronte@sealeassociates.com

Regina Labardini

Junior Analyst

rlabardini@sealeassociates.com

www.sealeassociates.com