



Seale & Associates

HVAC INDUSTRY
VALUATION UPDATE
Q3 2026

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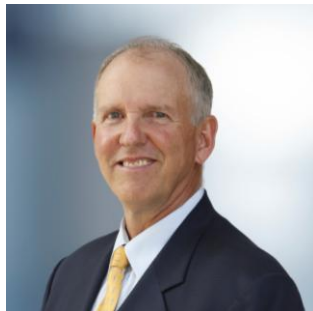
Introduction

We are pleased to share our HVAC Industry Valuation Multiples Update for Q3 2026.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client’s strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



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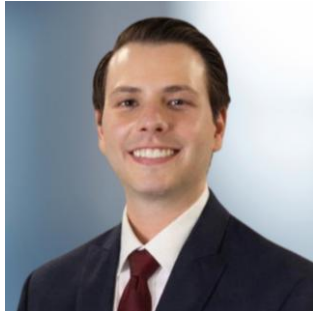
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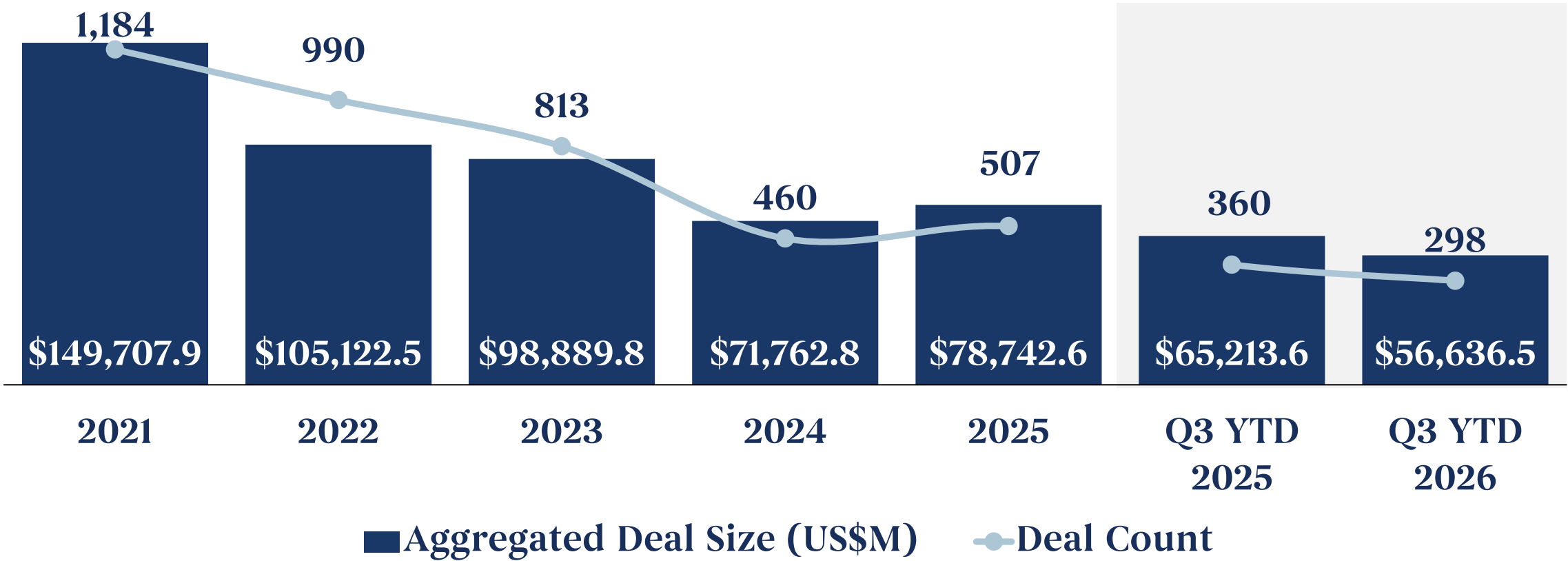
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HVAC Industry Overview

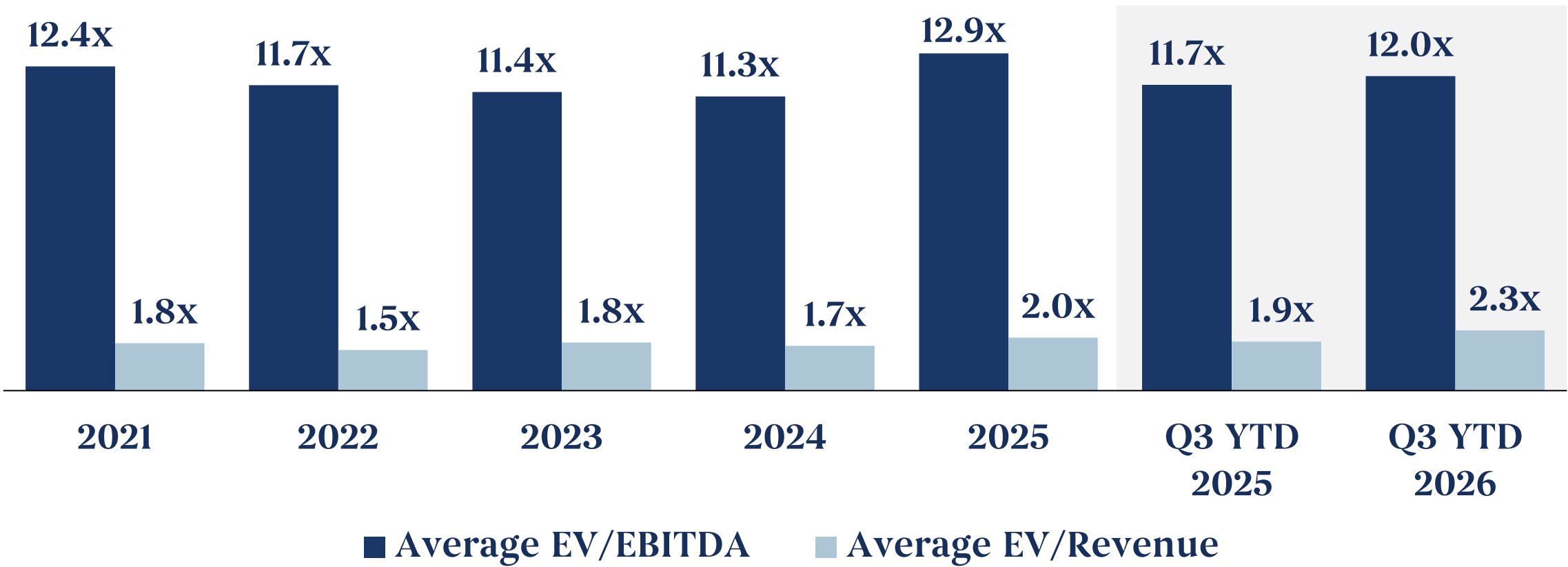
M&A Trends and Market Intelligence

- The **global HVAC systems market** is estimated to reach **US\$277.8B in 2026** and is projected to reach **US\$389.4B by 2031**, growing at a **CAGR of 7.0%**, with **Asia-Pacific** as the **largest regional market**, driven by **industrialization** and **commercialization**
- Market growth** continues to be driven by the **adoption of energy-efficient and renewable energy products**, **demand for eco-friendly systems** and **greater use of software and automation**
- Demand for thermal management solutions for data centers**, including **liquid cooling**, has become a **key industry driver**, while the **aging installed base** sustains **steady demand for specialized services**
- Despite **tariff-driven cost pressures**, the sector has shown **resilience**, and **improving macroeconomic conditions** have renewed **buyer appetite** for HVAC equipment transactions
- M&A activity** in the industry **decreased 17.2% in volume**, from **360** transactions in Q3 YTD 2025 to **298** in Q3 YTD 2026, while **aggregate deal value declined 13.2% to US\$56.6B**. **Average EV/EBITDA rose to 12.0x** from **11.7x** and **EV/Revenue to 2.3x** from **1.9x**, reflecting **demand for quality assets**
- Financial buyers** continue to lead **sector consolidation** through **buy-and-build strategies** and **add-on acquisitions**, while **strategic buyers** pursue **data center cooling capabilities**, paying **premium valuations** for these assets

HVAC Industry M&A Deal Size and Volume



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



Source: Capital IQ, Grand View Research, Capstone Partners, and Other Industry Reports

Equipment Manufacturing – Global Comparable Public Companies (1/2)

The table below presents selected publicly traded companies in the sector, serving as benchmarks for valuation, scale, and operating performance across comparable business models

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2026	
							2024	2025	EV/ EBITDA	EV/ Revenue
Carrier Global Corporation		USA	\$45,222	\$56,597	\$22,108	15.7%	18.3x	16.4x	16.3x	2.6x
Daikin Industries		JPN	\$37,061	\$39,255	\$33,268	13.6%	9.2x	8.2x	8.6x	1.2x
Haier Smart Home		CHN	\$26,582	\$23,698	\$44,421	9.0%	8.7x	8.0x	5.9x	0.5x
Johnson Controls International		IRL	\$90,043	\$98,910	\$24,995	17.3%	16.7x	19.3x	22.8x	4.0x
Lennox International		USA	\$12,270	\$14,242	\$5,302	24.8%	17.9x	16.8x	10.8x	2.7x
Midea Group		CHN	\$96,560	\$72,821	\$69,378	11.8%	10.3x	10.8x	8.9x	1.0x

Equipment Manufacturing – Global Comparable Public Companies (2/2)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2026 EV/EBITDA EV/Revenue	
						2024	2025		
NIBE	 SWE	\$9,123	\$10,924	\$4,166	15.3%	19.9x	19.9x	17.2x	2.6x
Resideo Technologies	 USA	\$2,756	\$6,592	\$7,652	12.3%	6.6x	7.2x	7.0x	0.9x
SPX Technologies.	 USA	\$8,493	\$8,941	\$2,476	21.9%	20.0x	19.9x	16.5x	3.6x
Systemair	 SWE	\$1,773	\$1,882	\$1,271	12.6%	11.9x	11.9x	11.7x	1.5x
Trane Technologies	 IRL	\$99,446	\$102,767	\$22,210	20.7%	22.1x	22.1x	22.4x	4.6x
Excluded from mean					Mean	14.8x	14.6x	12.9x	2.2x
					Median	16.7x	16.4x	11.7x	2.6x

Equipment Distribution – Global Comparable Public Companies

The table below presents selected publicly traded companies in the sector, serving as benchmarks for valuation, scale, and operating performance across comparable business models

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2026	
							2024	2025	EV/ EBITDA	EV/ Revenue
Beijer Ref		SWE	\$7,583	\$8,755	\$3,739	12.2%	20.9x	19.6x	19.3x	2.3x
Reece Limited		AUS	\$7,254	\$8,594	\$6,522	9.3%	15.9x	12.8x	14.1x	1.3x
Watsco		USA	\$11,727	\$12,277	\$7,284	12.2%	18.4x	17.8x	13.9x	1.7x
W.W. Grainger		USA	\$58,676	\$61,266	\$18,845	17.6%	17.1x	16.8x	18.4x	3.3x
■ Excluded from mean						Mean	18.1x	16.8x	16.4x	1.8x
						Median	17.8x	17.3x	16.3x	2.0x

Service Firms – Global Comparable Public Companies

The table below presents selected publicly traded companies in the sector, serving as benchmarks for valuation, scale, and operating performance across comparable business models

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2026 EV/EBITDA EV/Revenue	
							2024	2025		
Comfort Systems USA		USA	\$58,119	\$56,582	\$11,228	20.1%	17.5x	18.2x	25.1x	5.0x
EMCOR Group		USA	\$33,280	\$32,905	\$18,598	13.7%	11.7x	11.9x	12.9x	1.8x
Clayax Acquisition		FRA	\$8,127	\$11,773	\$12,113	10.1%	9.8x	10.1x	9.6x	1.0x
Bravida Holding		SWE	\$3,084	\$3,407	\$2,907	8.1%	9.0x	9.5x	14.4x	1.2x
Tutor Perini		USA	\$4,338	\$3,934	\$5,949	6.5%	33.5x	47.2x	10.1x	0.7x
■ Excluded from mean						Mean	10.2x	10.5x	11.7x	1.1x
						Median	11.7x	11.9x	12.9x	1.2x

Control Modules – Global Comparable Public Companies

The table below presents selected publicly traded companies in the sector, serving as benchmarks for valuation, scale, and operating performance across comparable business models

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2026	
							2024	2025	EV/ EBITDA	EV/ Revenue
Emerson Electric		USA	\$86,515	\$98,152	\$18,636	33.7%	16.8x	16.0x	15.6x	5.3x
Honeywell International		USA	\$66,855	\$92,934	\$38,057	22.4%	16.2x	16.0x	10.9x	2.4x
Infineon Technologies		DEU	\$87,601	\$93,944	\$17,705	27.5%	10.2x	11.2x	19.3x	5.3x
Johnson Controls		IRL	\$90,043	\$98,910	\$24,995	17.3%	16.7x	19.3x	22.8x	4.0x
■ Excluded from mean						Mean	16.6x	15.6x	17.5x	4.0x
						Median	16.5x	16.0x	17.5x	4.6x

HVAC – Global Transactions (1/2)

The table below highlights selected global M&A transactions during Q3 2026, illustrating strategic acquisitions focused on scale, product diversification, or geographic expansion within the sector

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Aug-26*	 Kelvion	DEU	SLB , a global energy technology company, agreed to acquire Kelvion , a German provider of thermal management and heat exchange technologies for data centers and industry.		Multiple Sellers	100.0%	\$4,100.0	-	-
Aug-26*	 ebm	DEU	Madison Air , a US provider of air quality solutions, agreed to acquire ebm-papst , a German manufacturer of EC fans and motor systems for ventilation and cooling.		Multiple Sellers	100.0%	\$5,056.2	-	-
Aug-26	 DRS	USA	KPS Global , a US manufacturer of walk-in coolers and freezers, acquired Direct Refrigeration Sales , a manufacturer of aftermarket refrigeration door gaskets and parts.		-	100.0%	-	-	-
Jul-26	 neptronic	CAN	SPX Technologies , a US supplier of engineered HVAC and detection products, acquired Neptronic , a Canadian manufacturer of HVAC controls, humidifiers and duct heaters.		-	100.0%	\$429.5	-	5.9x

* Announced transaction pending approval and other customary closing conditions

HVAC – Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jul-26		USA	Zurn Elkay , a US provider of water management solutions, acquired Intellihot , a manufacturer of gas and electric tankless water heaters for commercial buildings.		-	100.0%	\$108.5	-	-
Jul-26*		CHN	Atlas Copco , a Swedish industrial equipment group, agreed to acquire Guangdong Euroklimat , a Chinese manufacturer of industrial chillers, heat pumps and air handling units.		-	100.0%	-	-	-
Jul-26		USA	Kuken Industries , a Japanese manufacturer of cooling towers and air distribution equipment, acquired Industrial Cooling Solutions , a US cooling tower engineering company.		-	100.0%	-	-	-
Jul-26*		DNK	Apleona , a European integrated facility management group, agreed to acquire Andersen & Heegaard , a Danish provider of HVAC, electrical and plumbing technical services.		-	100.0%	-	-	-

* Announced transaction pending approval and other customary closing conditions

ND: Not Disclosed

BEIJER REF

TARGET
Heritage Distribution Holdings

TRANSACTION TYPE
Buy-side advisory

INDUSTRIES
HVAC, Distribution

GEOGRAPHY
USA

SITUATION

Seale & Associates announced that it acted as an exclusive financial advisor to Beijer Ref AB (“Beijer Ref”) on its agreement to acquire Heritage Distribution Holdings (“Heritage Distribution”) from Gryphon Investors for **US\$1.275B**.

SEALE & ASSOCIATES’ APPROACH

Seale was retained by Beijer Ref to identify potential acquisition targets engaged in the distribution of HVAC/R equipment in North America, confidentially pre-qualify targets, and assist in the execution of the transaction.

OUTCOME

Beijer Ref successfully completed the acquisition of Heritage Distribution Holdings and was immediately margin accretive to the business. The acquisition represents Beijer Ref’s entry into the North American market and will establish the company as a leading HVAC/R distributor in the U.S. South/South East region, one of the most attractive regions for HVACR in North America.

“The North American market is currently undergoing a shift towards electrification and energy efficiency”

BEIJER REF

has acquired

HERITAGE
DISTRIBUTION HOLDINGS

"The acquisition of Heritage Distribution constitutes an important strategic step for Beijer Ref. The North American market is currently undergoing a shift towards electrification and energy efficiency, accelerated by regulatory changes. Also, the growing recognition of indoor air quality and climate change impacts has increased the demand for environmentally friendly and innovative HVAC technologies, which creates a great opportunity for our combined product offering."

Chris Norbye
CEO of Beijer Ref AB

RHEEM

TARGET

Heat Transfer Products Group (HTPG)

TRANSACTION TYPE

Buy-side advisory

INDUSTRIES

HVAC, Industrial machinery

GEOGRAPHY

USA

SITUATION

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

SEALE & ASSOCIATES’ APPROACH

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

OUTCOME

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

“Seale had in-depth knowledge of the HVAC space as well as extensive relationships with key executives from around the world”



has acquired

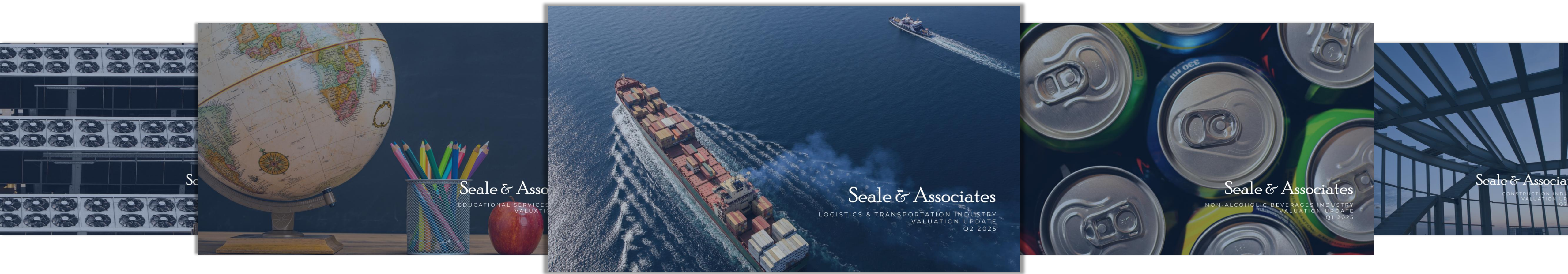


“Seale had in-depth knowledge of the HVAC space as well as extensive relationships with key executives from around the world, which they used to help us identify and close on the perfect deal for our company. The Seale team consists of committed professionals with significant transaction experience,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

J.R. Jones, CEO, Rheem Manufacturing Company

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has been acquired by	has sold a controlling interest to	has sold Zinc Oxide Corporation a subsidiary of	has acquired from	has been acquired by	Oxbow's Senior Subordinated debt issued by was refinanced by	has acquired
has sold to	has sold and to	has sold to	has sold to	has sold Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services – Asia, and Triumph Engines businesses to	has acquired	has sold its GRACE Membranes business a subsidiary of
has sold and to	has sold to	has sold A division of Carrier Commercial Refrigeration, Inc. to	has sold to	has sold to	has acquired	has been recapitalized by



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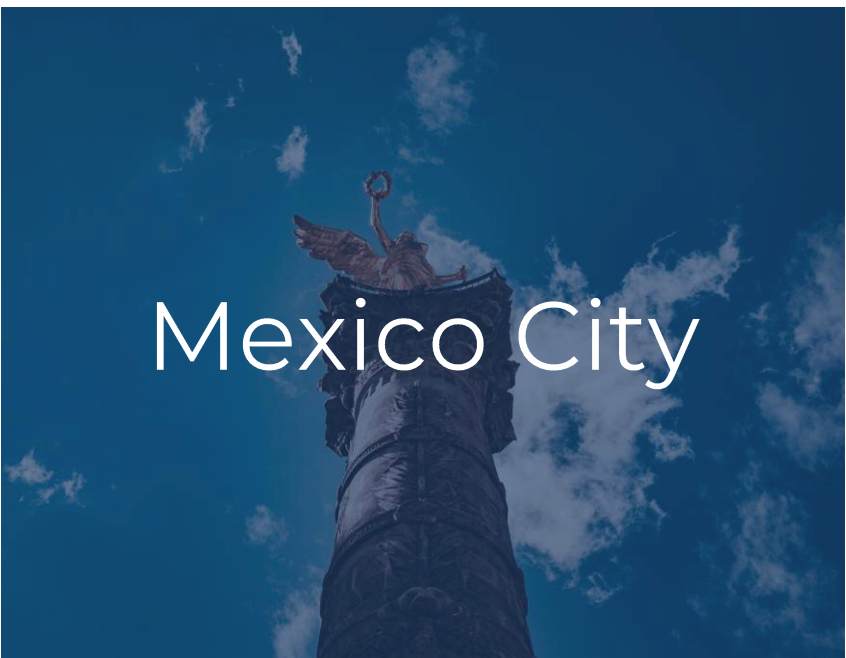
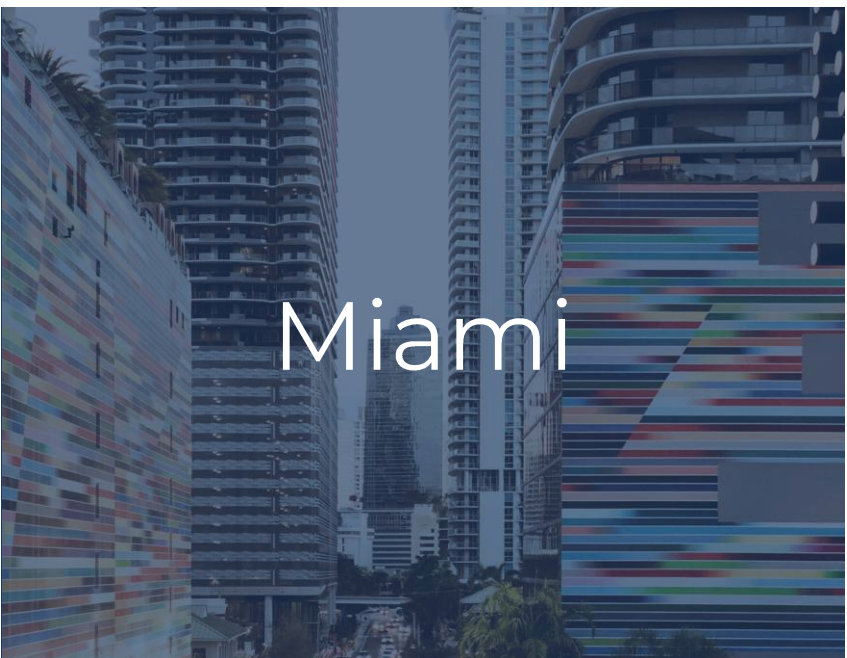


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For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and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

+25

Years of Experience

+\$50B

Closed Transactions Globally

Services & Solutions

- Mergers & Acquisitions

Divestitures

Joint Ventures / Alliances

Recapitalizations
- Due Diligence / Support

Expert Witness Testimony

Corporate Finance Advisory

Strategy Consulting

Trusted Advisor to Leading Companies Worldwide

We have worked repeatedly with many of the most well-known and respected companies in the world...

...as well as with many private equity funds, family-offices and privately held companies.





Seale & Associates

Creative Solutions. Trusted Advice.