Seale & Associates

HVAC INDUSTRY
VALUATION UPDATE
Q4 2025

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Introduction

We are pleased to share our HVAC Industry Valuation Multiples Update for Q4 2025.

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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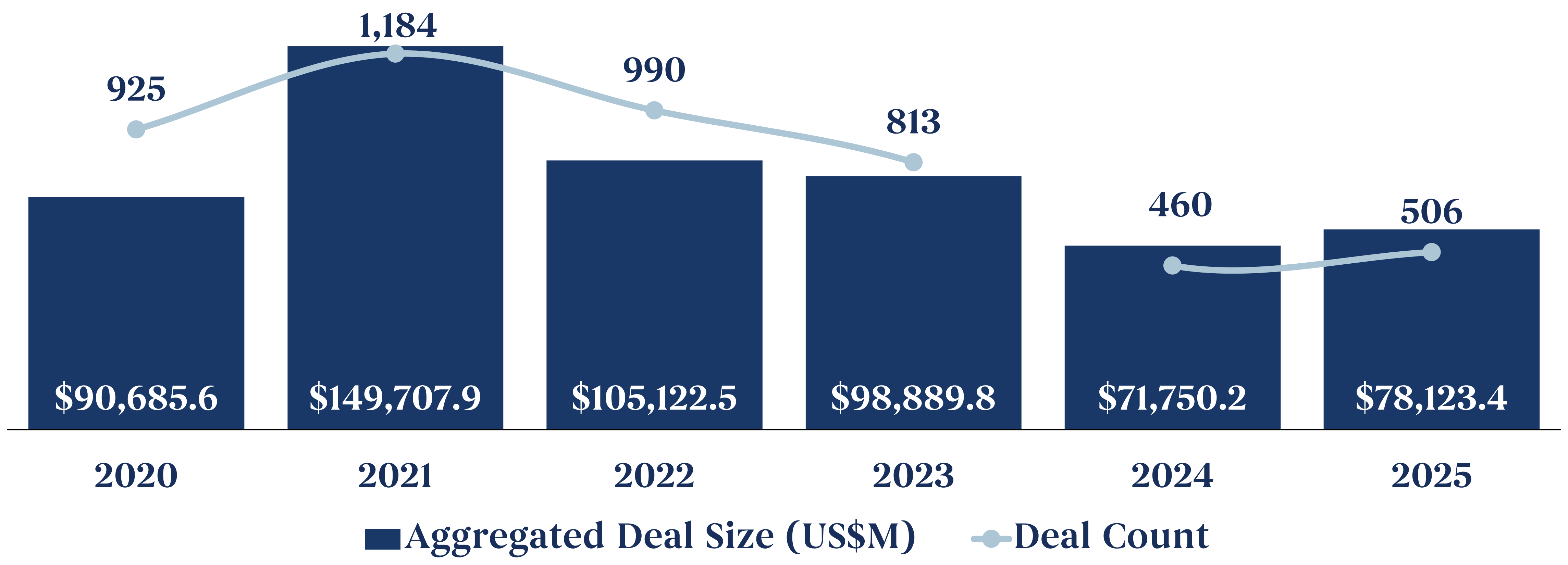
HVAC Industry Overview

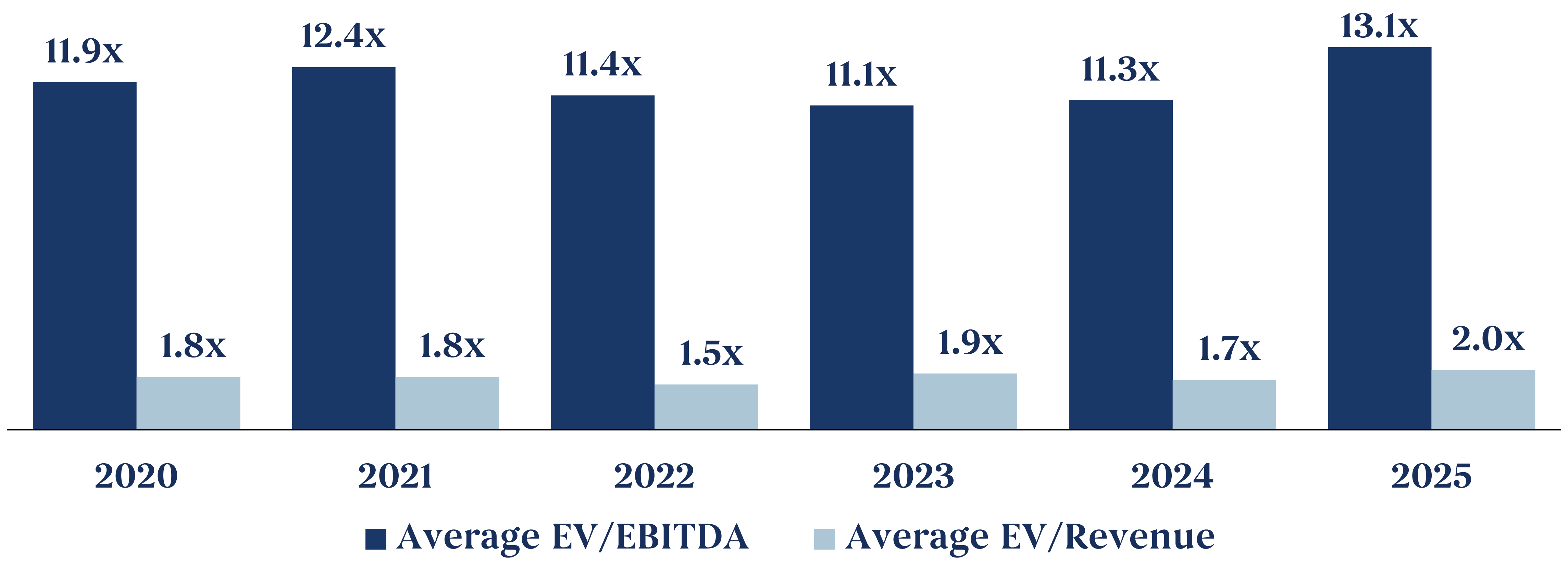
M&A Trends and Market Intelligence

- The **global HVAC system market** revenue is expected to reach **US$174.58B in 2025** and is projected to achieve **US$256.9B by 2032**, growing at a **CAGR of 5.7%**, supported by the rising demand for **climate-controlled environments** across, residential, commercial, and industrial applications
- Market expansion is driven by **smart home adoption**, **government incentives**, and **sustainable building initiatives** such as **LEED certifications**, along with **environmental regulations** that encourage the use of **energy-efficient and low-impact HVAC technologies**
- The industry is undergoing rapid **digitalization**, with increasing deployment of **IoT-enabled systems**, **smart automation**, **ductless solutions**, and **integrated building management platforms**, as end-users prioritize **energy management**, **space optimization**, and **cost efficiency**
- The HVAC equipment market has supported **active M&A activity**, driven by investments in **cooling technologies**, **advanced refrigerants**, and other innovations that enhance **energy efficiency** and meet the needs for data center, industrial, and commercial applications
- **Private buyers** continue to play a significant role in sector consolidation, pursuing acquisitions that offer **portfolio expansion**, **geographic reach**, and technology synergies, while public buyers have shown a more selective activity
- **Financial sponsors** remain engaged, targeting businesses with **scalable technologies**, **niche market exposure**, and **growth potential** in areas such as digitalized HVAC solutions and data center-oriented cooling systems, supported by platform investments established in prior periods

HVAC Industry M&A Deal Size and Volume



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



Source: Capital IQ, Fortune Business Insights, 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		Fourth Quarter Dec. 31, 2025	
						2023	2024	EV/ EBITDA	EV/ Revenue
Carrier Global Corporation	USA	$44,502	$55,749	$21,747	18.8%	14.8x	20.2x	13.6x	2.6x
Daikin Industries	JPN	$37,514	$37,817	$30,786	13.7%	13.2x	10.2x	9.0x	1.2x
Haier Smart Home	CHN	$32,615	$32,295	$43,925	9.5%	9.5x	9.4x	7.7x	0.7x
Johnson Controls International	IRL	$73,183	$84,021	$23,967	18.3%	12.5x	14.0x	19.2x	3.5x
Lennox International	USA	$17,031	$18,342	$5,195	24.9%	14.8x	18.9x	14.2x	3.5x
Midea Group	CHN	$83,635	$80,083	$64,513	11.2%	10.2x	9.9x	11.1x	1.2x

Source: Capital IQ

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 2023	Annual Average EV/EBITDA 2024	Fourth Quarter Dec. 31, 2025 EV/ EBITDA	Fourth Quarter Dec. 31, 2025 EV/ Revenue
NIBE	SWE	$7,791	$9,875	$4,431	14.4%	27.0x	19.9x	15.5x	2.2x
Resideo Technologies	USA	$5,258	$8,938	$7,472	12.6%	4.6x	6.0x	9.5x	1.2x
SPX Technologies.	USA	$9,970	$10,240	$2,265	20.8%	16.2x	20.0x	21.7x	4.5x
Systemair	SWE	$1,961	$2,085	$1,346	12.3%	13.4x	12.0x	12.6x	1.5x
Trane Technologies	IRL	$86,301	$89,811	$21,322	20.8%	16.3x	22.1x	20.2x	4.2x
Excluded from mean					**Mean**	13.4x	14.9x	13.3x	2.1x
					Median	13.4x	14.0x	13.6x	2.2x

Source: Capital IQ

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 2023	Annual Average EV/EBITDA 2024	Fourth Quarter Dec. 31, 2025 EV/EBITDA	Fourth Quarter Dec. 31, 2025 EV/Revenue
Beijer Ref	SWE	$8,200	$9,189	$4,021	12.4%	26.4x	22.2x	18.4x	2.3x
Reece Limited	AUS	$5,498	$6,629	$6,152	9.5%	15.3x	19.0x	11.3x	1.1x
Watsco	USA	$12,792	$13,212	$7,239	13.1%	13.7x	18.9x	14.0x	1.8x
W.W. Grainger	USA	$47,980	$50,565	$17,942	17.2%	14.1x	17.4x	16.4x	2.8x
Excluded from mean					**Mean**	14.4x	19.4x	16.3x	2.0x
					Median	14.7x	19.0x	15.2x	2.1x

Source: Capital IQ

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 2023	Annual Average EV/EBITDA 2024	Fourth Quarter Dec. 31, 2025 EV/ EBITDA	Fourth Quarter Dec. 31, 2025 EV/ Revenue
Comfort Systems USA	USA	$32,845	$32,388	$9,102	15.6%	13.9x	16.9x	22.8x	3.6x
EMCOR Group	USA	$27,387	$27,164	$16,986	12.7%	8.6x	11.5x	12.6x	1.6x
Clayax Acquisition	FRA	$9,721	$12,809	$12,158	9.5%	8.4x	9.5x	11.1x	1.1x
Bravida Holding	SWE	$1,992	$2,370	$3,060	8.0%	9.8x	8.4x	9.6x	0.8x
Tutor Perini	USA	$3,535	$3,374	$5,543	3.9%	10.9x	13.5x	15.6x	0.6x
					Mean	10.3x	10.7x	12.2x	1.5x
					Median	9.8x	11.5x	12.6x	1.1x

Excluded from mean

Source: Capital IQ

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 2023	Annual Average EV/EBITDA 2024	Fourth Quarter Dec. 31, 2025 EV/ EBITDA	Fourth Quarter Dec. 31, 2025 EV/ Revenue
Emerson Electric	USA	$74,629	$86,860	$18,187	33.4%	12.7x	17.7x	14.3x	4.8x
Honeywell International	USA	$123,860	$149,688	$37,442	27.1%	16.2x	16.5x	14.8x	4.0x
Infineon Technologies	DEU	$57,666	$63,670	$17,494	27.5%	8.6x	9.2x	13.2x	3.6x
Johnson Controls	IRL	$73,183	$84,021	$23,967	18.3%	12.5x	14.0x	19.2x	3.5x
Excluded from mean					**Mean**	13.8x	16.0x	15.4x	3.7x
					Median	12.6x	15.2x	14.5x	3.8x

Source: Capital IQ

HVAC – Global Transactions (1/2)

The table below highlights selected global M&A transactions during Q1 2025, 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
Dec-25	Service Logic	USA	**Bain Capital**, a private equity firm, acquired **Service Logic**, a provider of commercial HVAC and building automation services	BainCapital	LGP Leonard Green & Partners	100.0%	-	-	-
Dec-25*	Blue Sky	NZL	**Intelligent Monitoring Group**, a provider of security and monitoring services, acquired **Bluesky Holdco**, a manufacturer of energy-efficient ventilation solutions	Intelligent Monitoring Group	Johnson Controls	100.0%	$26.2	-	0.5x
Dec-25	Robison Air Inc.	USA	**Paschal Heating and Air Conditioning Company**, a provider of HVAC services, acquired **Robison Air**, a provider of HVAC services	Paschal	-	100.0%	-	-	-
Nov-25	Bellaire Air Conditioning	USA	**Rocket Group**, a provider of home and consulting services, acquired **Bellaire Air Conditioning & Heating**, a provider of HVAC services	Rocket Group	-	100.0%	-	-	-
Nov-25	D-mec Services	GBR	**Empower Topco**, a provider of investment services, acquired **D-Mec Services**, a provider of HVAC and mechanical services	Empower	-	100.0%	-	-	-
Nov-25	Valley	CAN	**Lynx Equity**, a private equity firm, acquired **Valley Plumbing & Heating**, a provider of mechanical, plumbing, and HVAC services	LYNX equity income trust	-	100.0%	-	-	-
Nov-25	Temperature Control	USA	**Garot Mechanical**, a provider of HVAC and mechanical services, acquired **Temperature Control**, a provider of HVAC installation, maintenance, and repair services	tweet garot	-	100.0%	-	-	-

Source: Capital IQ, Companies' Press Releases, Mergermarket

HVAC – Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US$M	EV/ EBITDA	EV/ Revenue
Nov-25	Renzi Alberto	ITA	**Numen**, a provider of integrated facility management and energy efficiency services, acquired **Renzi Alberto**, a provider of construction, electrical, and HVAC services	Numen	-	100.0%	-	-	-
Nov-25	Tower Heating, Air & Plumbing	USA	**Chill Brothers**, a provider of HVAC services, acquired **Tower Asset Operations**, a provider of plumbing and HVAC installation, maintenance, and repair services	The Chill Brothers	-	100.0%	-	-	-
Nov-25	Andy J. Egan Co., Inc.	USA	**Sylvan**, a provider of industrial services and solutions, acquired **Andy J Egan**, a provider of plumbing, piping, HVAC, and mechanical services	sylvan	-	100.0%	-	-	-
Oct-25	Metro Heating and Cooling	USA	**Merit Management Group**, an investment firm, acquired **Metro Heating and Cooling**, a provider of HVAC services	Merit	-	100.0%	-	-	-
Oct-25	Sun Tech Air Conditioning LLC	USA	**Fix it Frankie**, a provider of residential HVAC services, acquired **Sun Tech Air Conditioning**, a provider of residential and commercial HVAC installation, repair, and maintenance services	Fix It Frankie AC & Heating	-	100.0%	-	-	-
Oct-25	Weber Refrigeration and Heating	USA	**Flow Service Partners Tennessee Op-Co**, a provider of HVAC and mechanical services, acquired **Weber Refrigeration and Heating**, a provider of HVAC contracting services	Flow Service Partners	-	100.0%	-	-	-

** Announced transaction pending approval and other customary closing conditions*

ND: Not Disclosed

Source: Capital IQ, Companies' Press Releases, Mergermarket

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"

Rheem

has acquired

HTPG

"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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Global M&A Representative Engagements

BEIJER REF
has been acquired by
HERITAGE DISTRIBUTION HOLDINGS

avangard innovative
MOVING THE CIRCULAR ECONOMY FORWARD
has sold a controlling interest to
WM
WASTE MANAGEMENT

ZINC NACIONAL
has sold
GSDK
Zinc Oxide Corporation
a subsidiary of
Korea Zinc

Electrolux PROFESSIONAL
has acquired
unified brands
a DOVER company
from
DOVER

Port Contractors
has been acquired by
ENSTRUCTURE

Oxbow
Oxbow's Senior Subordinated debt issued by
H.J.BAKER
was refinanced by
BMO

Hertz
has acquired
DONLEN

Standex
has sold
Enginetics
to
Enjet AERO

ITT
has sold
BURNY
KALIBURN
and
CMC Cleveland Motion Controls
to
LINCOLN ELECTRIC

Honeywell
has sold
TENSOR
to
GE Power Systems

TRIUMPH
has sold
Triumph Processing - Embee Division
to
AMP
ALL METALS PROCESSING

TRIUMPH
has sold
Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services – Asia, and Triumph Engines businesses
to
TGG THE GORES GROUP

Rheem
has acquired
HTPG

GRACE
has sold its
GRACE Membranes business
uop
a subsidiary of
Honeywell

convatec
— forever caring —
has sold
SENSI CARE
and
ALOE VESTA
to
MEDLINE

United Technologies
has sold
MobileView
to
SAFE FLEET
Driving Safety Forward™

United Technologies
has sold
HTPG
A division of Carrier Commercial Refrigeration, Inc.
to
MONOMOY CAPITAL PARTNERS and Starboard Capital Partners

LOCKHEED MARTIN
has sold
Commercial Flight Training Business
to
ALTEON
A BOEING COMPANY

FLOWSERVE
has sold
D&B
to
DB
DaviesBaird

KBR
has acquired
Wabi
Wabi Development Corporation

HARRISON GYPSUM, LLC
has been recapitalized by
H.I.G.
PRIVATE EQUITY

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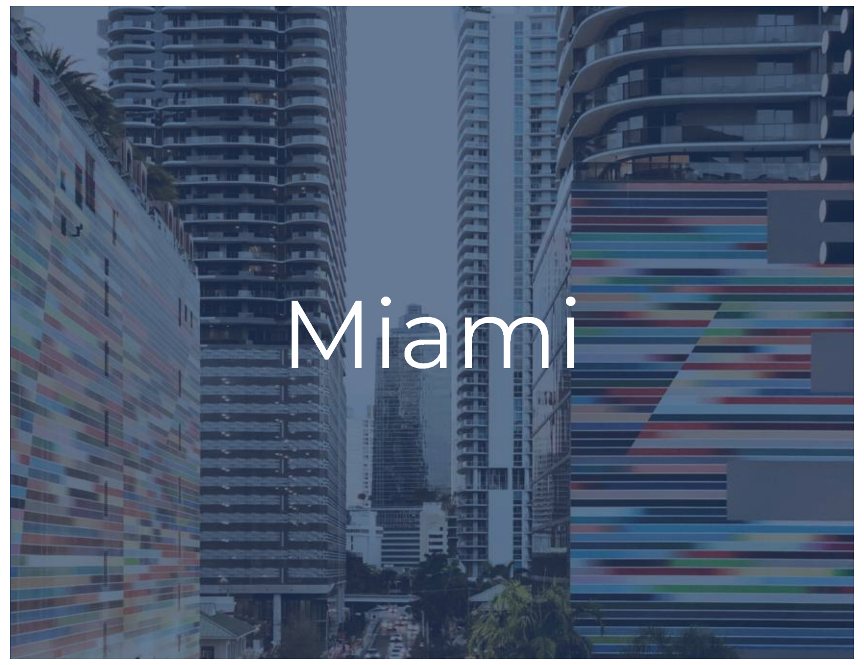
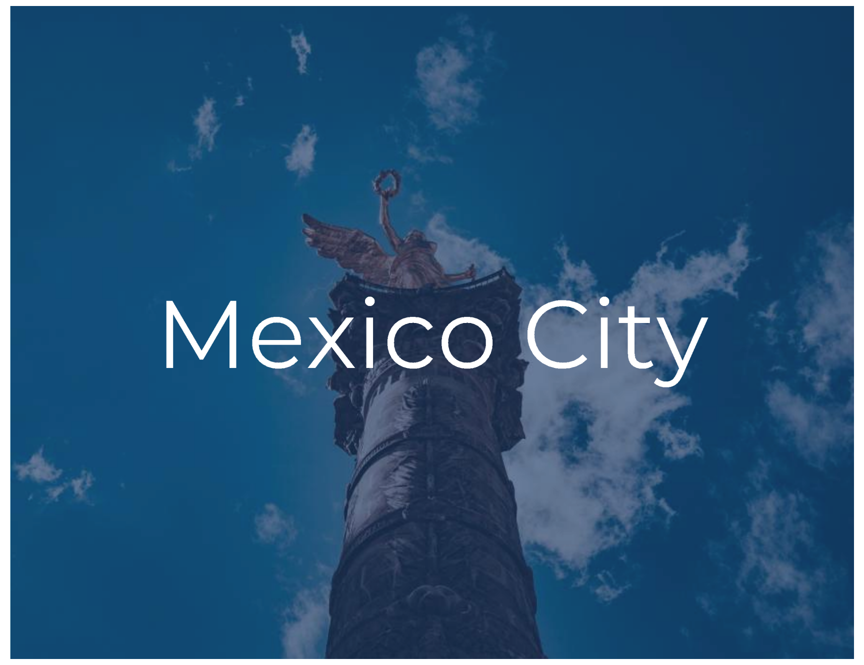
MBA and BS in Industrial Engineering





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

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.