

Seale & Associates

HVAC INDUSTRY
VALUATION UPDATE
Q3 2025

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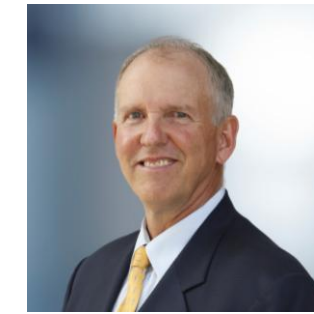
Introduction

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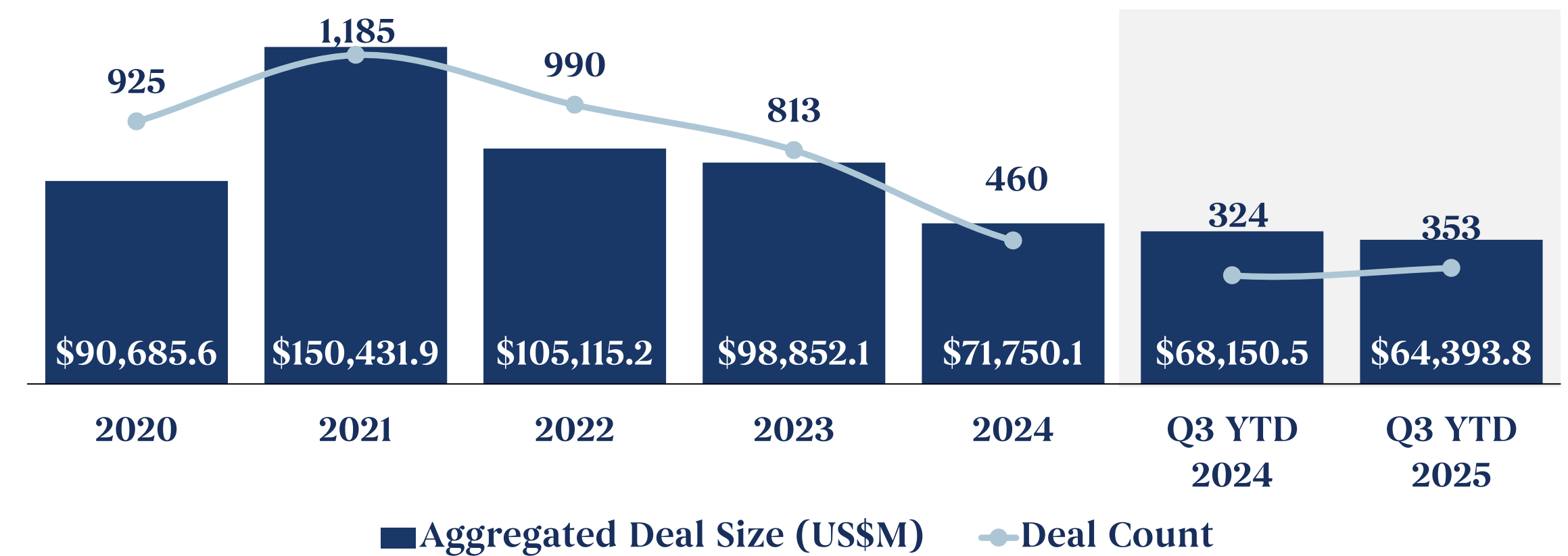
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HVAC Industry Overview

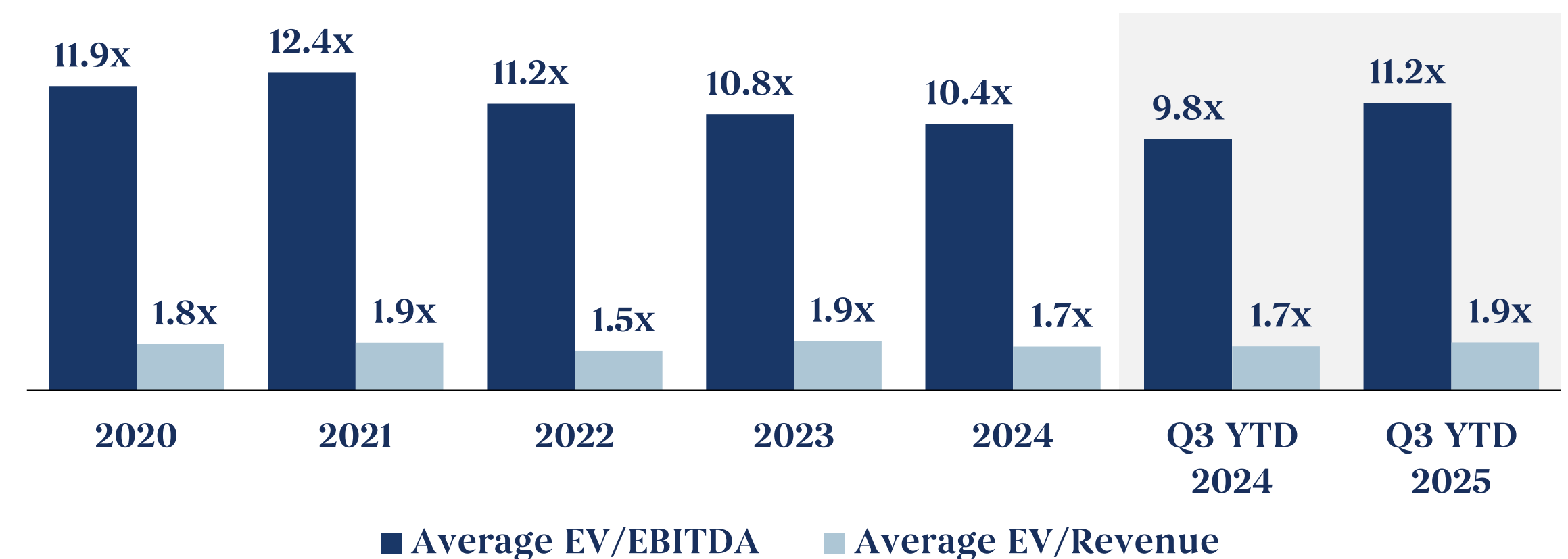
M&A Trends and Market Intelligence

- 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








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, 2025	
						2023	2024	EV/EBITDA	EV/Revenue
Carrier Global Corporation	 USA	\$50,806	\$61,204	\$22,463	18.2%	14.8x	20.2x	15.0x	2.7x
Daikin Industries	 JPN	\$33,808	\$34,670	\$31,874	14.0%	13.2x	10.2x	7.8x	1.1x
Haier Smart Home	 CHN	\$31,940	\$29,789	\$42,210	9.3%	9.5x	9.4x	7.6x	0.7x
Johnson Controls International	 IRL	\$71,950	\$84,079	\$23,402	19.4%	12.5x	14.0x	18.5x	3.6x
Lennox International	 USA	\$18,593	\$20,084	\$5,345	23.9%	14.8x	18.9x	15.7x	3.8x
Midea Group	 CHN	\$77,774	\$71,158	\$61,947	10.9%	10.2x	9.9x	10.6x	1.1x

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, 2025		
						2023	2024	EV/EBITDA	EV/Revenue	
NIBE	 SWE	\$7,925	\$10,068	\$4,324	13.7%	27.0x	19.9x	17.0x	2.3x	
Resideo Technologies	 USA	\$6,424	\$8,429	\$7,399	12.7%	4.6x	6.0x	9.0x	1.1x	
SPX Technologies.	 USA	\$9,230	\$10,115	\$2,162	20.7%	16.2x	20.0x	22.6x	4.7x	
Systemair	 SWE	\$1,726	\$1,811	\$1,304	12.3%	13.4x	12.0x	11.3x	1.4x	
Trane Technologies	 IRL	\$93,893	\$97,754	\$21,051	20.5%	16.3x	22.1x	22.7x	4.6x	
■ Excluded from mean						Mean	13.4x	14.9x	12.5x	2.1x
						Median	13.4x	14.0x	15.0x	2.3x




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, 2025		
						2023	2024	EV/EBITDA	EV/Revenue	
Beijer Ref	 SWE	\$7,889	\$8,962	\$3,992	12.1%	26.4x	22.2x	18.6x	2.2x	
Reece Limited	 AUS	\$4,824	\$5,945	\$5,938	9.8%	15.3x	19.0x	10.2x	1.0x	
Watsco	 USA	\$15,321	\$15,944	\$7,508	12.7%	13.7x	18.9x	16.7x	2.1x	
W.W. Grainger	 USA	\$45,582	\$48,123	\$17,481	17.5%	14.1x	17.4x	15.8x	2.8x	
■ Excluded from mean						Mean	14.4x	19.4x	17.0x	2.4x
						Median	14.7x	19.0x	16.2x	2.2x





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, 2025 EV/		
						2023	2024	EBITDA	Revenue	
Comfort Systems USA	 USA	\$29,048	\$29,021	\$8,323	14.7%	13.9x	16.9x	23.7x	3.5x	
EMCOR Group	 USA	\$29,076	\$29,269	\$15,639	13.4%	8.6x	11.5x	14.0x	1.9x	
Clayax Acquisition	 FRA	\$9,032	\$12,118	\$12,149	9.5%	8.4x	9.5x	10.5x	1.0x	
Bravida Holding	 SWE	\$1,992	\$2,325	\$3,014	7.8%	9.8x	8.4x	9.9x	0.8x	
Tutor Perini	 USA	\$3,459	\$3,468	\$4,771	1.5%	10.9x	13.5x	48.0x	0.7x	
■ Excluded from mean						Mean	10.3x	10.7x	11.5x	1.6x
						Median	9.8x	11.5x	14.0x	1.0x

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, 2025		
						2023	2024	EV/EBITDA	EV/Revenue	
Emerson Electric	 USA	\$73,828	\$86,494	\$17,780	29.0%	12.7x	17.7x	16.7x	4.9x	
Honeywell International	 USA	\$133,646	\$161,176	\$40,670	25.4%	16.2x	16.5x	15.6x	4.0x	
Infineon Technologies	 DEU	\$50,604	\$55,100	\$17,174	30.4%	8.6x	9.2x	10.6x	3.2x	
Johnson Controls	 IRL	\$71,950	\$84,079	\$23,402	19.4%	12.5x	14.0x	18.5x	3.6x	
■ Excluded from mean						Mean	13.8x	16.0x	17.0x	3.6x
						Median	12.6x	15.2x	16.2x	3.8x

HVAC – Global Transactions (1/2)

The table below highlights selected global M&A transactions during Q3 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
Sep-25		USA	Air Conditioning Specialist , a provider of HVAC services, acquired Clark Heating and Cooling , a provider of heating, ventilation, and air conditioning services		-	100.0%	-	-	-
Sep-25		DNK	Centre Partners Management , a private equity firm, acquired Maynor Heating & Air Conditioning , a provider of full-service heating and air conditioning solutions		-	100.0%	-	-	-
Sep-25	FREDON	AUS	NRW Holdings , a provider of integrated project services, acquired Fredon Industries , a provider of communications, electrical, HVAC, and data services for government, corporate, and industrial clients		-	100.0%	\$130.4	-	-
Sep-25		USA	Genuit Group , a manufacturer of water, climate, and ventilation systems, acquired Monodraught , a developer of natural and hybrid lighting, cooling, and ventilation solutions		BGF	100.0%	\$75.3	-	-
Aug-25		USA	Liberty Service Partners , a provider of residential service platforms, acquired Restivo's Heating & Air Conditioning , a provider of residential and commercial HVAC services		-	100.0%	-	-	-
Aug-25		USA	NexCore , a provider of healthcare real estate and infrastructure solutions, acquired Action Air Systems , a provider of commercial HVAC and plumbing services		-	100.0%	-	-	-
Aug-25		USA	Ice-C-Cool Mechanical , a provider of mechanical and HVAC services, acquired Brandon Service , a provider of air conditioning and heating services		-	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
Aug-25		USA	Ferguson Enterprises , a supplier of plumbing and HVAC products, acquired Manufactured Duct & Supply , a supplier of heating, ventilation, and air conditioning products		-	100.0%	-	-	-
Aug-25		USA	Ferguson Enterprises , a supplier of plumbing and HVAC products, acquired HPS Specialties , a supplier of heating, ventilation, air conditioning, plumbing, and hydronic products		-	100.0%	-	-	-
Aug-25		USA	Sila Heating & Air Conditioning , a provider of HVAC services, acquired Ahrens & Condill , a manufacturer of air conditioning and heating equipment		-	100.0%	-	-	-
Jul-25		USA	Now Heating and Air , a provider of HVAC services, acquired Allen Service , a provider of plumbing and HVAC services in the Fort Collins area		-	Merger	-	-	-
Jul-25		USA	Climate Efficiency Partners , a provider of HVAC and energy efficiency services, acquired Tri-Tech Energy , a provider of plumbing, heating, and air conditioning contractor services		-	100.0%	-	-	-
Jul-25		USA	Champions Group Holdings , a private investment firm, acquired McAfee Heating & Air Conditioning , a provider of heating, ventilation, and air conditioning services		-	100.0%	-	-	-

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



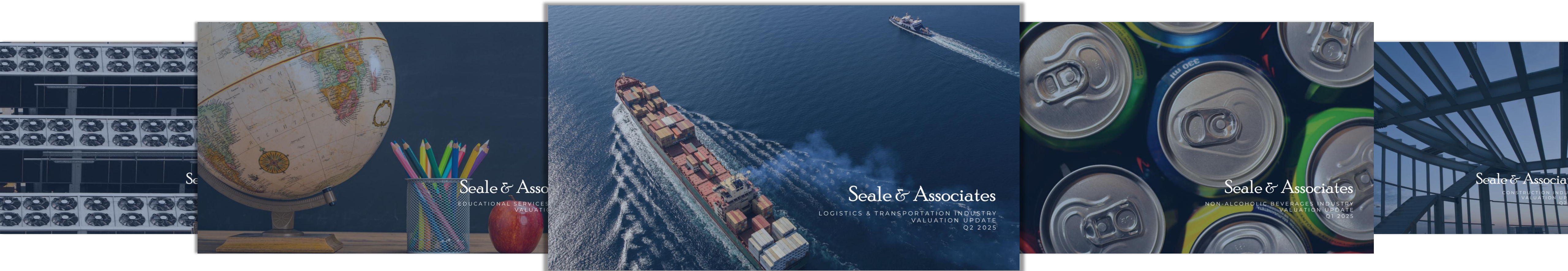
“Seale had in-depth knowledge of the HVAC space as well as extensive relationships with key executives from around the world, which they used to help us identify and close on the perfect deal for our company.

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



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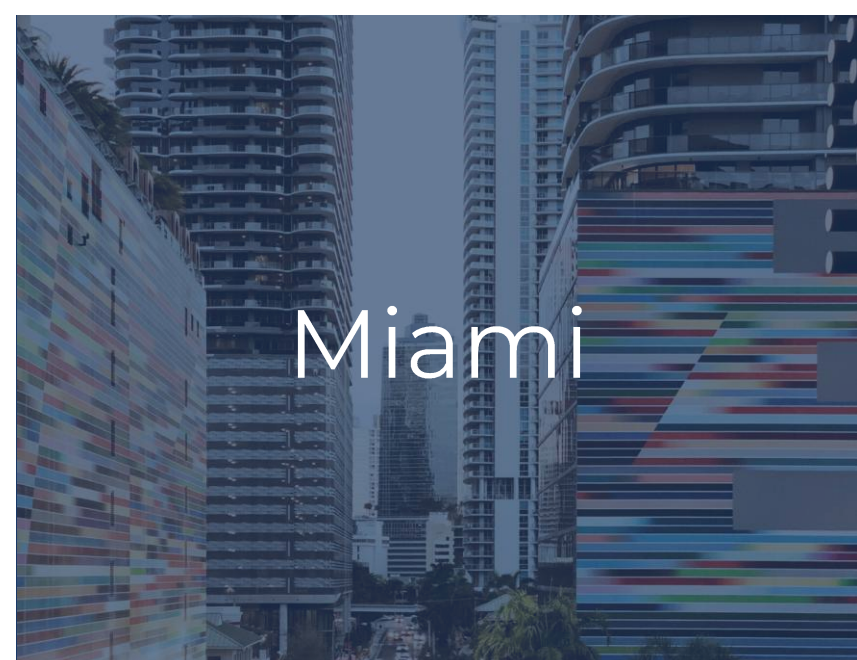
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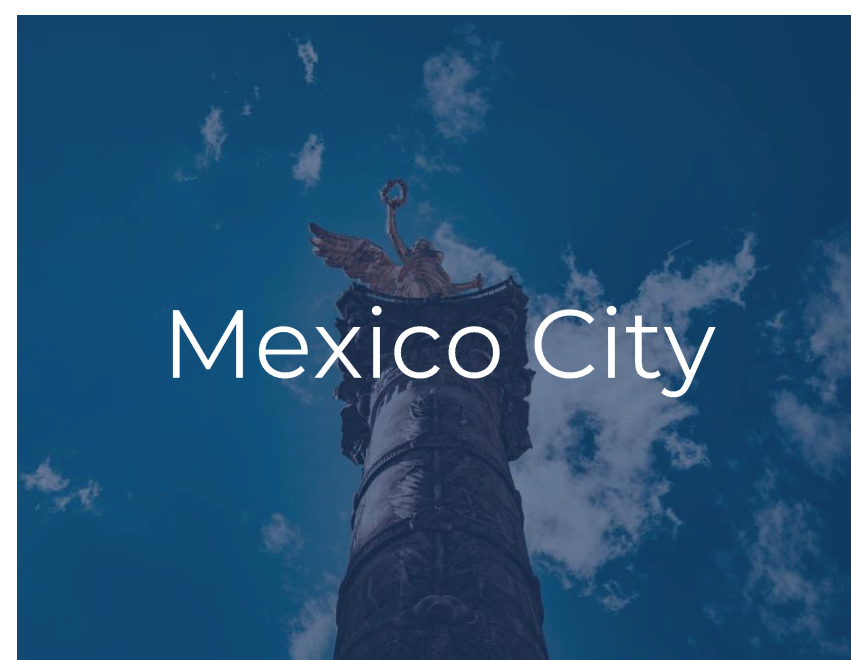
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Washington D.C.



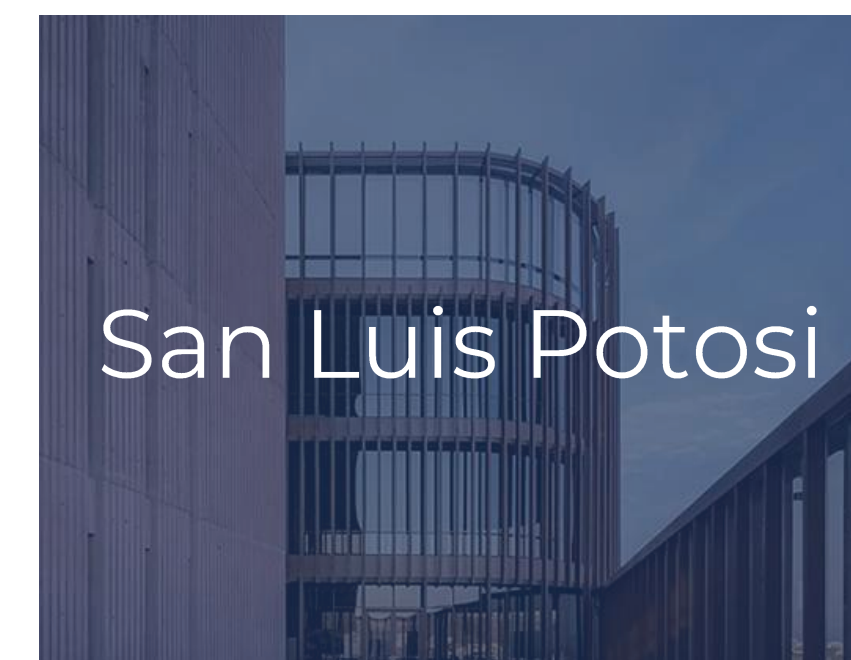
Miami



Mexico City



Monterrey



San Luis Potosi

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

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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.



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