



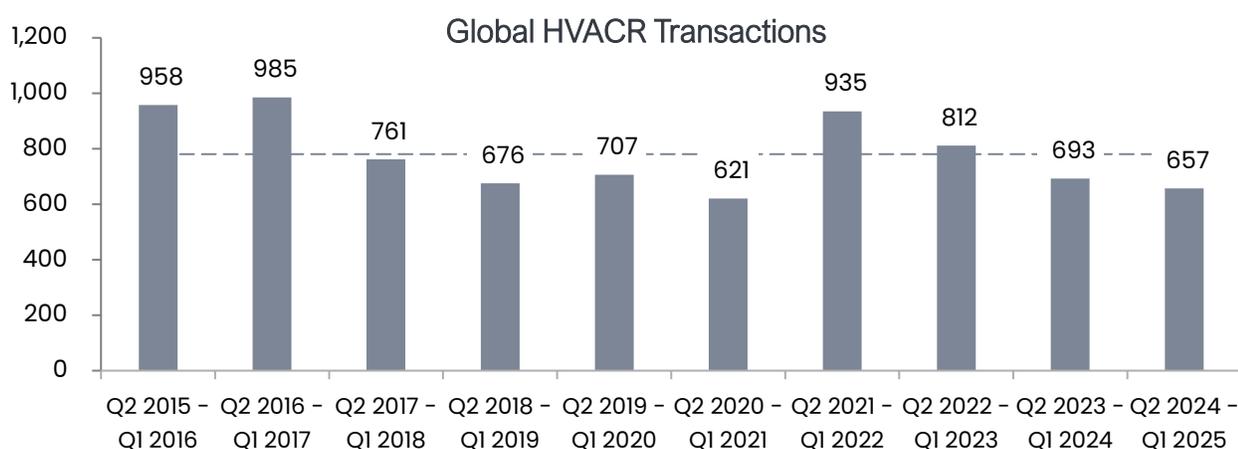
Q1 2025

M&A REVIEW ON HVACR



M&A ENVIRONMENT

While the M&A market remains muted, the HVACR industry's impact on the global economy has resulted in more consistent M&A activity when compared to more volatile sectors. Both foreign and domestic strategic buyers are pursuing deals across the ecosystem to supplement organic growth and to strengthen their market positions. Global private equity firms seek to deploy capital in HVACR deals to support their platform and add-on investments. Buyer and investor appetite is, and will continue to be, driven by aging infrastructure, regulatory changes, indoor air quality, efficiency, and sustainability. Acquirors are looking to bolster their own offerings through acquisition candidates that offer solutions around key sub-verticals like indoor air quality or energy efficiency. Cross-border M&A remains particularly strong, bolstered by a rise in global demand for HVACR systems and acquirors desire to meet regulatory changes.



Source: Capital IQ

Below are key trends and topics we highlighted during our time at AHR Expo (February 2025):

- Hybrid systems that combine heat pumps with other energy sources are becoming more common to ensure efficiency and reliability while still reducing overall carbon emissions
- Maintaining clean air in enclosed spaces to protect health has accelerated multiple innovations, including advanced ventilation systems, filtration technologies, real-time IQ monitoring, smart building technology, and healthier building design
- Distributors and contractors who are not prepared for the evolving industry landscape, driven by the refrigerant transition, incentive programs, and inventory expiration deadlines, risk incurring significant costs
- AI, IoT, advanced refrigerants, and other cutting-edge solutions in the HVACR sector are not only transforming the way systems are designed, installed, and maintained but also shaping the future of training/educating the workforce to ensure the industry can meet future demand
- In Canada, there continues to be strong regulatory support for energy efficient solutions such as heat pumps and similar offerings. This has driven both customer adoption and an increased appetite on the part of acquirors. The combination of federal and provincial policies indicates that individual elections will have minimal impact on this trend.

PERFORMANCE OF PUBLICLY LISTED HVACR COMPANIES

Our conviction remains unchanged: public companies will continue seeking acquisitions of differentiated product and service companies within the HVACR space to bolster organic growth. Across the industry, the Q1 2025 Enterprise Value/EBITDA median multiple decreased to 12.6x from 16.6x in Q4 2024.

(\$ in millions)									
Company Name	Headquarters	Market Cap	Enterprise Value (EV)	Revenue	EBITDA		Q1 2025 EV Multiples of:		Q1 2024
					\$	%	Revenue	EBITDA	EV/EBITDA
<i>Manufacturer</i>									
A. O. Smith Corporation	United States	9,381	9,333	3,818	778	20%	2.4x	12.0x	15.7x
Carrier Global Corporation	United States	54,777	63,967	22,486	3,562	16%	2.8x	18.0x	18.8x
Daikin Industries, Ltd.	Japan	31,558	31,835	30,053	4,087	14%	1.1x	7.8x	10.3x
Honeywell International Inc.	United States	137,377	159,191	38,498	9,536	25%	4.1x	16.7x	16.6x
Ingersoll Rand Inc.	United States	32,259	35,753	7,235	1,936	27%	4.9x	18.5x	22.6x
Johnson Controls International plc	Ireland	52,884	64,067	23,169	3,343	14%	2.8x	19.2x	23.0x
Johnson Electric Holdings Limited	Hong Kong	1,853	1,624	3,731	541	14%	0.4x	3.0x	2.5x
Lennox International Inc.	United States	19,954	21,020	5,341	1,129	21%	3.9x	18.6x	19.9x
Modine Manufacturing Company	United States	4,035	4,428	2,540	358	14%	1.7x	12.4x	17.1x
Patels Airtemp (India) Limited	India	31	41	47	4	10%	0.9x	9.3x	8.3x
SPX Technologies, Inc.	United States	5,973	6,484	1,984	409	21%	3.3x	15.9x	19.0x
Standex International Corporation	United States	1,920	2,402	718	137	19%	3.3x	17.5x	15.6x
Trane Technologies plc	Ireland	75,568	79,393	19,838	3,805	19%	4.0x	20.9x	21.8x
Unique Fabricating, Inc.	United States	0	-	135	6	4%	0.0x	0.0x	10.5x
Mean			\$ 34,253	\$ 11,399	\$ 2,117	17%	2.6x	13.5x	15.8x
Median			\$ 15,177	\$ 4,580	\$ 953	17%	2.8x	16.3x	16.8x
<i>Distributor</i>									
Ferguson Enterprises Inc.	United States	31,838	37,095	29,898	2,857	10%	1.2x	13.0x	16.7x
Global Industrial Company	United States	858	897	1,316	88	7%	0.7x	10.2x	17.0x
Watsco, Inc.	United States	19,196	19,269	7,618	789	10%	2.5x	24.4x	21.4x
Mean			\$ 19,087	\$ 12,944	\$ 1,245	9%	1.5x	15.9x	18.3x
Median			\$ 19,269	\$ 7,618	\$ 789	10%	1.2x	13.0x	17.0x
<i>Services</i>									
ABM Industries Incorporated	United States	2,947	4,548	8,405	417	5%	0.5x	10.9x	9.2x
APi Group Corporation	United States	9,925	12,461	7,018	777	11%	1.8x	16.0x	19.0x
Comfort Systems USA, Inc.	United States	11,434	11,193	7,027	892	13%	1.6x	12.6x	19.4x
EMCOR Group, Inc.	United States	16,808	15,818	14,566	1,479	10%	1.1x	10.7x	14.5x
Limbach Holdings, Inc.	United States	845	849	519	54	10%	1.6x	15.6x	10.2x
Nippon Air Conditioning Services Co., Ltd.	Japan	229	209	399	28	7%	0.5x	7.6x	6.8x
Sanki Engineering Co., Ltd.	Japan	1,167	1,001	1,582	137	9%	0.6x	7.3x	7.4x
Sescom S.A.	Poland	-	-	71	6	8%	0.0x	0.0x	6.5x
Mean			\$ 5,760	\$ 4,948	\$ 474	9%	1.0x	10.1x	11.6x
Median			\$ 2,775	\$ 4,300	\$ 277	9%	0.9x	10.8x	9.7x
Mean - All Categories			\$ 23,315	\$ 9,521	\$ 1,486	13%	1.9x	12.7x	14.8x
Median - All Categories			\$ 9,333	\$ 5,341	\$ 777	13%	1.6x	12.6x	16.6x

Source: Capital IQ, as of March 31, 2025 & March 31, 2024

SELECT HVACR M&A TRANSACTIONS FROM Q1 2025

Closed Date	Acquirer	Target	Target Description
Mar-25	CTC Supply	Advantage Distribution Holdings	North Carolina-based distributor of HVAC parts and equipment to residential customers
Mar-25	Advantage Distribution Holdings, LLC	Cumberland Trading Company	Specializes in plumbing supplies and wholesales warm air heating or air conditioning supplies
Mar-25	Service Logic	Naylor Build Partnerships Inc.	Provides commercial HVAC services
Mar-25	Descours & Cabaud Group	Bachofen AG	Manufactures and offers industrial automation, fluid control, and building automation products and solutions
Mar-25	Intermediate Capital Group plc (LSE:ICG)	Groupe Climater SAS	Offers plumbing, insulation, heating, air conditioning, and ventilation systems and services for aerospace industry, healthcare establishments and office buildings
Mar-25	Heap Wah Barakah Sdn Bhd	Heap Wah Enterprise Sdn. Bhd.	Supplies plumbing and heating products and retails a comprehensive range of plumbing products and accessories, including pipes and fittings, water closets, water tanks, water heaters, sanitary wares, bathroom accessories, valves, and pumps
Mar-25	Del-Air Heating, Air Conditioning & Refrigeration, Inc.	Keystone Energy & Power Corp	Operates as an electrical contractor company
Mar-25	Smiths Group plc (LSE:SMIN)	Duc-Pac Corporation	Manufactures metal duct for heating, ventilation & air conditioning (HVAC) applications
Mar-25	SAVI iQ	Galaxi Networks, Inc.	Owns and operates a smart home automation platform for managing the connected home with smart home solutions
Mar-25	JDM Technology Group Inc.	Successware SPE LLC.	Engages in the design and development of business management software for the residential service industry in the United States and Canada
Mar-25	The SEER Group, LLC	Kilowatt HVAC, LLC	Offers heater, air conditioning, and electric installation services
Mar-25	Thoma Bravo, L.P.	PCMI Corporation	Provides software solutions for policy administration, claims management, risk management and the financial management of insurance products
Mar-25	United Performance Metals, LLC	Fabrisonic LLC	Provides 3D metal printing services. and offers services for various applications, including heat exchangers, embedding electronics, and dissimilar materials
Mar-25	Griffwerk GmbH	Hafi BeschläGe GmbH	Operates as a trading and distributors company and operates as a distributor of hardware, plumbing, and heating equipment and supplies
Mar-25	bluu unit GmbH	Koschke GmbH & Co. Kg	Offers plumbing, heating, and air-conditioning installation services
Mar-25	Compagnie d'Entreprises Mécaniques et Electriques S.A.S.	Techni Chauffe, Sarl	Provides installation and maintenance services for heating, ventilation, air conditioner, and sanitation equipment
Mar-25	Simple Energy Matters Ltd	Fm4U Ltd	Operates as a facilities management partner and provides facilities management services, including fire and security, water, electrical, hvac, refurbishment, cleaning, estates, access equipment, training, risk assessment and surveys, and service level agreements
Mar-25	GIC Private Limited; EQT AB (publ) (OM:EQT)	Calisen Group (Holdings) Limited	Owns and manages energy infrastructure assets and provides services such as smart meter asset provider (MAP),EV charging, heat pumps, solar and battery, energy and water data
Mar-25	Airtron Heating & Air Conditioning, Inc.	Sierra Air Conditioning, Inc.	Provides residential heating, ventilation, and air conditioning (HVAC) installation services to new homes built by national and local homebuilders throughout Nevada and Idaho

Source: Capital IQ

SELECT HVACR M&A TRANSACTIONS FROM Q1 2025 (CONTINUED)

Closed Date	Acquirer	Target	Target Description
Mar-25	Daikin Applied Americas Inc.	Modular Comfort Systems, Inc.	Operates as a company that engages in providing HVAC services for commercial, industrial, and institutional clients
Mar-25	The SEER Group, LLC	Alpine Heating & Air Conditioning	Operates as a subsidiary of The SEER Group and provider heating and air conditioning services
Mar-25	PremiStar, LLC	HVAC Services Division of Dahme Mechanical Industries, Inc.	HVAC Services Division offers HVAC services and provides installation and maintenance services for heating, ventilation, and air conditioner
Feb-25	VDK Groep B.V.	Joh. Storm GmbH & Co. Kg Heizung-Sanitar-Kuhlung	Specializes in heating, sanitation, cooling, ventilation, and liquefied gas services, including the installation and maintenance of systems ranging from single-family homes to large-scale facilities.
Feb-25	APEC Engineering Co., Ltd.	Kaken, K.K.	Operates as a construction and engineering company and engages in providing construction services to public facilities, and other accommodation and commercial facilities
Feb-25	Compagnie Financiere Armoricaine	Mangeant Participations SARL	Provides installation of heating, ventilation, air conditioning (HVAC) solutions and plumbing work in the Pays de la Loire region
Feb-25	Adven Oy	Oy Kaskisten Energia-Kaskö Energi Ab	Engages in the production and development of heat and air conditioning
Feb-25	Midea Electrics Netherlands BV	Climate Division of Arbonia	Comprises of heat transfer products
Feb-25	Mobil in Time AG	acr chiller rent GmbH	Provides rental solutions for cooling, air conditioning, heating, and electricity
Feb-25	Del-Air Heating, Air Conditioning & Refrigeration, Inc.	McGowan's Heating & Air Conditioning, Inc.	Provides air conditioning, heating, and new home building
Feb-25	Sunny Bliss Plumbing & Air	Flow-Tech Air Conditioning Corp.	Provides AC repairs, replacements, new installations, and maintenance services
Feb-25	Trade Hounds, Inc.	Wrangld, Inc.	Develops a SaaS platform for trades and service industry professionals to manage their work and customer service
Feb-25	Del-Air Heating, Air Conditioning & Refrigeration, Inc.	Gator Air Conditioning, LLC	Provides residential HVAC services and serves the Sarasota, Bradenton, Lakewood Ranch, and Tampa markets
Feb-25	Francks Kyindustri AB	NR Kyl AB	Provides industrial refrigeration and heating services intended for the commercial cooling segment
Feb-25	Trescal Limited	Facility Monitoring Systems Ltd.	Designs and installs environmental monitoring systems
Jan-25	Sure Mechanical	Cincinnati Air Conditioning Company	Designs and installs heating, air conditioning, and refrigeration equipment
Jan-25	PRV Management, LP	BC Solutions, LLC	Provides energy management, building controls, automation, and gas detection solutions for the commercial HVAC community, including distribution of products

Source: Capital IQ

SELECT HVACR M&A TRANSACTIONS FROM Q1 2025 (CONTINUED)

Closed Date	Acquirer	Target	Target Description
Jan-25	Hometree Marketplace Limited	GreenGenUK	Operates as a provider and installer of renewable energy solutions
Jan-25	Smith-Boughan, Inc.	Premier Mechanical Service, Inc.	Offers heating, ventilation, and air conditioning (HVAC) services
Jan-25	-	UP&S Inc.	Supplies plumbing, heating, and industrial piping equipment
Jan-25	PremiStar, LLC	Air Temp Mechanical Services, Inc.	Provides maintenance services for commercial and industrial HVAC systems in industrial, institutional, and commercial buildings
Jan-25	Koch Air, LLC	Standard Air & Lite Corporation	Distributes residential and commercial HVAC equipment
Jan-25	Sila Services, LLC	Sullivan Super Service, Inc.	Provides plumbing, air conditioning, and heating services
Jan-25	PremiStar, LLC	Trademark Mechanical Inc.	Offers air conditioning, heating, refrigeration, ventilation and controls repair, maintenance and installation services
Jan-25	EnOcean GmbH	Undagrid B.V.	Operates a cloud-based platform to connect devices with each other and the Internet
Jan-25	-	Ray Roberts Service, Inc.	Offers heating, air conditioning service, and repair
Jan-25	Bravida Finland Oy	Dimesko Oy	Provides HVAC contracting services and caters to residential, office, and commercial properties
Jan-25	Currentum AB	E.T.V. Elteknik AB	Retails, installs, and services electrical, compressed air, and heating systems
Jan-25	Groupe Squiban	Gr Energies	Specializing in renewable energy solutions, including biogas, solar panels, solar thermal systems, heat pumps, and wood-fired heating systems, mainly serving the agricultural sector
Jan-25	Turner Construction Company	Dornan Engineering Ltd.	Provides mechanical, electrical, instrumentation, and commissioning services
Jan-25	Fresh Water Ventures Management Inc.	Able Heating & Cooling, Inc.	Provides heating, ventilation, and air conditioning services
Jan-25	Norfolk Iron & Metal Company	Straub Metal International, Inc.	Distributes aluminized and stainless steel products worldwide
Jan-25	ResiXperts	Marathon HVAC Service, LLC/Tokay Heating & Air	Provides residential and light commercial plumbing, heating, and air conditioning services
Jan-25	Trane Technologies plc (NYSE:TT)	BrainBox AI Inc.	Designs and develops an artificial intelligence (AI)-based automapping tool that maps building HVAC control points
Jan-25	Beijer Ref AB (publ) (OM:BEIJ Cool4U Kft. B)		Specializes in the distribution of air conditioning systems, including residential, commercial, and automotive solutions
Jan-25	Crawford United Corporation	Rahn Industries, Incorporated (OTCPK:CRAW.A)	Manufactures HVAC coils and related coatings and offers a full range of fin and tube heat exchangers including severe duty coils especially for off shore, marine, waste water and process applications

Source: Capital IQ



NOTABLE HVACR M&A TRANSACTIONS FROM Q1 2025

Trescal, a global company focused on calibration services, acquired **Facility Monitoring Systems (FMS)**, a leading supplier of Airborne Particle Counter instruments.

The transaction is set to deliver significant benefits to the contamination control industry across the UK and Ireland through expanded service capabilities.

Trescal

Has acquired



Koch HVAC Distributions, a leading provider of top-tier heating, ventilation, and air conditioning products and solutions, acquired **Standard Air & Lite**, a Pennsylvania-based leading HVAC distributor.

The transaction strengthens Koch Air's position as a leader in HVAC distribution, expanding its reach while maintaining a steadfast commitment to quality, service, and innovation.



Has acquired



Trane Technologies (NYSE: TT), a global climate innovator, acquired **BrainBox AI**, a pioneer in autonomous HVAC controls and generative AI building technology.

The acquisition builds on the companies' existing collaboration and combines BrainBox AI's leading Artificial Intelligence technology with Trane Technologies' advanced building management and digital capabilities.



Has acquired



Crawford United Corporation, a growth-oriented holding company providing specialty industrial products to diverse markets, acquired **Rahn Industries**, a leading manufacturer of HVAC coils and related coatings, serving both OEM and aftermarket customers.

This strategic acquisition further allows Crawford to secure a vital component of their supply chain for the long term.



Has acquired



Source: Capital IQ



RECOMMENDED READING

HVAC Replacement 2025: Refrigerant Is Changing

“HVAC manufacturing, like any other industry, is always moving forward. New materials are being developed, and new manufacturing techniques are found to be better than the old ones. These changes often have to do with reducing energy use and limiting environmental impact. New materials for AC coils, multi-phase compressors, and variable-speed motors are all recent advances.” – [Ambient Comfort](#)

2025 State Of The North American Supply Chain

“Over the past decade, supply chains have undergone transformative changes, from adapting to global disruptions to embracing emerging technologies. As we embark on 2025, this white paper continues to serve as a critical resource, offering actionable insights to help shippers navigate the complexities of the modern logistics landscape.” – [Averitt Express, Inc.](#)

Navigating HVAC Industry Trends in 2025

“The HVAC industry is poised for another year of rapid transformation in 2025, driven by market expansion, private equity investments, labor shortages, and digital innovation. As demand for commercial and residential HVAC solutions grows, manufacturers must stay ahead of the curve by adapting their sales, marketing, and incentive strategies to support their channel partners effectively.” – [Extu](#)

Nonresidential Construction Spending Trends: What HVACR Wholesalers Need to Know

“Total nonresidential construction spending slowed in 2024, with its pace of growth falling from 18 percent in January to 6 percent in December. These declines follow two years of explosive growth, and various forecasts suggest that the downward trend will continue as high growth rates roll over and the lagged effects of interest rates take hold.” – [HARDI](#)

Crete United Grows From \$0 to \$1B Building Solutions Company In Four Years

“Crete United is not your typical building solutions contractor. The Charlotte-based company takes it one giant step further: Crete United makes its mechanical, electrical and plumbing providers its partners.” – [HVAC & Refrigeration Insider Online](#)

Trump’s First 60 Days: The Impact On The HVAC Industry

“A look at several initiatives, including tariffs, energy efficiency regulations, and rebates from the President's first 60 days.” – [Homepros](#)



RELEVANT TRANSACTION EXPERIENCE

Origin has extensive experience advising companies across the HVACR/environmental spectrum.

Has acquired

Armstrong Monitoring
Manufactures and services products for the gas detection industry

Has acquired

&

***Block Steel Corp.**
Processes and distributes heat-resistant product for the HVAC industry

Has been recapitalized by a strategic investor

***Braeburn Systems**
Designs and manufactures thermostats and accessories

Has acquired

through

***OCV Control Valves**
Manufactures hydraulically-operated, diaphragm-actuated, automatic control valves

Provided sell-side services

Wyse Meter Solutions
Provides smart submetering and utility expense management solutions

Provided acquisition services

Yamashin – Filter
Manufactures air and fluid filters and filtration media

**Securities transactions conducted through StillPoint Capital, LLC, Tampa, FL.*

ABOUT ORIGIN MERCHANT PARTNERS

Origin Merchant Partners is an independent investment bank that provides value added corporate finance, mergers and acquisitions and merchant banking services delivered by senior professionals. Our clients engage us for our dedicated, high level of service and independent advice to address their strategic and financial plans.

Origin is a member firm of ASHRAE, an organization dedicated to the fields of heating, ventilation, refrigeration and air conditioning. In addition to its expertise in the HVACR space, the Industrials team also serves clients in the aerospace & defense, building & infrastructure, energy & power, hydraulics, industrial technology, metals & diversified manufacturing, and transportation & mobile equipment industries. For more information, please visit www.originmerchant.com.

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