

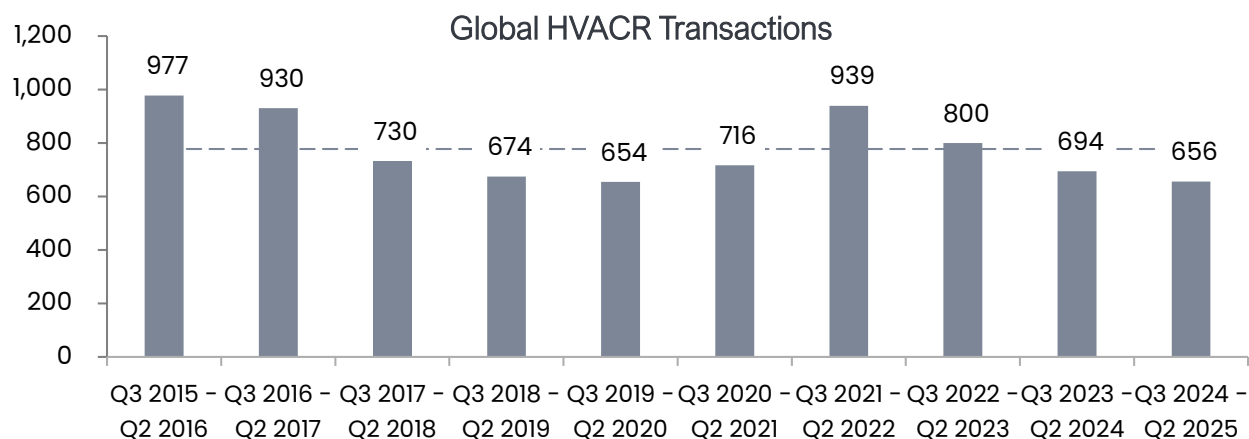


Q2 2025

M&A REVIEW ON HVACR

M&A ENVIRONMENT

The quantity of active deals in market hasn't changed, however, the seemingly lack of quality has undoubtedly contributed to the decline in closed deals. Competition is, and will remain, fierce for best-in-class HVACR businesses. Drawing from our experience and discussions with buyers/investors, we anticipate that we will see a marked uptick in transaction activity in the second half of 2025 and continuing in 2026. For many companies, the first half of Q2 2025 was marred with uncertainty around tariffs. However, those that we speak with regularly are seeing record backlogs and bookings for the second half of 2025, which we believe will be the primary driver for deal activity going forward.



Source: Capital IQ

Private equity firms continue to raise funds and establish product specific HVACR platforms, which bodes well for sellers. Strategics are on a global quest for companies that provide enhanced customer, supplier, product, and service diversification. We are also seeing an increase in mid-sized, privately-held strategic buyers. Family offices also remain a viable option for sellers.

HVACR M&A is influenced by two major themes underpinning the industry – environment sustainability and indoor air quality. Our own sightlines into the industry suggest that demand will remain strong for HVACR equipment and related services to support replacements, retrofits, and upgrades underpinned by technological innovation and energy efficiency. Service companies, manufacturing representatives, distributors, and manufacturers all stand to benefit.

It is critical for sellers to understand that sophisticated buyers/investors focus on key operating characteristics, including strength and depth of the team, product and service offering, customer/supplier mix, distribution capabilities, reputation, and brand awareness when analyzing potential acquisitions. Businesses with strong, growing operations that fit this buyer/investor criteria are attractive, well positioned, and should have no shortage of options when considering a potential transition for their companies – be it an outright sale to a strategic buyer or a newly-formed partnership with a financial investor.

PERFORMANCE OF PUBLICLY LISTED HVACR COMPANIES

Across the industry, the Q2 2025 Enterprise Value/EBITDA median multiple increased to 16.9x from 14.7x in Q2 2024, suggesting a robust valuation environment for sellers.

(\$ in millions)

Company Name	Headquarters	Market	Enterprise	Revenue	EBITDA		Q2 2025 EV Multiples of:		Q2 2024
		Cap	Value (EV)		\$	%	Revenue	EBITDA	EV/EBITDA
Manufacturer									
A. O. Smith Corporation	United States	9,318	9,414	3,803	769	20%	2.5x	12.2x	14.3x
Carrier Global Corporation	United States	62,434	72,696	22,284	3,232	15%	3.3x	22.5x	23.3x
Daikin Industries, Ltd.	Japan	34,552	36,253	31,736	4,325	14%	1.1x	8.4x	11.1x
Honeywell International Inc.	United States	149,668	174,168	39,215	9,766	25%	4.4x	17.8x	17.0x
Ingersoll Rand Inc.	United States	33,560	36,864	7,282	1,947	27%	5.1x	18.9x	20.8x
Johnson Controls International plc	Ireland	69,503	81,136	23,248	4,114	18%	3.5x	19.7x	23.7x
Johnson Electric Holdings Limited	Hong Kong	2,534	2,184	3,648	513	14%	0.6x	4.3x	2.3x
Lennox International Inc.	United States	20,341	21,608	5,367	1,119	21%	4.0x	19.3x	20.7x
Modine Manufacturing Company	United States	5,161	5,546	2,584	387	15%	2.1x	14.3x	17.5x
Patels Airtemp (India) Limited	India	31	38	45	4	9%	0.8x	9.1x	13.0x
SPX Technologies, Inc.	United States	7,832	8,612	2,001	422	21%	4.3x	20.4x	20.4x
Standex International Corporation	United States	1,889	2,433	748	144	19%	3.3x	16.9x	13.9x
Trane Technologies plc	Ireland	97,550	101,488	20,311	3,934	19%	5.0x	25.8x	22.3x
Mean			\$ 42,495	\$ 12,482	\$ 2,360	18%	3.1x	16.1x	16.9x
Median			\$ 21,608	\$ 5,367	\$ 1,119	19%	3.3x	17.8x	17.5x
Distributor									
Ferguson Enterprises Inc.	United States	42,936	48,246	30,211	2,937	10%	1.6x	16.4x	14.7x
Global Industrial Company	United States	1,036	1,077	1,314	89	7%	0.8x	12.1x	12.3x
Watsco, Inc.	United States	16,708	17,158	7,584	776	10%	2.3x	22.1x	22.9x
Mean			\$ 22,161	\$ 13,036	\$ 1,267	9%	1.6x	16.9x	16.7x
Median			\$ 17,158	\$ 7,584	\$ 776	10%	1.6x	16.4x	14.7x
Services									
ABM Industries Incorporated	United States	2,939	4,549	8,498	418	5%	0.5x	10.9x	10.0x
APi Group Corporation	United States	14,133	16,710	7,136	790	11%	2.3x	21.2x	18.1x
Comfort Systems USA, Inc.	United States	18,872	18,966	7,322	965	13%	2.6x	19.7x	15.9x
EMCOR Group, Inc.	United States	23,941	24,009	15,001	1,560	10%	1.6x	15.4x	13.4x
Limbach Holdings, Inc.	United States	1,629	1,639	533	57	11%	3.1x	28.8x	13.8x
Nippon Air Conditioning Services Co.,	Japan	269	233	430	31	7%	0.5x	7.5x	7.3x
Sanki Engineering Co., Ltd.	Japan	1,453	1,201	1,690	159	9%	0.7x	7.6x	5.9x
Mean			\$ 9,615	\$ 5,802	\$ 568	10%	1.6x	15.9x	12.0x
Median			\$ 4,549	\$ 7,136	\$ 418	10%	1.6x	15.4x	13.4x
Mean - All Categories			\$ 29,836	\$ 10,521	\$ 1,672	14%	2.4x	16.1x	15.4x
Median - All Categories			\$ 16,710	\$ 7,136	\$ 776	14%	2.3x	16.9x	14.7x

Source: Capital IQ, as of June 30, 2025 & June 30, 2024

SELECT HVACR M&A TRANSACTIONS FROM Q2 2025

Closed Date	Acquirer	Target	Target Description
Jun-25	Leap Service Partners, LLC	Air Control Heating And Air Conditioning Of Lexington, Inc.	Provides HVAC installation, maintenance, and repair services for residential and commercial customers
Jun-25	Citation Capital Management, LLC	Gallo Mechanical Services, LLC	Operates as a specialty mechanical contractor providing large-scale HVAC and plumbing installation and services
Jun-25	Chill Brothers, LLC	Webb Air Conditioning Company Inc.	Offers repairing, installation, and maintenance services
Jun-25	Worthington Enterprises, Inc. (NYSE:WOR)	Elgen Manufacturing Company, Inc.	Designs and manufactures HVAC parts and components, ductwork, and structural framing for commercial and residential buildings
Jun-25	R&T Holdings Corp.	D. W. Industries, Inc.	Engages in manufacturing and distribution of industrial and hydraulic hose fittings
Jun-25	Smart Care Equipment Solutions	Mr. C Refrigeration, Inc.	Provides commercial refrigeration, heating, ventilation, and air conditioning (HVAC) services
Jun-25	The SEER Group, LLC	Associated Heating and Air Conditioning, Inc.	Offers heating and air conditioning installation and electrical contract services
Jun-25	-	Complete Home Services LLC	Operates a comprehensive home services platform providing HVAC, electric, and other household services
Jun-25	Magnesium Capital LLP	Automated Building and Energy Controls Ltd.	Operates as an energy management and building control solutions provider, providing energy management services, building energy management systems (BEMS), and HVAC controls expertise to monitor, control, and reduce energy consumption in various environments
Jun-25	Blueox Corporation	Ace-Robbins, Inc.	Operates as a fuel company and HVAC contractor, offering propane, heating oil, heating and cooling equipment, home appliances, HVAC services and repair, and plumbing services
Jun-25	ResiXperts	Temco Air Environmental	Operates as a cooling and heating service provider, providing service, maintenance, repairs and replacement for a wide variety of air conditioning and heating brands in Tucson, Arizona
Jun-25	Symbiome Capital Partners LLC	Total Mechanical, LLC	Operates as a commercial, industrial, and residential HVAC, electrical, plumbing, and fire protection contractor
Jun-25	Climate Care Solutions Ltd.	Europe Air Conditioning Ltd	Operates as a provider of air conditioning, heating, and ventilation systems
Jun-25	MKS Pipe and Valve Co.	Industrial Pipe & Supply Company LLC	Distributes pipe, fittings, valves, coatings & tape, fasteners & gaskets, and pipe accessories throughout Nebraska and Iowa
Jun-25	Sila Services, LLC	Live Free Heating Cooling Electric	Provides home comfort solutions, including heating, cooling, and electrical services to communities in New Hampshire
Jun-25	ENFRA	River Mechanical, Inc.	Provides construction services and contractual maintenance services to commercial real estate, healthcare, higher education, and hospitality markets
May-25	Acrux Capital	Rocky Mountain Heating and Cooling, Inc.	Provides residential HVAC services, including installation, maintenance, and repair
May-25	RTM Engineering Consultants, LLC	Engineered Building Systems, Inc.	Provides mechanical, electrical, plumbing, and fire safety engineering services including the design and engineering of mechanical systems
May-25	Ambient Enterprises LLC	Discovery Mechanical Services LLC	Offers commercial HVAC span heating and cooling systems and boiler installation services

Source: Capital IQ

SELECT HVACR M&A TRANSACTIONS FROM Q2 2025 *(CONTINUED)*

Closed Date	Acquirer	Target	Target Description
May-25	Nordic Climate Group AB	Combikøl Aps	Operates as a construction and engineering company, offering plumbing, heating, and air-conditioning installation services
May-25	Nalka Invest AB	Airteam A/S	Manufactures and sells energy-efficient ventilation solutions in Denmark and Sweden
May-25	The SEER Group, LLC	S&S Mechanical ST George, Corp	Offers HVAC and plumbing services to residential and commercial customers
May-25	J's Hvac Unlimited L.L.C.	V & H Heating and Cooling LLC	Engages in the installation of heating and air conditioning equipment
May-25	K3 Kälte Klima Köln GmbH	Wilms Kälte - Klima - Lüftung Systemtechnik GmbH	Operates as a provider of cooling, climate control, and ventilation systems, performing installation and inspection work in these areas
May-25	Madison IAQ LLC	Research Products Corporation	Designs, develops, manufactures, and distributes indoor air quality solutions for homes and businesses in North America and internationally
May-25	HomeServe Deutschland Handwerksdienstleistung GmbH	Ferdi Heimel GmbH	Operates as a construction and engineering company, offering plumbing, heating, and air-conditioning installation services
May-25	T.F. Warren Group Corporation	Krueger Engineering & Manufacturing Company, Inc.	Manufactures heat exchanger and heat transfer equipment, including shell and tube heat exchangers, surface condensers, reboilers, transfer line exchangers and oil coolers for petrochemical, refining, gas processing, turbine and power plant applications
May-25	PFM Capital, Inc.	VAW Systems Ltd.	Manufactures and supplies noise control products for noise control systems, applications, and markets
May-25	Paramount Mechanical Corp.	Comfort Solutions of Tidewater, LLC	Offers installation, maintenance, and repair of all types of heating, air conditioning, and refrigeration equipment
May-25	The RectorSeal Corporation	Aspen Manufacturing LLC.	Manufactures and sells evaporator coils and air handlers for the heating, ventilation, and air conditioning industry
Apr-25	MV-Jäähdytys Oy	Talotekniikka Hile Oy	Offers installation, maintenance, and sales of heat pumps and refrigeration equipment for residential, commercial, and industrial properties
Apr-25	Shinobi Capital Group	Elite Renewables Limited	Designs and installs air source heat pumps and EV chargers, and solar PV, MVHR and HVAC, and battery systems
Apr-25	Takuma Co., Ltd. (TSE:6013)	IHI Packaged Boiler Co., Ltd.	Designs, manufactures, sells, and services various types of boilers that produce steam and heat sources required in the production processes of factories
Apr-25	Koelplan Airconditioning Midden B.V.	All Climate BV	Provides energy saving systems, offering heat pump systems, industrial cooling, cooling in server rooms and data centers, and service and maintenance
Apr-25	Northwinds Services Group LLC	Horn Plumbing & Heating, Inc.	Operates as a plumbing and heating company, specializing in heating and air conditioning services, including installation, repair, and maintenance of heating and cooling systems, as well as backhoe services such as water and sewer installations and repairs
Apr-25	The SEER Group, LLC	SWAN Plumbing, Heating & Air Inc.	Offers residential plumbing, heating, and air conditioning repair and installation services

Source: Capital IQ

SELECT HVACR M&A TRANSACTIONS FROM Q2 2025 *(CONTINUED)*

Closed Date	Acquirer	Target	Target Description
Apr-25	Chill Brothers, LLC	Alternative Aire Inc.	Provides residential HVAC services, offering AC repair and installation, heating and furnace repair and installation, commercial HVAC services, HVAC zone systems, and heating and air maintenance
Apr-25	-	Bredan Mechanical Systems Inc.	Provides mechanical systems services aimed at delivering solutions for heating, ventilation, and air conditioning (HVAC) needs
Apr-25	Air Control Concepts	O'Dell HVAC Group Inc.	Manufactures heating, ventilating, and air conditioning equipment, including exhaust fans, air handlers, heat pumps, hydronics, kitchen ventilation systems, hazardous gas detection, sound attenuation, filtration solutions, venting and breaching, and prefab duct systems
Apr-25	TriplePoint MEP Holdings, LLC	Atlantic Constructors, Inc.	Operates as a mechanical and industrial contractor
Apr-25	Rite Way Heating, Cooling and Plumbing, LLC	HVAC division of Berg Enterprises, Inc	Provides turnkey HVAC, mechanical, plumbing, and pipefitting services for commercial, federal, and industrial clients
Apr-25	Greenberg Farrow Architecture Incorporated	South Coast Engineering Group, Inc.	Offers mechanical, electrical, and plumbing (MEP) engineering services
Apr-25	Cascade Residential Services, LLC	Harrington Air Conditioning	Offers heating, ventilation, and air conditioning services
Apr-25	Daikin Sweden AB	Kylslaget AB	Provides installation, repair, troubleshoot, and maintenance services of air source heat pumps and air conditioning systems for residential and commercial customers
Apr-25	Groupe F2A	Aero Diffusion Sarl	Manufacturers textile ventilation ducts, including fabric ducts, textile air diffusion ducts, air diffusion system, suspension system, sir handling accessories, textile articles, and cantonment screen
Apr-25	Air Control Concepts	Georgia Air Associates, Inc.	Operates as a full-service commercial HVAC manufacturer's representative for commercial HVAC products
Apr-25	Gold Star Services, LLC	Ultra Heating & Cooling LLC	Offers air conditioning and furnace repair and installation services
Apr-25	Air Control Concepts	REA, Inc.	Manufactures and sells commercial HVAC and industrial process cooling equipment
Apr-25	NGE Bâtiment	Groupe Morlot SAS	Engages in diversified business activities, such as timber framing, roofing, cladding, and waterproofing; heating, ventilation and air conditioning (HVAC) and plumbing
Apr-25	Sila Heating & Air Conditioning, Inc.	Norfolk Air Heating, Cooling, Plumbing & Electrical, Inc.	Offers plumbing, electrical, heating, ventilation, and air conditioning repair, installation, and replacement services
Apr-25	Silver State Refrigeration & HVAC, LLC	Westaire Heating & Air Conditioning, Inc.	Provides air conditioning and heating solution, including assistance with purchase, installation, service of new systems and existing systems, and quality check of services
Apr-25	Bradford White Corporation	Universal Technologies of Wisconsin, Inc./Bock Water Heaters, Inc./Tank Technology, Inc.	Manufactures high-efficiency oil-fired and gas-fired water heaters and storage tanks
Apr-25	IPCOM NV	K&G Distribution Ltd	Operates as a provider of custom insulation solutions, including acoustic and thermal insulation, fire protection, and trace heating
Apr-25	Kuraray Holdings U.S.A., Inc.	Nelumbo Inc.	Manufactures thin superomniphobic nanocoating for air conditioning cooling coil fins and refrigerators

Source: Capital IQ

NOTABLE HVACR M&A TRANSACTIONS FROM Q2 2025

AIR Control Concepts continued to their torrid pace of acquiring manufacturing representatives in Q2 2025.

Madison IAQ, a leading indoor air quality platform under Madison Industries, acquired **Research Products Corporation**, a renowned provider of innovative residential and commercial indoor air solutions.

The transaction allows Madison to expand its market opportunity and scale a portfolio of best-in-class brands, presenting new opportunities for growth and innovation that will benefit both the Company's customers and employees.

MADISON[®]
IAQ

Has acquired

RP **RESEARCH
PRODUCTS
CORP.**

PFM Capital, a leading Saskatchewan-based private equity firm, acquired **VAW Systems**, the pre-eminent global supplier of engineered noise control products.

The investment is a significant milestone for the continued evolution of VAW's business, allowing the Company to partner with a firm that aligns with their long-term vision and shares a commitment to operational excellence and sustainable growth.

pfm
CAPITAL INC.

Has acquired

VAW
systems

RectorSeal, a leading manufacturer of quality HVACR and plumbing tools and accessories, acquired **Aspen Manufacturing**, a leading independent manufacturer of evaporator coils and air handlers within the HVAC market.

The acquisition continues RectorSeal's expansion of its footprint of HVAC products, allowing them to better support their distributors and contractors.

RECTORSEAL

Has acquired

ASPEN
MANUFACTURING

AIR Control Concepts, a leading North American network of commercial HVAC reps, acquired **O'Dell HVAC Group**, a world-class sales agent, delivering premier commercial HVAC equipment solutions throughout Ontario.

This expansion represents the initial step in AIR Control Concepts' strategic investment into Canada through committed support in O'Dell and the trusted local relationships they have cultivated for decades.

AIR
CONTROL CONCEPTS

Has acquired

O'DELL
HVAC GROUP

Source: Capital IQ



RECOMMENDED READING

The State Of The Data Center Industry: 2025

“The data center market has shown robust growth over the past five years, with significant increases in capacity and electricity usage. According to the International Energy Agency, global data center electricity consumption was approximately 460 TWh in 2022, and it is projected to rise to over 1,000 TWh by 2026. This growth is driven by the increasing demand for digital services and the expansion of artificial intelligence workloads.” – [HVAC Informed](#)

Decarbonizing With Heat Pumps—Most Do, Some Don’t

“Using heat pumps is often encouraged as a way to decarbonize. In colder climates with high electric utility emission rates, however, heat pumps can have higher CO2 production rates than fossil fuel furnaces. Cold climate heat pumps are being developed that are projected to reduce emissions. Refrigerant circuits are more complex and compressors operate at much higher speeds and compression ratios. Energy performance, equipment service life and CO2 emissions are uncertain. Comprehensive and independent field-testing programs are necessary to more accurately forecast the effectiveness of these and other heat pump decarbonization strategies.” – [ASHRAE](#)

Senate Releases ‘Big, Beautiful Bill’: A Mixed Bag For Contractors

“A Senate committee on Monday published its portion of the big, beautiful bill, just weeks after the House passed its version, dealing a key blow to the HVAC industry — but maintaining some contractor-friendly proposals.” – [Homepros](#)

HVAC Enrollment At Vocational Schools Jumps 29%

“US public two-year colleges with a high vocational focus, including HVAC programs, saw another year of double-digit enrollment growth this spring, according to newly released data from the National Student Clearinghouse.” – [Homepros](#)

Fed Keeps Rates Steady But Pencils In Two Cuts By End Of 2025; Powell Sees ‘Meaningful’ Inflation Ahead

“The U.S. central bank held interest rates steady on Wednesday and policymakers signaled borrowing costs are still likely to fall in 2025, but Federal Reserve Chair Jerome Powell cautioned against putting too much weight on that view, and said he expects meaningful inflation ahead as consumers pay more for goods due to the Trump administration's planned import tariffs.” – [Reuters](#)

RELEVANT TRANSACTION EXPERIENCE

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



***Armstrong Monitoring**
Manufactures and services products for the gas detection industry



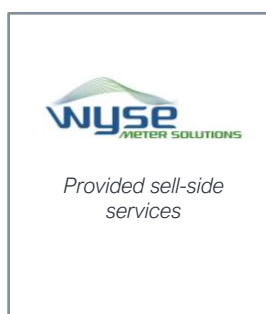
***Block Steel Corp.**
Processes and distributes heat-resistant product for the HVAC industry



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



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



Wyse Meter Solutions
Provides smart submetering and utility expense management solutions



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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