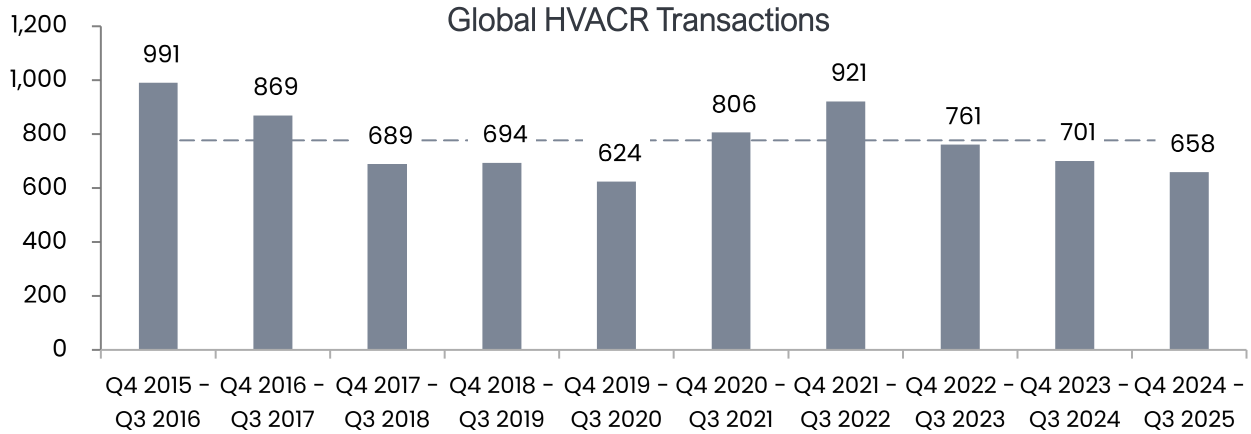
ORIGIN
MERCHANT PARTNERS

Q3 2025

M&A REVIEW ON HVACR

M&A ENVIRONMENT

Transaction quantity has remained relatively steady. 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 (our own sightlines suggest 2026 is when we will see the pendulum swing in favor of increased M&A transactions). 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 are sitting on record levels of capital — and they're racing to deploy it as competition intensifies. Increased competition for fewer "quality" opportunities has led to a wave of unsolicited offers, often with aggressive timelines and attractive numbers upfront.

It's a process designed to favor the buyer.

- Quick moves to exclusivity
- One-sided control of terms and timeline
- Last-minute renegotiations once you're locked in and your leverage is gone
- Overwhelming information requests, which many companies are not structured to manage efficiently

If you've received an inbound offer, or expect to, we'd strongly recommend a quick conversation with someone who can help you assess the situation from your side of the table.

At Origin Merchant Partners, we help companies validate valuations and protect optionality — often uncovering significantly better outcomes in the process. There's no cost or obligation for an initial call. We have seen too many owners fail at managing the process internally. The priority should be to run the business not an M&A process.

PERFORMANCE OF PUBLICLY LISTED HVACR COMPANIES

The Q3 2025 Enterprise Value/EBITDA median multiple increased to 17.4x from 16.1x in Q3 2024, suggesting higher growth expectations and strong market positions, which bodes well for sellers.

($ in millions)

		Market	Enterprise		EBITDA		Q3 2025 EV Multiples of:		Q3 2024
Company Name	**Headquarters**	**Cap**	**Value (EV)**	**Revenue**	**$**	**%**	**Revenue**	**EBITDA**	**EV/EBITDA**
Manufacturer									
A. O. Smith Corporation	United States	10,287	10,442	3,790	768	20%	2.8x	13.6x	16.1x
Carrier Global Corporation	United States	50,806	61,204	22,463	3,655	16%	2.7x	16.7x	24.1x
Daikin Industries, Ltd.	Japan	33,794	34,656	32,681	4,548	14%	1.1x	7.6x	9.4x
Honeywell International Inc.	United States	133,646	161,176	39,990	9,959	25%	4.0x	16.2x	16.8x
Ingersoll Rand Inc.	United States	32,838	36,580	7,364	1,956	27%	5.0x	18.7x	22.8x
Johnson Controls International plc	Ireland	71,950	84,079	23,402	3,991	17%	3.6x	21.1x	19.5x
Johnson Electric Holdings Limited	Hong Kong	4,817	4,464	3,648	513	14%	1.2x	8.7x	2.3x
Lennox International Inc.	United States	18,593	20,084	5,417	1,151	21%	3.7x	17.4x	21.9x
Modine Manufacturing Company	United States	7,462	7,972	2,605	387	15%	3.1x	20.6x	21.5x
Patels Airtemp (India) Limited	India	20	27	42	4	9%	0.6x	7.2x	13.4x
SPX Technologies, Inc.	United States	9,230	10,115	2,052	447	22%	4.9x	22.6x	21.4x
Standex International Corporation	United States	2,563	3,090	790	157	20%	3.9x	19.6x	15.9x
Trane Technologies plc	Ireland	93,893	97,754	20,750	4,073	20%	4.7x	24.0x	24.8x
Mean			$ 40,896	$ 12,692	$ 2,431	18%	3.2x	16.5x	17.7x
Median			$ 20,084	$ 5,417	$ 1,151	20%	3.6x	17.4x	19.5x
Distributor									
Ferguson Enterprises Inc.	United States	44,052	49,344	30,762	2,970	10%	1.6x	16.6x	15.0x
Global Industrial Company	United States	1,407	1,459	1,325	96	7%	1.1x	15.2x	14.0x
Watsco, Inc.	United States	15,321	15,944	7,508	783	10%	2.1x	20.4x	24.9x
Mean			$ 22,249	$ 13,198	$ 1,283	9%	1.6x	17.4x	18.0x
Median			$ 15,944	$ 7,508	$ 783	10%	1.6x	16.6x	15.0x
Services									
ABM Industries Incorporated	United States	2,824	4,397	8,628	464	5%	0.5x	9.5x	11.5x
APi Group Corporation	United States	14,294	16,921	7,396	830	11%	2.3x	20.4x	15.6x
Comfort Systems USA, Inc.	United States	29,048	29,021	7,685	1,076	14%	3.8x	27.0x	18.0x
EMCOR Group, Inc.	United States	29,076	29,269	15,639	1,654	11%	1.9x	17.7x	14.3x
Limbach Holdings, Inc.	United States	1,129	1,145	553	60	11%	2.1x	19.1x	17.4x
Nippon Air Conditioning Services Co., L	Japan	302	256	455	34	8%	0.6x	7.4x	6.1x
Sanki Engineering Co., Ltd.	Japan	1,727	1,531	1,763	170	10%	0.9x	9.0x	5.5x
Mean			$ 11,791	$ 6,017	$ 613	10%	1.7x	15.7x	12.6x
Median			$ 4,397	$ 7,396	$ 464	11%	1.9x	17.7x	14.3x
Mean - All Categories			**$ 29,606**	**$ 10,726**	**$ 1,728**	**15%**	**2.5x**	**16.4x**	**16.2x**
Median - All Categories			**$ 15,944**	**$ 7,364**	**$ 783**	**14%**	**2.3x**	**17.4x**	**16.1x**

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

SELECT HVACR M&A TRANSACTIONS FROM Q3 2025

Closed Date	Acquirer	Target	Target Description
Sep-25	Winsupply Inc.	R.A. Novia & Associates LLC	An HVAC equipment distributor based in Cheshire, Connecticut
Sep-25	Air Conditioning Specialist, Inc.	Clark Heating and Cooling, Inc.	Provides heating and cooling services
Sep-25	Tedge Energy AB	B.R.A. Berghogens Ror Ab	Operates as a plumbing, heating, air conditioning contractor
Sep-25	Pye-Barker Fire & Safety, LLC	Fortress Security, LLC	Configures, installs, and monitors customized business and home security systems for home and business clients in the United States
Sep-25	Silver State Refrigeration, HVAC, & Plumbing	Atlantic Coast Restaurant & Mechanical Services, LLC	Operates as a mechanical contractor that provides design and equipment, commercial HVAC installations, and ongoing maintenance services to restaurant and hospitality customers in the United States
Sep-25	Brainwood Gmbh	Subtiel Kontor GmbH	Supplies ventilation and combustion systems and is based in Germany
Sep-25	Centre Partners Management LLC	Maynor Heating & Air Conditioning, Inc.	Operates as a full-service heating and air conditioning company and provides heating, air quality, air conditioning, plumbing, electrical, and generators services
Sep-25	Percheron Investment Management, LP	Enervise, Inc.	Provides plumbing, controls, and energy solutions and offers HVAC service, maintenance, installation, and building automation controls
Sep-25	VINCI Energies SA	CORNET SAS	Provides installation services for sanitary plumbing, heating, ventilation, and air conditioning
Sep-25	Rensa Filtration, Inc.	IREMA-Filter GmbH	An industrial conglomerate, engages in manufacturing patented filter solutions
Sep-25	PE Gate Partners	Klimatrol Environmental Systems Ltd.	Distributes hydronic heating and cooling systems for residential and commercial buildings and offers geothermal, solar, and snow-melting systems
Sep-25	Finanziaria Internazionale Alternative Investment SGR	A.M. S.r.l.	Provides installation and maintenance services for the restaurant and hospitality sector and specializes in maintenance and emergency interventions aimed at ensuring the continuity of restaurant service
Sep-25	Poujoulat SA (ENXTPA:ALPJT)	Progalva Energies	Develops and provides technical maintenance solutions for climate engineering
Sep-25	The SEER Group LLC	Tuscan Electric, Heating & Plumbing LLC	Provides electrical, heating, and plumbing services for homeowners and residential properties
Sep-25	BKW AG (SWX:BKW)	Südvolt GmbH	Offers energy utility services and offers energy control and load management products
Sep-25	Air Control Concepts Parent, LLC	Fluid Equipment Solutions Of New England, LLC	Designs and manufactures HVAC and Industrial product lines including Evapco, Armstrong Pumps, and Lakos Filtration
Sep-25	Babcock Wanson Group	Act Andaluces	A construction and engineering company that offers plumbing, heating, and air-conditioning installation services
Sep-25	Innovair Solutions inc.	Thermo 2000 Inc.	Designs and manufactures hydronic heating and domestic water products
Sep-25	SMIT SRL	Termotecnica Monzese S.R.L.	Engages in distribution and maintenance of spare parts for heating, air conditioning, and water treatment systems
Sep-25	Relevant Industrial, LLC	Lindberg Process Equipment Corp.	Manufactures industrial heating and combustion systems and its product line includes burners, valves, pipe trains, controls, and custom control panels
Sep-25	Genuit Group plc (LSE:GEN)	Monodraught Ltd.	Develops natural and hybrid lighting, cooling, and ventilation solutions and offers natural daylight systems, natural ventilation systems, natural cooling systems, temperature sensors, etc.
Sep-25	HLE Glascoat Limited (BSE:522215)	Kinam Engineering Industries	Designs and manufactures heat exchangers
Sep-25	Paloma Rheem	Fujitsu General	Completed the integration of Fujitsu and will expand its market reach and employ Fujitsu General's knowledge base in mini-split and other high-efficiency comfort products

Source: Capital IQ

SELECT HVACR M&A TRANSACTIONS FROM Q3 2025 *(CONTINUED)*

Closed Date	Acquirer	Target	Target Description
Aug-25	Liberty Service Partners	Restivos Heating & Air Conditioning Ltd.	Provides residential and commercial heating, ventilation, and air conditioning (HVAC) services and offers HVAC system installation, maintenance, and repair services.
Aug-25	NexCore	Action Air Systems, Inc.	Operates as a full-service mechanical contractor that provides commercial HVAC and plumbing services
Aug-25	NexCore	Accutemp Engineering, Inc.	Engages in the design and specification engineered construction of various types of HVAC systems in the Metro-Boston area
Aug-25	Ice-C-Cool Mechanical, Inc.	Brandon Service Corp.	Provides air conditioning and heating services and include air conditioning system installation, HVAC repair, heating system maintenance, and indoor air quality solutions
Aug-25	Vessco Midco Holdings, LLC	R. L. Deppmann Company, LLC	Sells a variety of products used in heating, cooling, and plumbing systems for commercial buildings as well as industrial processes
Aug-25	Bee-Clean Building Maintenance Incorporated	Bornhorst Mechanical Inc.	Provides mechanical contracting services across Winnipeg, Manitoba and offers HVAC, plumbing, and technical mechanical services
Aug-25	Vertiv Holdings Co (NYSE:VRT)	Great Lakes Data Racks & Cabinets	Offers engineered solutions for security, data center, network communications, information technologies, electrical, HVAC, and Industrial (NEMA) requirements
Aug-25	Energima Gruppen AS	Økovent As	Offers indoor climate solutions for commercial buildings, businesses, and private homes
Aug-25	Daikin Applied Americas Inc.	DDC Solutions	Manufactures, designs, and develops cooling cabinets and Data Center Infrastructure Management software
Aug-25	Rosebank Industries plc (AIM:ROSE)	Electrical Components International, Inc.	Designs, manufactures, and assembles electrical distribution systems, control box assemblies, and electric engineered components
Aug-25	Firstcall Mechanical Group, LLC	CLS Facility Management Services, LLC	Offers facility maintenance services for organizations in the United States
Aug-25	Silver State Refrigeration, HVAC, & Plumbing	The Whitman Company, Inc.	Provides HVAC sales, installations, and maintenance services
Aug-25	Firstcall Mechanical Group, LLC	L. C. Anderson, Inc.	Provider of commercial heating, ventilation, air conditioning, and refrigeration services for various clients such as general contractors, property and facility managers, and building owners
Aug-25	MPSW Holdings, Inc.	Engineered Equipment Sales & Testing, Inc.	Distributes heating, ventilation, and air conditioning, and plumbing products for commercial and industrial applications
Aug-25	CCMP Growth Advisors, LP	Airo Mechanical, LLC	Offers heating ventilation and air conditioning, and plumbing installation services for multifamily and light commercial property developers.
Aug-25	AURELIUS Investment Lux One S.à.r.l.	CSP	Manufactures and sells lightweight materials and composite components for the transportation industries
Aug-25	Sila Heating & Air Conditioning, Inc.	Ahrens & Condill, Inc.	Engages in manufacturing and installation of air conditioning and heating equipment
Aug-25	PipeDreams Ventures, Inc.	H & H Heating and Air Conditioning Inc	Provides heating and cooling services intended to manage indoor temperature and air quality
Aug-25	Automated Logic - Canada, Ltd.	Control Solutions, Ltd.	Provides control systems for HVAC applications using direct digital controls, electronic, electric, and pneumatic technologies
Jul-25	VB GRUPPEN AS	Morgedal Rør As	Offers plumbing and HVAC installation services and include the installation of heating, sanitary, and ventilation systems for residential and commercial buildings
Jul-25	Meriton, LLC	Specialty Air Conditioning Services Inc./Fields Mechanical Systems, Inc.	Offers air conditioning services and mechanical systems
Jul-25	Robert Bosch GmbH	Residential and Light Commercial (R&LC) HVAC business of JCI plc	Comprises engineers and manufactures ducted and ductless HVAC equipment and components for residential and light commercial applications

Source: Capital IQ

SELECT HVACR M&A TRANSACTIONS FROM Q3 2025 *(CONTINUED)*

Closed Date	Acquirer	Target	Target Description
Jul-25	Robert Bosch GmbH	Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd	Offers air conditioning services
Jul-25	Now Heating And Air, LLC	Allen Service	Offers plumbing and heating, ventilation, and air conditioning service, repairs, and installations in the Fort Collins area
Jul-25	Greylane, LLC	AirCare Automation, Inc.	Supplies cleanroom fan filter unit controls for regulated air-control environments
Jul-25	Leap Service Partners, LLC	Cool Wizard Air Conditioning Services LLC	Offers repair, installation, and servicing solutions for HVAC systems
Jul-25	Saothair Capital Partners, LLC	Apollo America Inc.	Manufactures duct smoke detectors, relays, sample tubes, accessories, test equipment, and obsolete products
Jul-25	Actis LLP	Barghest Building Performance Pte Ltd	Provides energy optimization solutions to companies in the hospitality, industrial, office, and retail sectors in Singapore
Jul-25	Paschal Heating and Air Conditioning Co., Inc.	Jak Services, LLC	Offers heating, air conditioning, plumbing, and electrical services
Jul-25	Nordic Climate Group AB	Coolserve B.V.	Distributes air conditioning, heat pumps, chillers, IT cooling, air handling units
Jul-25	PremiStar, LLC	Rabe Environmental Systems, Inc.	Engages in the design, installation, and service of heating, air conditioning, piping, plumbing, and energy management systems
Jul-25	Ferguson Enterprises Inc. (NYSE:FERG)	Brookshire Holdings, Corporation	Distributes heating, ventilation, and air conditioning products
Jul-25	DiversiTech Corporation	Cielo WiGle Inc.	Manufactures and sells air conditioners and heat pump Wi-Fi-enabled controllers for ductless OEMs and consumers.
Jul-25	Aalberts N.V. (ENXTAM:AALB)	Geo-Flo Corporation	Manufactures pumping systems and components for hydronic-based HVAC systems, including geothermal and water source heat pump systems
Jul-25	Air Control Concepts Parent, LLC	Force Equipment HVAC LLC	Sells mechanical equipment in HVAC, air distribution, boilers, and dust collection systems
Jul-25	Tc Concept	La Robinetterie Industrielle, SAS	Manufactures and markets industrial valves, pumps, and measuring and stainless steel products
Jul-25	Air Conditioning Specialist, Inc.	David Taylor Heating & Air Cond, LLC	Provides heating, ventilation, and air conditioning (HVAC) services to residential and commercial clients
Jul-25	Malco Tools, Inc.	Veto Pro Pac, LLC	Designs and manufactures tool bags and tool storage solutions for professionals in trades
Jul-25	Astra Service Partners	Griffen P&H, Inc.	Engages in the design and construction of heating, cooling, plumbing systems, and complete compressor air systems for commercial and industrial buildings, including educational and medical institutions
Jul-25	Climate Efficiency Partners, LLC	Tri-Tech Energy Inc	Provides plumbing, heating, air conditioner contractor services
Jul-25	Specialty Products and Insulation LLC	Dispro Inc.	Operates as a distributor and transformer of thermal and acoustical insulation
Jul-25	Champions Group Holdings	Mcafee Heating & Air Conditioning, LLC	Offers heating, ventilation, and air conditioning services and air duct cleaning, plumbing, and heating and air-conditioning services
Jul-25	Trinity Hunt Partners, L.P.	Blackhawk Supply, LLC	Operates as a distributor and retailer of heating, ventilation, and air conditioning (HVAC), building automation systems, electrical, and plumbing parts, focused on maintenance, repair, and operations products
Jul-25	Silver State Refrigeration, HVAC, & Plumbing	Tri-Point Refrigeration, Inc.	Provides commercial refrigeration, ice machine, kitchen equipment, and HVAC services including repair, sales, and installation

Source: Capital IQ

NOTABLE HVACR M&A TRANSACTIONS FROM Q3 2025

Winsupply Inc., a leading wholesale distributor, acquired **R.A. Novia & Associates**, a provider of HVAC equipment and solutions from over 20 major HVAC manufacturers.

R.A. Novia complements Winsupply's existing footprint in Connecticut as they continue to expand their HVAC presence in the market. It will strengthen their service and bring more value to the contractors and communities they support.

Has acquired

PE Gate Partners, an investor in lower-mid market businesses through management-buy-outs, acquired **Klimatrol Environmental Systems Ltd.,** a leading provider of hydronic heating and cooling solutions in Ontario.

Jack Maynard will assume the role of CEO and brings over two decades of proven leadership in HVAC engineering. With this leadership transition, Klimatrol is well positioned to build on its strong foundation, leverage its supplier partnerships, and deliver even greater value to customers across Ontario.

Has acquired

AIR Control Concepts, a leading North American network of commercial HVAC reps, acquired **Fluid Equipment Solutions LLC ("FES"),** a manufacturer representative of commercial and industrial HVAC products throughout Massachusetts and the growing New England market.

The acquisition represents AIR Control Concepts' continued investment in the Northeast, strategically expanding into the growing Massachusetts market.

Has acquired

Vertiv Holdings Co (NYSE: VRT), a global provider of critical digital infrastructure, acquired **the Great Lakes Data Racks & Cabinets family of companies ("Great Lakes"),** a leading manufacturer of innovative data rack enclosures and integrated infrastructure solutions.

Great Lakes brings exceptional talent and capabilities that will enhance Vertiv's ability to deliver comprehensive infrastructure solutions, furthering their capabilities to customize at scale and configure at speed for AI and high-density computing environments.

Has acquired

Source: Capital IQ

COMPANY SPOTLIGHT- BLADE AIR

Giancarlo Sessa & Aedan Fida
CRO **CEO**

What was the process and experience like building your own business? How has the company evolved over time as you've grown?

Building Blade Air has been an eight-year journey defined by resilience, reinvention, and a belief that meaningful impact often begins in the places the industry overlooks. We launched the company in 2017 with a single innovation, the world's first zero-waste carbon filter, and early adoption came from a surprising market: the newly legalized cannabis sector. It was a space facing acute odour-control and compliance challenges, and our technology offered an immediate, measurable solution.

As we built momentum, the industry around us shifted. The pandemic created a watershed moment for indoor air quality. Practically overnight, air systems moved from a technical afterthought to a national priority, and it became clear how unprepared most buildings were. For us, this was a turning point. We already operated as a Canadian manufacturer in the air quality space, and we felt responsible to step forward at a time when few organizations were ready. We expanded our engineering capabilities and became a trusted partner to governments and institutions that needed high-performance IAQ solutions at scale.

A second transformation followed just as quickly. Coming out of the pandemic, buildings were expected to deliver better air quality and better energy performance at the same time. Most HVAC systems were not designed to achieve both, and this gap highlighted the next great challenge in the built environment: improving airflow efficiency. That realization pushed us to rethink our focus and ultimately led to the discovery, acquisition, and scaling of what is now the Pro Filter technology. It allowed buildings to strengthen filtration while reducing HVAC energy use, an outcome that had historically been considered incompatible.

Today, Blade Air has grown from a startup with a single product into a cleantech manufacturer whose technologies operate across more than half a billion cubic feet of building space. We have evolved through eras of early innovation, market discovery, and strategic acquisitions, and we now enter a period of scale with a clear mandate. Blade Air has become a global leader in HVAC energy efficiency and a partner to organizations that want measurable improvements in performance, sustainability, and operational costs. Our purpose has remained constant: solve real problems and move the industry forward with solutions that are practical, impactful, and rooted in engineering.

How does Blade Air fit into the HVACR ecosystem and how does you differentiate your offering from other products?

Blade Air operates in a part of the HVACR ecosystem that has historically been undervalued despite holding enormous influence over system performance: filtration. Air filters have traditionally been viewed as commodity products and simple maintenance expenses. In reality, they are the second-largest source of airflow resistance in an HVAC system, which means they directly affect fan power, equipment longevity, IAQ, and overall energy consumption.

Our role is to rethink this overlooked component and reposition it as a high-impact energy-efficiency tool. The Pro Filter series replaces traditional pleated filters with a low-pressure-drop, electromagnetic design that captures ultrafine particles while requiring significantly less energy to move air through the system. For clients, this translates into a 15 percent improvement in HVAC-related energy performance and an average 6 percent reduction across the total building envelope. Each Pro Filter also reduces approximately 240 kilograms of CO_2e annually, so operators quantify both financial and sustainability gains.

COMPANY SPOTLIGHT- BLADE AIR

This positions Blade Air uniquely. We compete with traditional filter manufacturers and with energy-efficiency technologies such as LEDs, heat pumps, and smart systems, although our solution is capital-light, simple to install, and requires no equipment changes or retrofits. As a result, clients experience faster ROI and faster payback periods than with any other major-system energy efficiency investment. In a market defined by rising utility costs, grid strain, and increasing IAQ expectations, the combination of measurable impact, simplicity, and speed has become a major differentiator.

What trends are you seeing in the industry currently? What factors do you think will drive the continued evolution of the marketplace?

The HVACR and building-performance sectors are in a moment of rapid change, shaped by economic realities, shifting tenant expectations, and structural limitations in existing infrastructure.

1. **The energy crisis in the built environment is accelerating efficiency investment.**
   Electricity demand is rising sharply due to electrification, AI, and data-center expansion. HVAC accounts for 40 to 60 percent of energy consumption in many commercial and industrial facilities, which makes airflow efficiency one of the highest-impact levers available to operators. As peak demand is hit more frequently and grid constraints worsen, improving HVAC efficiency is becoming a necessity rather than an optional upgrade.
2. **IAQ expectations have permanently increased.**
   Healthier air has become a baseline requirement, especially in commercial office environments navigating the return-to-office movement. Tenants expect cleaner air and consistent comfort. Many buildings were not designed to meet these expectations, especially when combined with the need to reduce energy use, manage capital constraints, and operate with fewer skilled staff. This convergence is forcing operators to rethink their filtration strategy because it is one of the few controllable factors that influences both IAQ and energy performance.
3. **Capital-light improvements are rising to the top.**
   Global economic uncertainty has delayed major capital projects, yet the pressures on efficiency, air quality, and grid demand continue to increase. Facility teams would prefer to pause, although doing nothing creates further operational and financial risk. As a result, organizations are prioritizing projects that deliver high impact without requiring construction, equipment replacement, or lengthy shutdowns. Solutions that maximize performance with minimal capital outlay are winning.
4. **Global sustainability pressures are reshaping expectations.**
   While North America has seen fluctuations in policy priorities, global markets continue to move toward stronger emissions reporting, energy-efficiency incentives, and sustainability-linked financing. In regions with significant power shortages, such as parts of Asia and Europe, sustainability investments are being used as a practical mechanism to reduce grid strain. International REITs, Fortune-level organizations, and global investors are continuing to drive demand for technologies that demonstrate verifiable energy and carbon reductions.
5. **Specialized environments are setting new performance baselines.**
   Sectors such as healthcare, manufacturing, and especially data centers are reshaping HVAC priorities. Data centers require uptime levels exceeding 99 percent, and HVAC inefficiency directly affects their ability to operate. These environments have extreme airflow demands and are becoming major drivers of innovation, accelerating the need for technologies that improve cooling performance while reducing energy load.

Taken together, these forces point to a market that is moving away from incremental improvements and toward high-impact, data-backed solutions. Buildings now require technologies that are efficient, scalable, and able to deliver dual performance outcomes: better/efficient air and lower energy use

COMPANY SPOTLIGHT- BLADE AIR

How has the calculus around energy efficiency and indoor air quality changed in the space and what is driving the increased interest in these factors?

The relationship between IAQ and energy efficiency is being rewritten in real time. Historically, these two priorities were seen as competing forces. Higher-rated filters increased pressure drop, which meant systems required more fan power and more energy. Better IAQ came at the expense of higher operating costs, and procurement decisions reflected that reality.

The industry no longer has the luxury of that tradeoff. Expectations for IAQ have never been higher, especially in commercial office assets where occupancy trends show a clear “flight to quality.” At the same time, grid constraints are worsening, energy prices are climbing, and mechanical systems are aging. Operators must find solutions that improve air quality and reduce energy use simultaneously because engineering around one requirement without addressing the other only creates a new point of failure.

Several forces are driving this shift:

- **Energy consumption is now both a utility and a carbon issue.**
- Efficiency influences operating budgets and emissions reporting, which affects valuations, ESG performance, and investor confidence.
- **Operators are prioritizing solutions that eliminate historical tradeoffs.**
- They want technologies that improve IAQ while easing mechanical strain and lowering total energy use. This reflects a more integrated view of building performance.
- **Advancements in filtration technology have changed what is possible.**
- Modern low-pressure-drop and electromagnetic systems allow buildings to achieve higher IAQ without increasing energy consumption or compromising airflow.
- **Buildings must support both human health and system health.**
- Clean air improves comfort, productivity, and tenant satisfaction, while efficiency reduces costs and extends equipment life. Operators need both outcomes at once.

This convergence is reshaping the decision model across the built environment. Buildings require solutions that make them cleaner, more efficient, and simpler to operate, and they require these solutions now. The organizations that can deliver measurable IAQ improvements without adding energy burden will define the next generation of building performance, which is where Blade Air has positioned itself.

RECOMMENDED READING

NASA Air Quality Monitoring With Satellites

"It's estimated that air pollution is responsible for more than 6.5 million deaths annually. Unhealthy air causes issues in every area of the world, and one of the most important parts of fighting this trend is to accurately monitor and report air quality levels in a timely manner." – *HVAC Informed*

Commercial HVAC Lifespan: Key Influencing Factors

"Understanding the lifespan of commercial HVAC systems is essential for business owners and facility managers. Service lives vary significantly based on factors such as maintenance practices, usage patterns, and other critical influences." – *HVAC Informed*

HVAC Execs Weigh In On Residential Market Challenges

"Executives from several publicly traded HVAC companies flew to sunny Laguna Beach, California, for an annual Morgan Stanley conference — and offered a frank assessment of the residential HVAC market. While the figure includes commercial units, U.S. combined shipments of central air conditioners and air-source heat pumps in July fell 27 percent year-over-year, according to AHRI data released last week. We estimate that industry volumes in August and September will be down in that range, if not worse, said Carrier CEO Dave Gitlin during a conference session. This would represent the weakest industry Q3 volume in over a decade." – *Homepros*

Nexstar Network Parts Ways With Private Equity

"Nexstar Network, the 33-year-old HVAC, plumbing, and electrical-focused coaching and training group, is parting ways with its private equity-backed members. Just three years ago, private equity-backed contractors represented 10% of Nexstar's membership base. Today, that figure sits at 33%, with those members accounting for 50% of the organization's revenue, CEO Julian Scadden noted in a blog post. Every business has a core mission, Scadden wrote. For us, it's serving the underdog. The skilled tech in a van who dreams of owning a fleet." – *Homepros*

Q-PAC Announces FLOW 2025: A New Fan & Airflow Technology Summit For The Commercial HVAC Industry

"FLOW is for the doers and the decision-makers. Consulting engineers, air handler OEMs, manufacturers' representatives, retrofit contractors, and commercial building professionals who see themselves as not just participants in the commercial air handling industry, but as drivers of its next chapter. Created to break away from the noise and traditional trade show format, FLOW offers these forward-thinkers an inside look at the Q-PAC philosophy and its application in the field." – *HVAC Insider*

RELEVANT TRANSACTION EXPERIENCE

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

GREYSTONE ENERGY SYSTEMS INC

Has acquired

armstrong MONITORING

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

ATLAS STEEL

Has acquired

BLOCK STEEL CORP.

&

SAMSON ROLL FORMED PRODUCTS COMPANY

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

Braeburn.

Has been recapitalized by a strategic investor

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

matholding

Has acquired

OCV Control Valves LLC

through

Dorot

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

Wyse Meter Solutions

Provided sell-side services

Wyse Meter Solutions
Provides smart submetering and utility expense management solutions

The Specialist in Filtration YAMASHIN

Provided acquisition services

Yamashin – Filter
Manufactures air and fluid filters and filtration media

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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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