

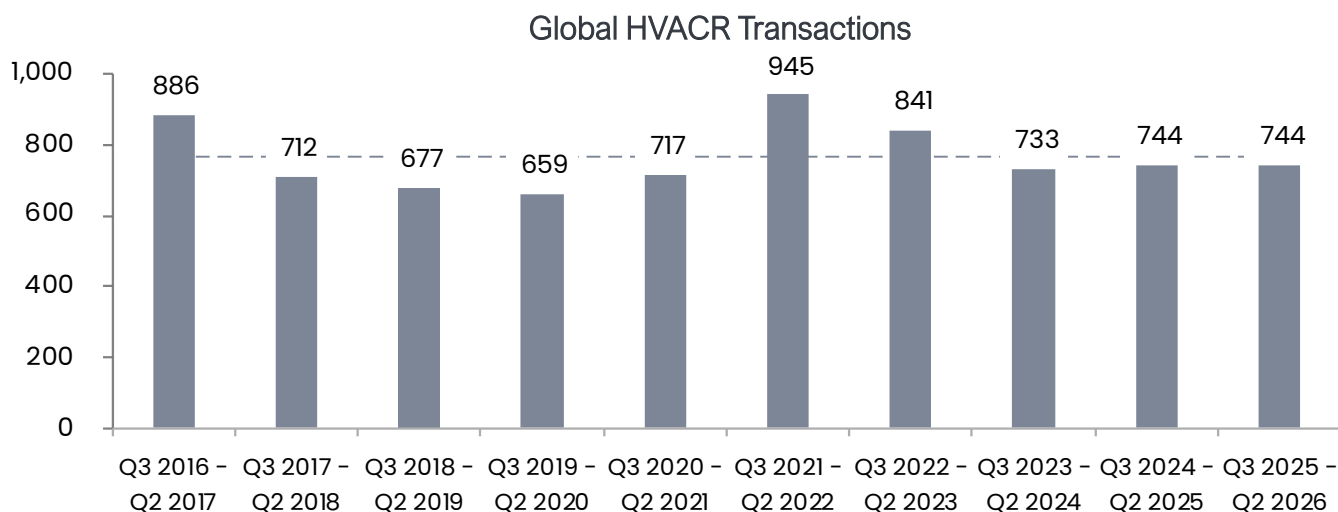


Q2 2026

M&A REVIEW ON HVACR

M&A ENVIRONMENT

Drawing from our discussions with buyers/investors, we anticipate that we will see a marked uptick in transaction activity through the second half of 2026. Businesses with sustainable/recurring revenue, differentiated products and capabilities, reputational strength, and actionable growth opportunities will attract the most attention. HVACR services M&A continues to outperform the rest of the industry buoyed by financial sponsor-driven consolidation, recurring maintenance, and retrofit cyclical, while the most active categories on the equipment/manufacturing side, include data centers, AI software, refrigerant technology, and heat pumps.



Source: Capital IQ

Headwinds, do however, remain. Tariff policy remains a key factor for equipment margins and deal returns/economics. Buyer diligence is as rigorous as we can remember. Slow growth and non-differentiated sellers are struggling to find buyers/partners in the current market.

Preparation is key. 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.

Of note, we have started to see some signs of weakness among certain consolidators. In the US, Air Pros had a well-publicized collapse and was subsequently sold in parts in 2025, while in Canada, MechCan, another consolidator focused on consolidating regional HVACR providers, has undergone a similar bankruptcy proceeding and subsequent divestiture in 2026. These cases, while still isolated, highlight the importance of proper diligence, transaction structuring, and operational excellence in the HVACR industry.

PERFORMANCE OF PUBLICLY LISTED HVACR COMPANIES

(\$ in millions)

Company Name	Headquarters	Enterprise		EBITDA		Q2 2026 EV Multiples of:		Q2 2025
		Value (EV)	Revenue	\$	%	Revenue	EBITDA	EV/EBITDA
Manufacturer								
A. O. Smith Corporation	United States	9,098	3,805	784	21%	2.4x	11.6x	12.0x
Carrier Global Corporation	United States	72,474	22,108	3,093	14%	3.3x	23.4x	19.9x
Daikin Industries, Ltd.	Japan	43,640	32,164	4,382	14%	1.4x	10.0x	8.0x
Honeywell International Inc.	United States	97,375	38,057	8,512	22%	2.6x	11.4x	21.4x
Ingersoll Rand Inc.	United States	35,810	7,942	2,015	25%	4.5x	17.8x	18.9x
Johnson Controls International plc	Ireland	97,994	24,995	4,325	17%	3.9x	22.7x	18.3x
Johnson Electric Holdings Limited	Hong Kong	1,814	3,650	468	13%	0.5x	3.9x	4.2x
Lennox International Inc.	United States	21,843	5,302	1,171	22%	4.1x	18.7x	18.6x
Modine Manufacturing Company	United States	14,618	3,372	450	13%	4.3x	32.5x	14.4x
Patels Airtemp (India) Limited	India	26	20	2	10%	1.3x	13.3x	10.2x
SPX Technologies, Inc.	United States	12,792	2,476	522	21%	5.2x	24.5x	19.2x
Standex International Corporation	United States	4,795	892	191	21%	5.4x	25.1x	15.5x
Trane Technologies plc	Ireland	112,137	22,210	4,308	19%	5.0x	26.0x	24.9x
Mean		\$ 40,340	\$ 12,846	\$ 2,325	18%	3.4x	18.5x	15.8x
Median		\$ 21,843	\$ 5,302	\$ 1,171	19%	3.9x	18.7x	18.3x
Distributor								
Ferguson Enterprises Inc.	United States	51,288	31,446	3,071	10%	1.6x	16.7x	16.5x
Global Industrial Company	United States	1,318	1,436	124	9%	0.9x	10.7x	11.2x
Watsco, Inc.	United States	16,024	7,284	701	10%	2.2x	22.9x	21.9x
Mean		\$ 22,877	\$ 13,389	\$ 1,298	9%	1.6x	16.7x	16.5x
Median		\$ 16,024	\$ 7,284	\$ 701	10%	1.6x	16.7x	16.5x
Services								
ABM Industries Incorporated	United States	4,466	9,053	441	5%	0.5x	10.1x	10.9x
API Group Corporation	United States	20,772	8,438	1,080	13%	2.5x	19.2x	20.0x
Comfort Systems USA, Inc.	United States	68,918	11,228	2,003	18%	6.1x	34.4x	17.6x
EMCOR Group, Inc.	United States	36,481	18,598	1,991	11%	2.0x	18.3x	14.5x
Limbach Holdings, Inc.	United States	979	684	59	9%	1.4x	16.5x	27.3x
Nippon Air Conditioning Services Co.,	Japan	308	433	36	8%	0.7x	8.6x	6.8x
Sanki Engineering Co., Ltd.	Japan	2,674	1,589	199	13%	1.7x	13.5x	7.1x
Mean		\$ 19,228	\$ 7,146	\$ 830	11%	2.1x	17.2x	14.9x
Median		\$ 4,466	\$ 8,438	\$ 441	11%	1.7x	16.5x	14.5x
Mean - All Categories		\$ 31,637	\$ 11,182	\$ 1,736	15%	2.8x	17.9x	15.6x
Median - All Categories		\$ 16,024	\$ 7,284	\$ 784	13%	2.4x	17.8x	16.5x

Source: Capital IQ, as of June 30, 2026 & June 30, 2025

SELECT HVACR M&A TRANSACTIONS FROM Q2 2026

Closed Date	Acquirer	Target	Target Description
Jun-26	Modigent, LLC	P&E Mechanical Contractors, LLC	Provides mechanical and plumbing services, including HVAC installation, maintenance and emergency repair, for residential and commercial customers in Texas
Jun-26	Hoffman & Hoffman, Inc.	Aeromechanical, LLC	Distributes air distribution and HVAC products, including duct systems, fans, heaters and ventilation equipment, to contractors and engineers
Jun-26	Parts Town LLC	Eighty-Six Inc	Provides a technology-enabled repair and maintenance platform for restaurant and foodservice equipment, including HVAC and refrigeration
Jun-26	Alfar Capital Partners	1-800-Radiator & A/C Canada Inc.	Distributes aftermarket heat exchangers, A/C, emissions and electric rotating parts for light- and heavy-duty vehicles in Canada
Jun-26	Anchor Air LC	Southeastern Heating And Air Conditioning, Inc.	Provides residential and commercial HVAC equipment sales, installation, repair and maintenance services in coastal North Carolina
Jun-26	Exigent Services, LLC	Superior Building Services, Inc.	Provides mechanical contracting focused on boiler, chiller and HVAC service and retrofit for education, food and beverage, healthcare and government end markets
Jun-26	Swegon Group AB	Laminair AG	Distributes ventilation and air conditioning components for residential, public and industrial buildings in Switzerland
Jun-26	Hessaire Products, Inc.	PennBarry, Inc.	Manufactures ventilation products, including fans and air movement equipment, for commercial and light industrial applications
Jun-26	The Master Group L.P.	Distributor Corporation Of New England	Distributes commercial and residential heating and air conditioning equipment, parts and supplies across New England
Jun-26	Phoenix Facility Group LLC	Advantage Air LLC	Provides residential and commercial HVAC installation, repair and maintenance, plus insulation and indoor air quality solutions, in Missouri
Jun-26	Nordic Climate Group AB	K4 Service Ltd	Provides custom energy systems for the HVAC market, including heat pump, chiller and air handling design, installation and logistics services in the UK
Jun-26	Kelso Industries, LLC	United Services LLC	Provides electrical, plumbing, HVAC and refrigeration installation, maintenance and repair for residential, commercial and industrial customers in East Tennessee
Jun-26	PremiStar, LLC	Mechanical Service & Systems, Inc.	Provides design-build, installation, repair and preventive maintenance for HVAC, plumbing, boilers, controls and fabrication in Utah
Jun-26	Sylmar Group HoldCo LLC	Tower Cleaning Plus Inc.	Provides cooling tower cleaning, HVAC water treatment and legionella compliance services in the New York metro market
Jun-26	Hubbell Incorporated (NYSE:HUBB)	NSI Industries, LLC	Manufactures and distributes HVAC and electrical connectors, fittings and wire management products for electrical and communications distributors
Jun-26	ALS, LLC	Priority One Heating & Air Conditioning	Provides residential HVAC installation, maintenance and repair of furnaces, heat pumps and air conditioning systems in Oregon
Jun-26	FirstCall Mechanical Group, LLC	Comfort Indoor Solutions, Inc.	Provides commercial HVAC services for customers in the greater Chicago market
Jun-26	Lennox International Inc. (NYSE:LII)	Heat Controller, Inc.	Supplies HVAC equipment to distributors across North America under the Comfort-Aire and Century brands, from its base in Jackson, Michigan
Jun-26	Watsco, Inc. (NYSE:WSO)	Jackson Supply Company	Distributes HVAC equipment and supplies through 25 locations to approximately 5,000 contractor customers across the Sunbelt, with \$230 million of 2025 sales

Source: Capital IQ

SELECT HVACR M&A TRANSACTIONS FROM Q2 2026 (CONTINUED)

Closed Date	Acquirer	Target	Target Description
May-26	Beijer Ref AB (publ) (OM:BEIJ B)	AM Distributors, Inc.	Distributes HVAC equipment parts and supplies to contractors in the South Florida market
May-26	Air Control Concepts, LLC	Cardinal Control Systems, Inc.	Provides HVAC controls and building automation contracting, including direct digital controls and system integration, for commercial and institutional markets in Long Island
May-26	Impact Climate Technologies LLC	Delta T Equipment, LP	Distributes commercial HVAC and plumbing products, including cooling towers, pumps, boilers, water heaters and heat exchangers, in Texas
May-26	Advantage Distribution Holdings, LLC	cfm Distributors, Inc.	Distributes residential and commercial HVAC equipment, parts and accessories across the Midwest
May-26	American Residential Services LLC	Tipping Hat Plumbing Heating And Electric	Provides residential plumbing, heating, cooling and electrical services in the Denver market
May-26	Robert Madden Industries, LTD.	AC Supply Co.	Distributes HVAC products and provides related services to contractors in the Texas market
May-26	SRS Distribution, Inc.	Mingledorff's Inc.	Distributes HVAC equipment, parts and supplies to contractors and industrial accounts across the southeastern United States
May-26	Leap Service Partners, LLC	Air Hawk Heating and Cooling LLC	Provides residential HVAC repair, installation and routine maintenance services in the Tampa market
May-26	Redwood Services Holdco, LLC	Sierra, LLC	Provides air conditioning, heating and indoor air quality service, repair, maintenance and installation in the Las Vegas Valley
Apr-26	Impact Climate Technologies LLC	DistribAire, Inc.	Distributes HVAC and air flow products, with in-house engineering support for custom designs, in the Greater Houston market
Apr-26	Homex Services Group LLC	Magnolia Plumbing, Inc.	Provides plumbing and HVAC repair, replacement, installation and maintenance services in the Washington, D.C. market
Apr-26	Northwinds Services Group LLC	White Heating, LLC	Provides residential heating, air conditioning and indoor air quality installation, repair and maintenance services in the Pittsburgh market
Apr-26	Superior Duct Fabrication, Inc.	Air Handlers Supply, Inc.	Manufactures and distributes sheet metal products and HVAC accessories through a distributor network in California
Apr-26	Hall Capital Holdings, LLC	AC Direct	Provides online distribution of residential heating and air conditioning equipment, including AC units, furnaces and ductless mini splits
Apr-26	Harrell - Fish, Inc.	Ecofriendly Solutions, Inc.	Provides sustainable heating and cooling services, including heat pumps, boilers, radiant heating and ductless mini splits, in Indiana
Apr-26	1Click Energy Solutions Inc.	Total Energy Solutions	Provides energy-efficient heating and cooling solutions, including heat pump installation, electrical panel upgrades and EV charger installation, in Canada
Apr-26	Swegon Group AB	Western Airconditioning B.V.	Manufactures and sells climate control solutions, including air conditioners, heat pumps, chillers and air handling equipment, in the Netherlands

Source: Capital IQ

NOTABLE HVACR M&A TRANSACTIONS FROM Q2 2026

SRS Distribution, a subsidiary of The Home Depot, acquired **Mingledorff's**, a leading wholesale distributor of heating, ventilation and air conditioning (HVAC) equipment, parts and supplies, serving residential and commercial customers through 42 locations in five states across the southeastern U.S.

The acquisition of Mingledorff's adds HVAC distribution as a new vertical for SRS and brings an extensive product portfolio, robust distribution network and established customer relationships that are highly complementary to SRS's existing business.



Has acquired



Hubbell Inc., a leading manufacturer of utility and electrical solutions, acquired **NSI Industries**, a leading manufacturer and supplier of over 15,000 branded electrical products that are sold to over 2,000 distributors in North America.

NSI offers highly complementary products and industry-leading brands to Hubbell's HES portfolio across strategic growth verticals including light industrial, datacenter and network infrastructure applications. The acquisition of NSI fits clearly with their long-term strategy to grow our offering of critical infrastructure solutions to our core electrical and utility customers



Has acquired



Watsco, the largest distributor in the highly-fragmented North American HVAC/R market, acquired **Jackson Supply**, one of the Sunbelt's largest, independent HVAC distributors.

This investment represents a meaningful expansion of Watsco's footprint across the Sunbelt, adding 25 locations and approximately 5,000 contractor customers across some of the fastest-growing markets in the United States.



Has acquired



Lennox, a leader in energy-efficient building solutions, completed the acquisition of **Heat Controller**, a leading HVAC equipment supplier.

The acquisition strengthens Lennox's ability to serve small and mid-size HVAC distributors by expanding access to differentiated equipment offerings while creating new opportunities to broaden Lennox's share in the North American HVAC market.



Has acquired



The Master Group, a leading North American distributor of heating, ventilation, air conditioning and refrigeration equipment, parts and supplies, acquired **Distributor Corporation of New England**, a well-established Carrier distributor serving the eastern New England region.

The acquisition supports Master's continued expansion in the United States and strengthens its presence in the Northeast U.S., an established HVAC market with sustained demand across both residential and commercial segments.



Has acquired





RECOMMENDED READING

US Trade School Revenue Climbs To \$19.1 Billion

“A quiet winner has emerged amid America’s skilled trades boom: Trade schools. U.S. trade schools generated \$19.1 billion in revenue in 2025, up 11.4% year-over-year, education-focused marketing and research firm Validated Insights noted in a new report, based on federal data. Universal Technical Institute and Lincoln Tech — two of the nation’s largest for-profit operators, which offer HVAC training among their programs — in fiscal 2025 saw revenue climb 14 and 20% year-over-year, respectively, it added.” –

[Homepros](#)

Gas Water Heater Shipments Hit Six-Year Low As Electric Holds Up

“Roughly 1.44 million residential gas water heaters were shipped between January and April of this year, the lowest first-four-month total of the past six years, per AHRI.” – [Homepros](#)

HVAC Enrollment At Two-Year Colleges Jumped 17% This Spring

“US enrollment in HVAC-specific programs at public two-year colleges this spring grew double-digits for the second consecutive year. Roughly 30,500 students were enrolled in such programs during the spring 2026 semester, a 16.7% year-over-year increase, according to a report published by the National Student Clearinghouse, which collects and analyzes postsecondary enrollment data.” – [Homepros](#)

Quilt Debuts AI Campaign Tool For HVAC Lead Generation

“Developed in just four weeks, the tool aims to help HVAC contractors compete more effectively amid rising advertising costs. The platform generates 98 visual assets and customizable copy tailored to local climate, housing, and promotions and supports multiple channels including Meta, Google, radio, TV, emails, blogs, and social media for comprehensive marketing outreach.” – [Contracting Business](#)

Aging Homes Drive HVAC And Repair Spending In 2026, Housecall Pro Survey Finds

“Most homeowners plan to stay in their current homes for the foreseeable future, with many living in homes over 20 years old, increasing the need for repairs and maintenance. Rising costs and project delays are common, prompting homeowners to seek multiple quotes and prioritize urgent repairs, creating opportunities for contractors who offer quick, clear, and financed solutions. A majority of homeowners are willing to pay more for emergency repairs within 24 hours, highlighting the importance of rapid response services.” – [Contracting Business](#)

RELEVANT TRANSACTION EXPERIENCE



Has announced its pending acquisition by



Financial Advisor on its Sale to



Financial Advisor on its Sale to



Financial Advisor on their Sale to



Has been recapitalized by a strategic investor



Exclusive Financial Advisor on its Sale to



Open-ended Acquisition Screening & Advisory



Exclusive Financial Advisor on its Minority Investment from



Financial Advisor on its Sale to



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.

ORIGIN MERCHANT PARTNERS' HVACR TEAM



SCOTT SIMS*

MANAGING DIRECTOR – US HVACR LEAD
scott.sims@originmerchant.com



SHAUN QUENNEL

MANAGING DIRECTOR – CANADIAN
HVACR LEAD
shaun.quennell@originmerchant.com



JIM OSLER

MANAGING DIRECTOR
jim.osler@originmerchant.com



NICK NEWLIN*

MANAGING DIRECTOR
nick.newlin@originmerchant.com



ALAIN MIQUELON

MANAGING DIRECTOR
alain.miquelon@originmerchant.com



BOB WUJTOWICZ

SENIOR ADVISOR
bob.wujtowicz@originmerchant.com



CATHERINE DAVID NOLAN

SENIOR ADVISOR
catherine.davidnolan@originmerchant.com

*Certain US professionals are registered representatives of, and securities transactions are conducted through Consensus Securities LLC, d/b/a Consensus Origin Securities LLC, Member FINRA/SIPC."