



Q4 2024

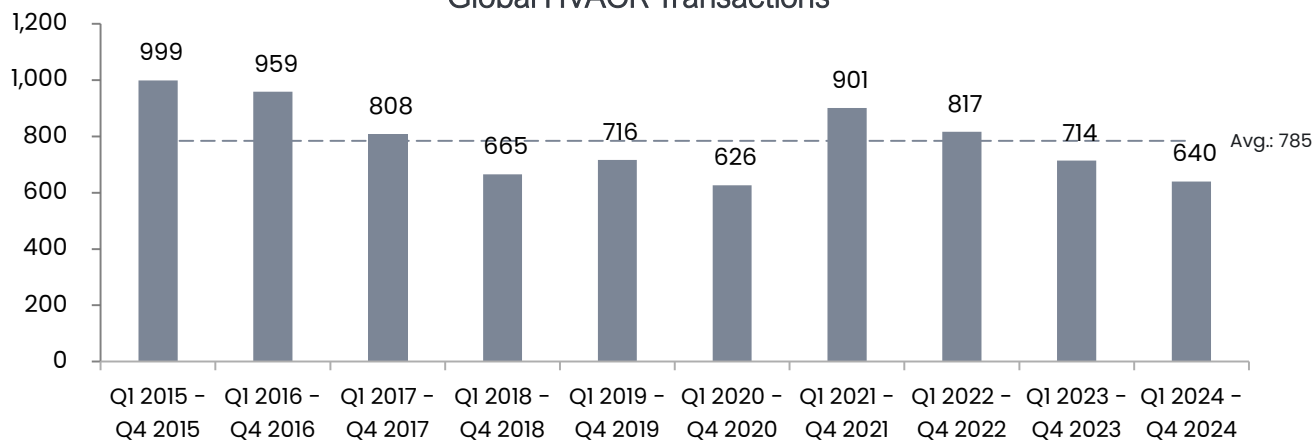
M&A REVIEW ON HVACR



M&A ENVIRONMENT

While the market remains muted, we anticipate that transaction activity will recover in Q1 2025 with further acceleration anticipated in 2025 with the US election in the rear-view mirror. Overall sentiment remains consistent – investors and buyers alike are gearing up for an active HVACR M&A market in 2025.

Global HVACR Transactions



Source: Capital IQ

Below are key trends that are driving M&A to varying degrees across the HVACR the industry:

- ▶ Building decarbonization
- ▶ Cybersecurity
- ▶ Indoor air quality
- ▶ Electrification
- ▶ Refrigerant transition
- ▶ Tariffs
- ▶ Replacement/retrofit
- ▶ Product sustainability
- ▶ Life safety
- ▶ Aging HVAC technicians
- ▶ Onshoring
- ▶ Building automation

Origin led a notable transaction in the gas detection space as Armstrong Monitoring was acquired by Greystone Energy Systems in December. Armstrong Monitoring, founded in 1981 and based in Ottawa, Canada, designs, develops, manufactures, and services proprietary monitors, systems, transmitters, sensors, and accessories for commercial, industrial, and military gas detection applications.

Greystone Energy Systems has over 30 years of experience designing, manufacturing, and supplying HVAC sensors and transmitters for building automation management systems. Headquartered in Moncton, New Brunswick, their global family consists of 9 locations globally, including regional sales offices in Dubai, India, Singapore, and Malaysia.

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 Q4 2024 Enterprise Value/EBITDA median multiple increased to 16.5x from 13.6x in Q3 2024.

(\$ in millions)									
Company Name	Headquarters	Market Cap	Enterprise Value (EV)	Revenue	EBITDA		Q4 2024 EV Multiples of:		Q4 2023
					\$	%	Revenue	EBITDA	EV/EBITDA
<i>Manufacturer</i>									
A. O. Smith Corporation	United States	9,890	9,778	3,894	809	21%	2.5x	12.1x	14.8x
Carrier Global Corporation	United States	61,245	72,246	24,801	3,318	13%	2.9x	21.8x	19.2x
Daikin Industries, Ltd.	Japan	34,751	34,897	32,550	4,425	14%	1.1x	7.9x	11.8x
Honeywell International Inc.	United States	146,884	168,514	37,850	9,164	24%	4.5x	18.4x	17.4x
Ingersoll Rand Inc.	United States	36,457	40,030	7,158	1,901	27%	5.6x	21.1x	19.4x
Johnson Controls International plc	Ireland	52,266	63,626	22,952	3,275	14%	2.8x	19.4x	13.6x
Johnson Electric Holdings Limited	Hong Kong	1,292	1,063	3,731	541	14%	0.3x	2.0x	2.8x
Lennox International Inc.	United States	21,705	22,873	5,151	1,055	20%	4.4x	21.7x	19.1x
Modine Manufacturing Company	United States	6,087	6,515	2,484	345	14%	2.6x	18.9x	11.5x
Patels Airtemp (India) Limited	India	40	51	48	4	9%	1.1x	11.6x	9.4x
SPX Technologies, Inc.	United States	6,746	7,406	1,920	397	21%	3.9x	18.7x	17.7x
Standex International Corporation	United States	2,259	2,279	706	138	20%	3.2x	16.5x	13.5x
Trane Technologies plc	Ireland	83,113	86,477	19,388	3,691	19%	4.5x	23.4x	18.9x
Unique Fabricating, Inc.	United States	0	-	135	6	4%	0.0x	0.0x	10.5x
Mean			\$ 36,840	\$ 11,626	\$ 2,076	17%	2.8x	15.2x	14.3x
Median			\$ 16,325	\$ 4,522	\$ 932	17%	2.8x	18.5x	14.2x
<i>Distributor</i>									
Ferguson Enterprises Inc.	United States	34,705	39,742	29,699	2,913	10%	1.3x	13.6x	14.6x
Global Industrial Company	United States	948	995	1,334	96	7%	0.7x	10.4x	14.8x
Watsco, Inc.	United States	18,179	18,523	7,468	761	10%	2.5x	24.3x	20.4x
Mean			\$ 19,753	\$ 12,833	\$ 1,257	9%	1.5x	16.1x	16.6x
Median			\$ 18,523	\$ 7,468	\$ 761	10%	1.3x	13.6x	14.8x
<i>Services</i>									
ABM Industries Incorporated	United States	3,184	4,591	8,359	414	5%	0.5x	11.1x	9.1x
APi Group Corporation	United States	9,884	12,535	6,916	737	11%	1.8x	17.0x	16.8x
Comfort Systems USA, Inc.	United States	15,045	14,933	6,517	779	12%	2.3x	19.2x	15.0x
EMCOR Group, Inc.	United States	20,880	20,202	14,235	1,375	10%	1.4x	14.7x	10.1x
Limbach Holdings, Inc.	United States	964	959	518	48	9%	1.9x	19.9x	12.0x
Nippon Air Conditioning Services Co., Ltd.	Japan	232	203	426	33	8%	0.5x	6.2x	5.2x
Sanki Engineering Co., Ltd.	Japan	1,058	895	1,664	127	8%	0.5x	7.0x	5.5x
Sescom S.A.	Poland	-	-	71	6	8%	0.0x	0.0x	4.3x
Mean			\$ 6,790	\$ 4,838	\$ 440	9%	1.1x	11.9x	9.8x
Median			\$ 2,775	\$ 4,091	\$ 271	9%	1.0x	12.9x	9.6x
Mean - All Categories			\$ 25,173	\$ 9,599	\$ 1,454	13%	2.1x	14.3x	13.1x
Median - All Categories			\$ 9,778	\$ 5,151	\$ 737	12%	1.9x	16.5x	13.6x

Source: Capital IQ, as of December 31, 2024 & December 31, 2023

SELECT HVACR M&A TRANSACTIONS FROM Q4 2024

Closed Date	Acquirer	Target	Target Description
Dec-24	Greystone Energy Systems	Armstrong Monitoring	Designs, manufactures, and services proprietary monitors, systems, transmitters, sensors, and accessories for gas detection applications
Dec-24	Sila Services, LLC	John Nugent & Sons, Inc.	Provides heating, cooling, plumbing, electric, and generator services intended for residential and commercial customers
Dec-24	Browntech Sales Co. Ltd	Titon Korea Co. Ltd	Manufactures ventilation products
Dec-24	Sila Services, LLC	A-Comfort Service Industries, Inc.	Provides installation and service solutions for heating, cooling, plumbing, and generators for residential and commercial sectors
Dec-24	Altebra NV	Fire Concept SA	Construction and engineering company offering plumbing, heating, and air-conditioning installation services
Dec-24	PremiStar, LLC	Chadwick Service Company	Provides commercial heating, air conditioning maintenance, repair, and installation services
Dec-24	Service Logic, LLC	Hvac Incorporated	Manufactures, installs, and repair commercial heating and cooling system
Dec-24	SA Reflexe Developpement	Géothermik SAS	Develops and manufactures heat pumps for geothermal energy
Dec-24	AirX Climate Solutions, Inc.	Powrmatic Inc	Engages in the designing and manufacturing of commercial and industrial direct and indirect fired heating and cooling systems and OEM heat exchangers
Dec-24	Gimv NV (ENXTBR:GIMB)	Tibbloc	Provides turnkey standalone rental solutions for the production of heating, domestic hot water, air conditioning, and cooling and provides services
Dec-24	Pentair plc (NYSE:PNR)	G&F Manufacturing, LLC	Manufactures heat pumps
Dec-24	Punctual Pros	Horvath Home Services Inc.	Provides plumbing, HVAC, electrical, installations, repairing, replacements, and remodeling services
Nov-24	Pareto Facilities Management Ltd	Sowga Ltd	Operates as a facility management company that provides mechanical, electrical, HVAC, fire, and security maintenance services
Nov-24	Gonvarri Corporación Financiera, S.L.	Hidira d.d.	Engages in heating, ventilation and air-conditioning business and manufactures accumulator tools without electrical cables and solutions for internal combustion engines and management systems for automotive industry
Nov-24	Sila Heating & Air Conditioning, Inc.	New Berlin Heating & Air Conditioning, Inc.	Offers heating, cooling, ventilation, air conditioning, and ductless services
Nov-24	Quad-C Management, Inc.	Flow Service Partners Tennessee Op-Co LLC	Provides heating, ventilation, and air conditioning (HVAC), plumbing, and refrigeration services for local, national, and residential customers and offers HVAC services
Nov-24	Del-Air Heating, Air Conditioning & Refrigeration, Inc.	Colman Heating & Air, Inc.	Provides HVAC services
Nov-24	-	Air Control Mechanical Contracting, Inc.	Operates as a commercial HVAC contractor that provides installation, service, and maintenance of HVAC systems service to commercial and industrial clients
Nov-24	Sentinel Capital Partners, L.L.C.	NSI Industries, LLC	Manufactures and distributes HVAC, electrical connectors, fittings, and wire management products to serve electrical distributors, and communications distributors, and contractors
Nov-24	Apollo Global Management, Inc. (NYSE:APO)	The State Group, Inc.	Offers construction, retrofit, maintenance, and emergency services for commercial, industrial, and institutional markets

Source: Capital IQ

SELECT HVACR M&A TRANSACTIONS FROM Q4 2024 (CONTINUED)

Closed Date	Acquirer	Target	Target Description
Nov-24	Crete United	Hartwig Mechanical, Inc.	Operates as a mechanical contractor for plumbing, process piping, HVAC, refrigeration, and controls
Nov-24	Air Control Concepts	Midwest Mechanical Solutions, LLC	Manufactures and sells commercial HVAC equipment
Nov-24	PremiStar, LLC	Conditioned Air Design, Inc.	Provides commercial HVAC service, design, and installation services
Nov-24	Liberty Service Partners	Wilson Heating & Air Conditioning, Inc.	Provides heating and air conditioning installation and repair services
Nov-24	Fidelity Engineering, LLC	Tropic-Kool	Heating, ventilation, and air conditioning (HVAC) construction and maintenance services and offers commercial air conditioner maintenance, HVAC testing, preventive maintenance, and automation services
Nov-24	Fieldpiece Instruments, Inc.	Fieldpiece Australia	Manufactures and supplies HVACR tools and instruments and offers a wide range of products including HVAG gauges, vacuum pumps, recovery and vacuum tools, HVAC recovery machines, and vacuum pumps and oil
Nov-24	DCC Energy Ltd.	Mg Habitat	Provides design, installation, and maintenance services for solar PV, heat pumps, and other energy installations
Nov-24	Glacier Energy Services Limited	Advanced Group Services Limited	Manufactures, refurbish, and repair shell and tube heat exchangers
Nov-24	Relevant Industrial, LLC	Control Specialists, Inc.	Engages in the designing and installing industrial HVAC and Process Control Systems
Nov-24	Indy Connection Electrical Contractors, Inc.	Seriously 24-7 LLC	Offers plumbing, heating, cooling, and electrical services
Nov-24	User Friendly Home Services, LLC	Len's Heating & Air Conditioning	Operates as an HVAC company in Northeastern Ohio
Oct-24	Bellrock Property & Facilities Management Limited	The Jordon Group	Designs, supplies, installs, maintains, and repairs of refrigeration, air conditioning, and shop fitting equipment
Oct-24	NexCore	DWC Mechanical, Inc.	Installs, designs, and maintains HVAC services
Oct-24	Yanmar Energy System Co., Ltd.	TEDOM a.s.	Manufactures and sells equipment for combined heat and power (CHP) production and operating technologies for utilization of renewable energy sources
Oct-24	Grafton Group plc (LSE:GFTU)	Salvador Escoda S.A.	Manufactures and trades tools and equipment for heating, ventilation, refrigeration, and insulation
Oct-24	Wolseley UK Limited	Logicool Air Conditioning & Heat Pumps Limited	Distributes electric air conditioner, ventilation, and electric equipment
Oct-24	Apex Service Partners, LLC	Pro Flo A/C And Heating, Inc.	Offers HVAC and plumbing installation, maintenance, and repair services to residential and commercial customers
Oct-24	Lords Group Trading plc (AIM:LORD)	Ultimate Renewables Supplies Ltd	Engages in the design and supply of heat pump and renewable energy solutions
Oct-24	Aspen Pumps Limited	Malco Tools, Inc.	Operates as a tool manufacturing company that provides tools for HVAC and building construction industries
Oct-24	Nene Capital Limited	Cold Tech (Services) Ltd	Engages in the maintenance, installation, and servicing of refrigeration, HVAC, and cold storage systems
Oct-24	EDPO, LLC	Sullivan Oil & Propane	Provides propane, fuel oil, and HVAC services
Oct-24	CBRE Investment Management	Geonova Oy	Provides geothermal and heat pump solutions
Oct-24	ResiXperts	HART HVAC LLC	Offers heating and air conditioning installation, repair, and maintenance services
Oct-24	Noventa Energy Partners Inc.	Innovative heat from wastewater assets of Scottish Water Horizons Ltd	Innovative heat from wastewater assets of Scottish Water Horizons Ltd comprises water and wastewater treatment, liquid waste treatment, and renewable energy generation businesses

Source: Capital IQ

SELECT HVACR M&A TRANSACTIONS FROM Q4 2024 (CONTINUED)

Closed Date	Acquirer	Target	Target Description
Oct-24	Blue Point Capital Partners, LLC	Pinnacle MEP Holdings LLC	Operates as a HVACR and related mechanical services organization and provides electrical, and plumbing services for complex and light commercial and residential customers
Oct-24	Columbia Services Group, Inc.	Airmax Heating & Cooling, LLC	Provides AC repair and HVAC services
Oct-24	Ufenau Capital Partners AG	Romijnders Service BV	Offers technical management and maintenance services for heating, refrigeration, and air conditioning systems
Oct-24	Exyte GmbH	Kinetics Germany GmbH	Process and mechanical contractor, designs and installs process, mechanical, plumbing, and HVAC systems and designs, manufactures, and supplies electroplating systems and solutions, including standard and custom plating equipment
Oct-24	Leonard Valve Company	Heat-Timer Corporation	Operates as an electronic equipment and instruments company
Oct-24	Daikin Applied Americas Inc.	Varitec Solutions LLC	Supplies and installs heating, ventilation, and air conditioning system for commercial buildings
Oct-24	Fidelity Engineering, LLC	Nason Mechanical Systems, LLC	Operates as a mechanical contractor that provides commercial and industrial heating, cooling, piping, and plumbing services
Oct-24	Rheem Manufacturing Company Inc.	Nortek Global HVAC LLC	Designs and manufactures HVAC systems for residential and commercial markets in North America and offers air conditioners, heat pumps, furnaces, packaged units, mini-multi splits, and more
Oct-24	Al Alpine (Luxembourg) S.à r.l.	Heaten AS	Manufactures high-temperature heat pumps and caters to pulp and paper, food and beverages, chemicals, automotive, carbon capture, metal plastic, mechanical engineering, textiles, and wood industries
Oct-24	Wieland Thermal Solutions, Inc.	Onda S.p.A.	Engages in manufacturing heat exchangers
Oct-24	Rix Petroleum Limited	Phoenix Heating Specialists Ltd	Operates as a provider of domestic heating services catering to clients across East Yorkshire and Northern Lincolnshire in England and offers a wide range of services
Oct-24	HASEC Inc.	Yamamoto Setsubi Kiko Co., Ltd.	Manufactures mechanical equipment, such as air conditioning equipment and water supply and drainage equipment
Oct-24	Denomme Plumbing, Heating & Cooling, Inc	Northeast Climate LLC	Engages in providing installation, servicing, and designing of HVAC systems
Oct-24	Elevate Home Services, LLC	St. Clairs Custom Air	Manufactures and offers AC repair and air conditioning service and air purification services and offers HVAC repair service, and HVAC system
Oct-24	Strada Services LLC	Service Today LLC	Offers heating, cooling, electrical, and plumbing services
Oct-24	Leap Service Partners, LLC	Appalachian Heating LLC	Distributes and installs heating equipment for residential and commercial heating
Oct-24	Purmo Group Oyj	Unitherm Heating Systems Ltd	Engages in designing, supplying, commissioning, and servicing air-to-water heat pumps and ventilation system solutions
Oct-24	Quattro Mikenti Group Oy	Ilmastointi Ja Pelti Hakala Oy	Engages in providing ventilation installations and maintenance services
Oct-24	Radial Equity Partners LP	American Louver Company	Specializes in the production of high-performance diffusers and return grilles for HVAC, air supply, and return openings
Oct-24	Munters Group AB (publ) (OM:MTRS)	Geoclimate S.r.l.	Designing and developing special chillers for air conditioning and refrigeration systems and manufacturer of chiller with a cooling capacity

Source: Capital IQ

NOTABLE HVACR M&A TRANSACTIONS FROM Q4 2024

Greystone Energy Systems, a leader in designing, manufacturing, and supplying HVAC sensors and transmitters, acquired **Armstrong Monitoring**, a provider of gas detection solutions.

The transaction will accelerate Armstrong's growth and development, and secure Armstrong's status as the innovation leader in the growing gas detection space.



Acquired



Pentair plc, a leader in helping the world sustainably move, improve and enjoy water, acquired **G&F Manufacturing, LLC**, a Florida-based manufacturer of heat pumps for pools under the Gulfstream brand.

The Gulfstream brand expands Pentair's pool equipment offerings to customers in Florida and surrounding areas and aligns with sustainability trends.



Acquired



Relevant Industrial, LLC, a portfolio company of LKCM Headwater Investments, acquired **Control Specialists, Inc.**, a trusted provider of process instrumentation, control systems, and specialized industrial services.

This transaction allows Relevant to leverage their extensive resources and give a full service offering across a wide range of industries.



relevant.

Acquired



Fidelity Building Services Group, a leading provider of HVAC/mechanical services, building automation, and energy solutions, acquired **Nason Mechanical Systems**, a full-service mechanical contractor based in Auburn, Maine.

This strategic acquisition further strengthens Fidelity's presence and service capabilities in the region.



Acquired



Source: Capital IQ



RECOMMENDED READING

In New Term, Trump Set To Go After Measures That Are Doing The Most To Fight Climate Change

“The election of Donald Trump as president for a second time and the Republican takeback of the U.S. Senate could undo many of the national climate policies that are most reducing planet-warming greenhouse gas emissions, according to climate solutions experts.” – [Associated Press](#)

Will Hydrogen Hubs Be A Clean Energy Boom Or Boondoggle?

“As part of a \$7 billion investment in hydrogen, the U.S. Department of Energy is committed to building a network of hydrogen facilities and pipelines centered in southeast Pennsylvania. Critics are questioning the project’s expense and its net savings in carbon emissions.” – [YaleEnvironment360](#)

Microsoft Shares New Data Center Design Featuring A Closed-Loop Water System For Cooling

“Microsoft revealed details of new approach to cooling data centers that won’t lose water to evaporation. The strategy will still use water, but it’s contained in a closed-loop system where it flows past heat-generating processing chips, drawing off heat that it carries to chillers. Then the cooled water starts the journey all over again.” – [GeekWire](#)

Inside The Heart Of The Magnetocaloric Heat Pump Of The Future

“Electric heat pumps have emerged as heroes of the 21st century decarbonization movement, helping homes and businesses shake free of the fossil energy grip on heating and cooling systems. However, basic heat pump technology dates back to the 1850s. It is long overdue for a modern makeover. In particular, innovators have been looking for alternatives to the refrigerant challenge, including new magnetocaloric systems that do away with refrigerants entirely.” – [CleanTechnica](#)

UC Professor Turns Building Decarbonization Into A Game









“Amanda Webb has dedicated much of her research efforts to reducing greenhouse gas emissions from existing buildings. To encourage others in her field to think about decarbonization in their own work, the University of Cincinnati professor decided to make a game out of her conference workshop.” – [UC News](#)

US Plant Will Produce 1 Million Heat Pump Compressors Per Year

“Mitsubishi Electric will begin US production of variable-speed heat pump compressors in October 2027, following the \$143.5m retrofit of its Kentucky-based auto parts factory.” – [Cooling Post](#)

RELEVANT TRANSACTION EXPERIENCE

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

 <p>GREYSTONE ENERGY SYSTEMS INC.</p> <p><i>Has acquired</i></p>  <p>armstrong MONITORING</p>	<p>Armstrong Monitoring</p> <p>Manufactures and services products for the gas detection industry</p>	 <p>ATLAS STEEL</p> <p><i>Has acquired</i></p>  <p>BLOCK STEEL CORP.</p> <p>&</p>  <p>SAMSON</p> <p><small>ROLL FORMED PRODUCTS COMPANY A Division of The One Group</small></p>	<p>*Block Steel Corp.</p> <p>Processes and distributes heat-resistant product for the HVAC industry</p>	 <p>Braeburn.</p> <p><i>Has been recapitalized by a strategic investor</i></p>	<p>*Braeburn Systems</p> <p>Designs and manufactures thermostats and accessories</p>
 <p>WYSE METER SOLUTIONS</p> <p><i>Provided sell-side services</i></p>	<p>Wyse Meter Solutions</p> <p>Provides smart submetering and utility expense management solutions</p>	<p>The Specialist in Filtration</p>  <p>YAMASHIN</p> <p><i>Provided acquisition services</i></p>	<p>Yamashin – Filter</p> <p>Manufactures air and fluid filters and filtration media</p>	 <p>matholding</p> <p><i>Has acquired</i></p>  <p>OCV Control Valves... Through</p>  <p>Dorot</p>	<p>*OCV Control Valves</p> <p>Manufactures hydraulically-operated, diaphragm-actuated, automatic control valves</p>

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

ABOUT ORIGIN MERCHANT PARTNERS

Origin Merchant Partners is a leading North American independent investment bank that provides value added corporate finance specializing in mergers and acquisitions, capital raising, restructuring, and merchant banking delivered by experienced 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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