



CIBC CAPITAL MARKETS

CIBC BUILDING PRODUCTS MARKET MONITOR: HVACR EQUIPMENT

Summer 2025



Executive summary

In this edition of the Building Products Market Monitor, we're diving into the HVACR equipment market activity and drivers. The HVAC industry is seeing robust growth, driven by strong demand for energy-efficient products, digital innovation, and rapid expansion in data centers. Companies are actively mitigating tariff impacts through local manufacturing, dual sourcing, and price negotiations between suppliers, manufacturers, and installers. M&A activity is focused on strategic acquisitions to enhance HVAC and data center offerings, while distributors and manufacturers' rep groups continue to pursue consolidation to strengthen competitiveness and enhance product category offerings.

CIBC remains active in the sector with multiple transaction announcements including:

- [Sale of Dundas Jafine to Imperial Manufacturing Group](#)
- [Sale of L.B. White to Modine](#) (NYSE: MOD)
- [Sale of Vapor Power International to Thermon](#) (NYSE: THR)

We welcome the opportunity to discuss this ever-active market sector with you.

Regards,

Patrick Bremmer

Managing Director, U.S. Mid-Market Investment Banking

Summary topics

HVACR industry
drivers

Capacity expansion

Transaction activity

Public company
performance



CIBC is a leading financial institution with a global footprint

CIBC at a glance (C\$)

- **Strong publicly traded bank** in North America with a **global presence**
- **Market capitalization: \$91 billion¹**
- **Assets of \$1,042 billion²** – one of the largest banks in North America
- **Deposits of \$765 billion²**
- **\$7.3 billion in adjusted net income in 2024**
- **150+ year-old** institution
- **14 million** clients globally
- Over **48,000** employees
- **Strong counterparty, rated Aa2 by Moody's, A+ by S&P, AA by Fitch and AA by DBRS³**

CIBC Capital Markets global offices

Canada

- Toronto
- Calgary
- Vancouver
- Montreal
- Winnipeg

United States

- New York
- Chicago
- Milwaukee
- San Francisco
- Houston

Europe

- London
- Luxembourg

Latin America

- Bogota

Asia

- Beijing
- Shanghai
- Hong Kong
- Tokyo
- Singapore

Australia

- Sydney

Select industrial sectors served



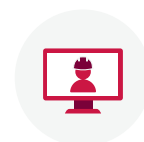
Capital
equipment



Building products
and materials



Engineering and
construction



Facility
services

Global Investment Banking

- Global Industry Sector Coverage
- Mergers & Acquisitions
- Debt Capital Markets
- Equity Capital Markets
- Private Capital Coverage

Global Corporate Banking

- Investment Grade and High Yield
- Secured and Unsecured Credit
- Revolving Credit Facilities
- Term Loans
- Bridge Financing
- Letters of Credit
- Trade Finance
- Cash Management

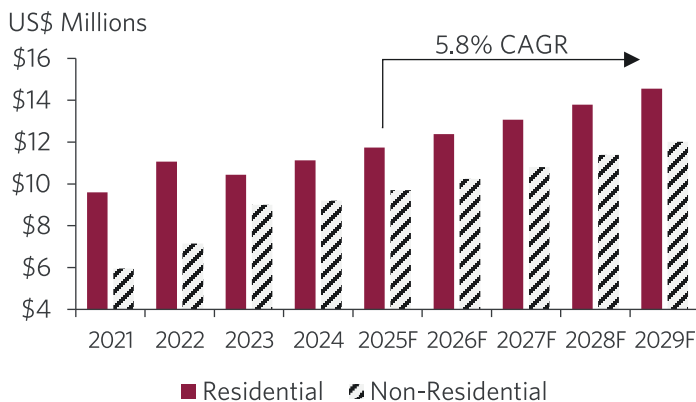
Global Markets

- Foreign Exchange
- Commodities Trading
- Interest Rate Derivatives
- Equity Derivatives
- Cash Equity Markets
- Growth Markets
- Global Distribution

Industry drivers – North America

Private construction in place (US\$m)

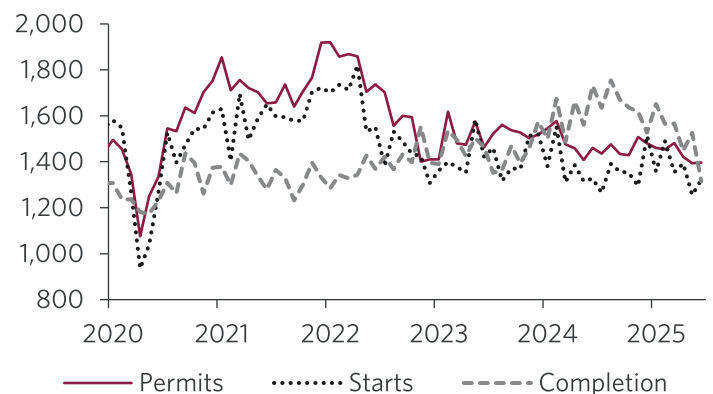
- In May, private construction saw a year-over-year decline of 5.4%, with residential decreasing 6.7% and non-residential down 3.9%, respectively
- The slowdown reflects ongoing challenges in housing affordability, interest rates, and cautious investment in commercial projects amid economic uncertainty
- Despite slowdown in 2025, construction spending is expected to grow at 5.8% CAGR through 2029



Sources: U.S. Census Bureau, ConstructConnect.

Residential construction (Thousands)

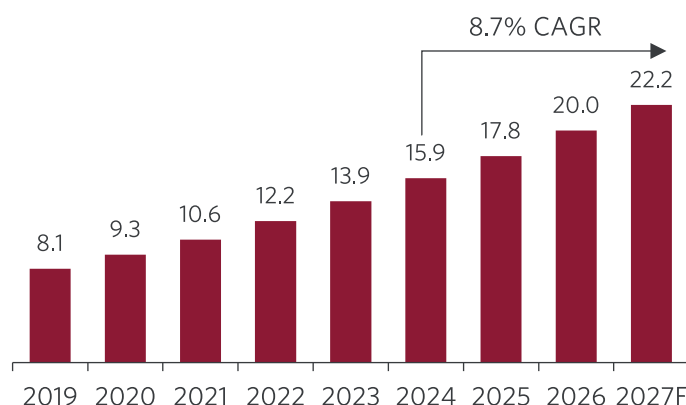
- Building permits in June were issued at a seasonally adjusted annual rate of 1,397,000, marking a slight increase from May and a 4.4% year-over-year decrease
- Privately-owned housing starts jumped to an annual rate of 1,321,000, up 4.6% from May and a 0.5% year-over-year decline
- Privately-owned housing completions dropped 14.7% from May to an annual rate of 1,540,000 and were 24.1% lower year-over-year
- Recently, residential construction has been a headwind for the HVACR market



Sources: U.S. Census Bureau.

United States data center demand (GW)

- Power constraints are now the main bottleneck in data center growth, pushing demand for advanced HVAC systems that improve energy efficiency and support high-density cooling
- AI and HPC workloads are increasing rack power density beyond traditional HVAC system capabilities. This has led to the adoption and growing market for liquid cooling and high-efficiency HVAC systems

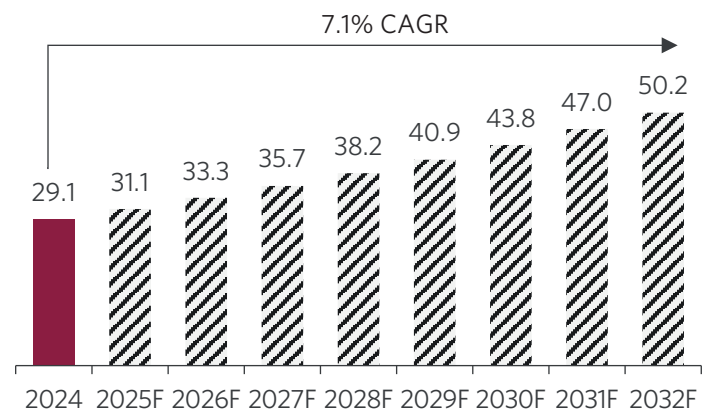


Sources: A&M, Cushman & Wakefield.

CIBC Capital Markets

North American HVACR equipment: market size (US\$bn)

- In addition to data centers, growth is driven by the replacement of outdated technology and sustained momentum in non-residential construction
- Tariffs have triggered supply-chain strains, pricing pressures, and inflationary challenges for the market
- U.S. EPA regulations have resulted in a refrigerant changeover forcing manufacturers to redesign systems around A2L refrigerants



Source: Verified Market Research.

Market commentary

Key drivers that support growth in the HVACR equipment market include:

- Rising demand for energy-efficient systems due to stricter environmental and decarbonization regulations
- Replacement and retrofit demand for aging or outdated HVACR infrastructure and positive outlook in new construction
- Adoption of smart and connected HVAC technologies driven by digital integration and automation trends

As such, manufacturers have responded with increases in production capacity through new facilities. Selected announcements include:

- Munters Corporation – Announced groundbreaking of 200,000 SF to support liquid and air-cooling solutions – (July 2025)
- AnnexAir – Announced \$30M facility expansion adding 150,000 SF to support future innovations and R&D testing – (July 2025)
- Alliance Air (Daikin) – Announced construction of energy-efficient manufacturing facility for end-to-end HVAC solutions – (June 2024)
- Modine Corporation – Announced \$38M facility expansion through 2028 to increase chiller production capacity – (May 2025)
- Carrier Global – Announced \$1B investment over five years supporting liquid cooling & climate solution development – (May 2025)
- XNRGY Climate Systems – Announced opening of 275,000 SF manufacturing facility for advanced cooling solutions – (April 2025)
- Nortek DDC – Announced facility expansion of 390,000 SF to support data center cooling solutions – (April 2025)
- Xetex – Announced groundbreaking of 116,000 SF manufacturing facility to support production capacity – (March 2025)
- AAON – Announced purchase of 787,000 SF facility to support cooling solutions, with expected production 2025 – (November 2024)

M&A presents an opportunity to address capacity constraints, bolster technology offerings, consolidate sales channels, and increase supply chain flexibility.

Sources: Capital IQ, publicly available information, and CIBC research.



Select transactions by industry segment

Systems and components

| Date effective | Acquirer | Target | Target's primary line of business | Enterprise value (\$MM) | Enterprise value (as a multiple of revenue) | Enterprise value (as a multiple of EBITDA) |
|----------------|--------------------------------|---------------------------------|--|-------------------------|---|--|
| 02-26-25 | Midea Electrics Netherlands BV | Climate Division of Arbonia | Designs and manufactures HVAC systems | \$790.10 | - | - |
| 05-06-25 | Madison IAQ LLC | Research Products Corporation | Developer of HVAC parts and cooling products | - | - | - |
| 07-01-25 | Modine Manufacturing Company | Climate by Design International | Manufacturer of dehumidifiers and process air handlers | \$65.00 | - | - |
| 06-19-25 | Worthington Enterprises, Inc. | Elgen Manufacturing Company | Manufacturer of HVAC components, ductwork, and framing | \$93.00 | 0.8x | 7.0x |
| 06-10-25 | Morgan Stanley Private Equity | Thermogenics Inc. | Manufacturer and servicer of industrial boilers | - | - | - |
| 05-29-25 | Modine Manufacturing Company | L.B. White Company, LLC | Manufacturer of forced air heaters and heating systems | \$112.00 | - | - |
| 05-16-25 | Nalka Invest AB | Airteam A/S | Manufacturer of energy-efficient ventilations | \$169.20 | 1.0x | 10.6x |
| 05-05-25 | T.F. Warren Group Corporation | Krueger Engineering | Manufacturer of heat exchangers and heat transfer equipment | - | - | - |
| 05-01-25 | The RectorSeal Corporation | Aspen Manufacturing LLC. | Manufacturer of evaporator coils and air handlers | \$313.50 | 2.6x | 11.0x |
| 03-25-25 | Smiths Group plc | Duc-Pac Corporation | Manufacturer of metal ducts for HVAC applications | \$40.50 | - | - |
| 03-12-25 | Ariston Holding N.V. | DDR Heating, Inc. | Manufacturer of tubular electric heaters | - | - | - |
| 02-03-25 | Deltrian International S.A. | Ultramare AB | Manufacturer of commercial, healthcare, and logistic air filters | - | - | - |
| 01-23-25 | Madison IAQ LLC | AcoustiFLO, Inc. | Manufacturer of advanced fan assemblies | - | - | - |
| 01-17-25 | Systemair AB (publ) | Systemair-HSK | Manufacturer of air handling units | - | - | - |
| 01-02-25 | Crawford United Corporation | Rahn Industries, Incorporated | Manufacturer of HVAC coils and related coatings | \$17.20 | - | - |

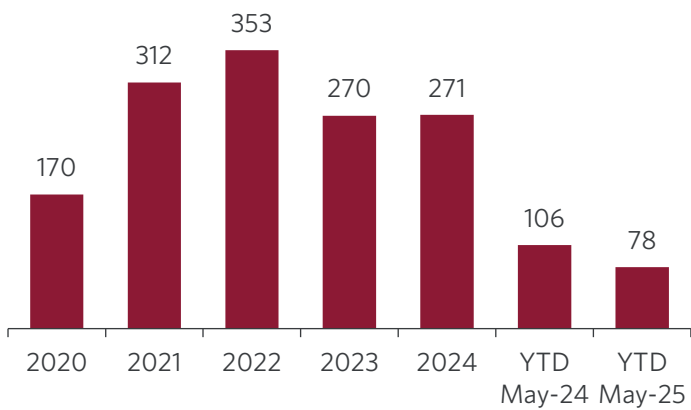
Distributors and manufacturer's rep groups

| | | | | | | |
|----------|------------------------------------|------------------------------------|--|---------|------|---|
| 05-05-25 | Watsco, Inc. | Hawkins HVAC Distributors | Distributor of HVAC equipment, parts, and supplies | - | - | - |
| 05-01-25 | Watsco, Inc. | Southern Ice Equipment Distributor | Distributor of refrigeration equipment, parts and supplies | \$17.80 | 0.6x | - |
| 04-16-25 | Air Control Concepts | O'Dell HVAC Group Inc. | Manufacturer and provider of HVAC equipment and solutions | - | - | - |
| 03-31-25 | Advantage Distribution Holdings | Cumberland Trading Company | Distributor of HVAC equipment and parts | - | - | - |
| 01-21-25 | Riley Hunter | UP&S Inc. | Distributor of plumbing, piping equipment, and HVAC products | - | - | - |
| 01-17-25 | Koch Air, LLC | Standard Air & Lite Corporation | Distributor of residential and commercial HVAC equipment | - | - | - |
| 01-06-25 | Norfolk Iron & Metal Company | Straub Metal International, Inc. | Distributor of aluminized and stainless steel products | - | - | - |
| 01-03-25 | Carrier Enterprise, LLC | Lashley & Associates, Inc. | Manufacturer and provider of HVAC equipment and components | \$4.20 | 0.5x | - |
| 04/11/25 | Undisclosed Buyer | Compressed Air Solutions of Texas | Distributor of air compressors | - | - | - |
| 04/08/25 | Air Control Concepts | Georgia Air Associates, Inc. | Representative of commercial HVAC products | - | - | - |
| 04/07/25 | Air Control Concepts | REA, Inc. | Manufacturer of commercial HVAC and cooling equipment | - | - | - |
| 03/21/25 | Air Control Concepts | Bluefield Engineered Systems | Provider of building control products | - | - | - |
| 03/05/25 | Airtron Heating & Air Conditioning | Sierra Air Conditioning, Inc. | Provider of residential HVAC installation services | - | - | - |
| 02/13/25 | Republic Electric CompanyT. | T.F. Ehrhart | Distributor of HVACR products and equipment | - | - | - |

Software/technology

| | | | | | | |
|----------|-----------------------------|-------------------------------|--|-----------|---|---|
| 04/02/25 | Win-Light, SriSid, Arumilli | ConnectM Technology Solutions | Developer of AI driven heat pump system | - | - | - |
| 02/28/25 | Schneider Electric S.E. | Motivair Corporation | Developer of advanced liquid cooling solutions | \$1,133.3 | - | - |
| 01/02/25 | Trane Technologies plc | BrainBox AI Inc. | Developer of AI-based HVAC control points automapping tool | - | - | - |

HVACR transactions by year



Sources: Capital IQ, publicly available information, and CIBC research.

- Transaction activity (number of transactions) in the HVACR Equipment space through May 2025 is approximately 26% lower than the same period in 2024
- The decreased activity has been impacted by overall economic uncertainty stemming from U.S. trade strategy and potential for increased tariffs
- The outlook for the remainder of 2025 is cautiously optimistic as trade policy comes into focus and the sector adjusts pricing and supply chain strategies which are expected to mitigate potential tariff implications

CIBC HVACR transaction spotlight



a portfolio company of


MASON  WELLS

has been acquired by




L.B. White is a leader in specialized heating technology, manufacturing direct-fired forced air, radiant, indirect-fired and electric heating solutions.

CIBC acted as exclusive financial advisor to L.B. White.



has been acquired by



Dundas Jafine is a renowned manufacturer of high-quality and innovative venting and flexible ducting product solutions.

CIBC acted as exclusive financial advisor to Dundas Jafine.



Comparable company analysis

Trading multiples

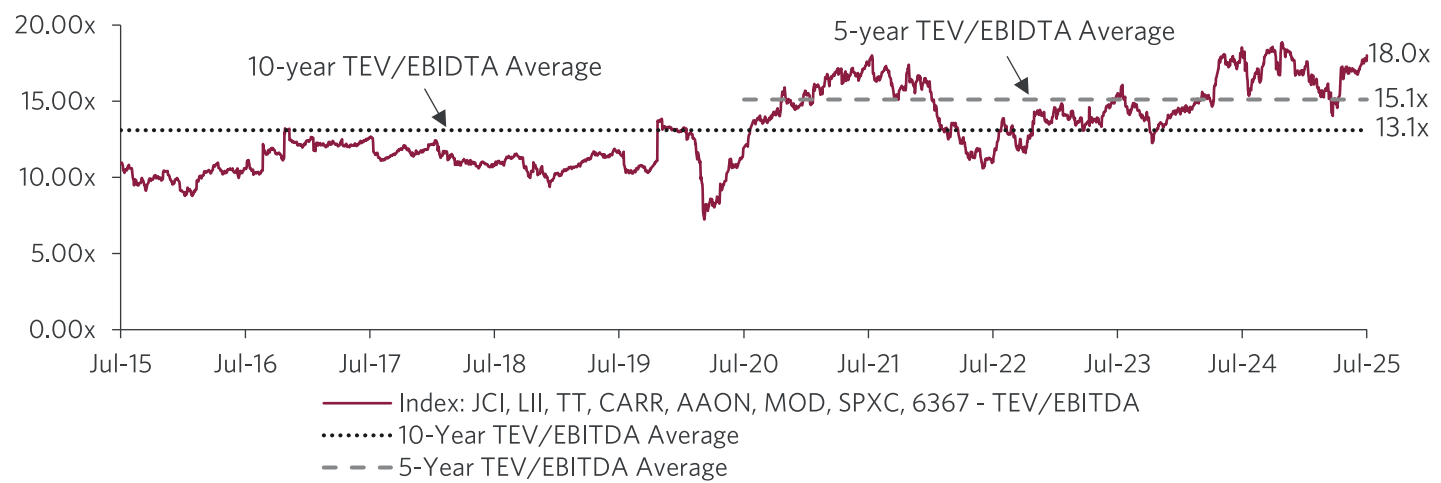
(\$'s in millions, except per share amounts)

| Company | 7/17/2025 Stock price | % of 52 week high | Enterprise value | Enterprise value multiples | | | Equity value multiples | | |
|------------------------------------|--------------------------|----------------------|---------------------|----------------------------|--------------|--------------|------------------------|--------------|--------------|
| | | | | LTM sales | LTM EBITDA | LTM EBIT | LTM P/E | 2025 P/E | 2026 P/E |
| HVACR | | | | | | | | | |
| AAON, Inc. | \$79.46 | 55.2% | \$6,719.2 | 5.33x | 25.1x | 33.8x | 41.5x | 39.9x | 30.1x |
| Carrier Global Corporation | \$76.93 | 92.3% | \$75,449.6 | 3.39x | 23.3x | 37.6x | NM | 25.1x | 22.4x |
| Daikin Industries, Ltd. | \$121.54 | 78.9% | \$36,346.8 | 1.15x | 8.4x | 13.6x | 19.8x | 18.9x | 17.8x |
| Johnson Controls International plc | \$108.95 | 99.9% | \$82,372.3 | 3.54x | 20.0x | 24.8x | 29.4x | 28.6x | 23.9x |
| Lennox International Inc. | \$611.85 | 89.6% | \$22,674.4 | 4.22x | 20.3x | 22.2x | 27.2x | 26.8x | 24.3x |
| Modine Manufacturing Company | \$97.47 | 66.4% | \$5,417.9 | 2.10x | 14.0x | 17.5x | 25.8x | 22.8x | 17.5x |
| SPX Technologies, Inc. | \$180.12 | 98.0% | \$9,192.0 | 4.59x | 21.8x | 28.3x | 40.4x | 28.6x | 25.4x |
| Trane Technologies plc | \$450.06 | 100.0% | \$104,308.8 | 5.14x | 26.5x | 29.1x | 37.1x | 34.7x | 30.9x |
| Mean | | | | 3.68x | 19.9x | 25.9x | 31.6x | 28.2x | 24.0x |
| Median | | | | 3.88x | 21.0x | 26.6x | 29.4x | 27.7x | 24.1x |

Margins

| Company | LTM margins | | | | | LTM leverage ratios | | |
|------------------------------------|-----------------|-----------------|--------------|---------------------|--------------|-------------------------|----------------------|---------------------|
| | Gross profit | SG&A expense | EBITDA | Operating income | Net income | Total debt/total cap | Net debt Op. inc. | EBITDA Int. exp. |
| HVACR | | | | | | | | |
| AAON, Inc. | 31.0% | 15.3% | 21.2% | 15.8% | 12.6% | 23.8% | 1.3x | 48.9x |
| Carrier Global Corporation | 26.8% | 17.8% | 14.5% | 9.0% | 4.8% | 46.6% | 4.7x | 10.4x |
| Daikin Industries, Ltd. | 34.2% | 25.8% | 13.6% | 8.5% | 5.7% | 28.7% | 0.1x | 34.0x |
| Johnson Controls International plc | 36.0% | 21.7% | 17.7% | 14.3% | 10.5% | 37.0% | 2.8x | 13.3x |
| Lennox International Inc. | 32.8% | 13.7% | 20.9% | 19.1% | 15.0% | 65.3% | 0.9x | 33.8x |
| Modine Manufacturing Company | 25.0% | 13.0% | 15.0% | 12.0% | 7.9% | 30.0% | 1.0x | 16.3x |
| SPX Technologies, Inc. | 40.7% | 24.4% | 21.1% | 16.2% | 10.6% | 43.2% | 2.4x | 9.3x |
| Trane Technologies plc | 35.9% | 18.3% | 19.4% | 17.7% | 13.5% | 41.7% | 1.1x | 19.4x |
| Mean | 32.8% | 18.8% | 17.9% | 14.1% | 10.1% | 39.5% | 1.8x | 23.2x |
| Median | 33.5% | 18.0% | 18.5% | 15.0% | 10.5% | 39.3% | 1.2x | 17.9x |

TEV / EBITDA Index



Sources: Capital IQ, publicly available information.

Multiples for the selected HVACR companies currently reflect a premium valuation trading approximately 15% above their 10-year historical averages. This elevated multiple suggests that investors are pricing in stronger future earnings potential and industry resilience, likely driven by long-term demand for energy efficient systems, regulatory tailwinds, and infrastructure investments.



Appendix

Selected M&A transactions (continued)

| Date effective | Acquirer | Target | Target's primary line of business | Enterprise Value (\$MM) | Enterprise Value (as a multiple of revenue) | Enterprise Value (as a multiple of EBITDA) |
|----------------|-----------------------------------|---------------------------------|---|-------------------------|---|--|
| 07-01-25 | Modine Manufacturing Company | Climate by Design International | Manufacturer of dehumidifiers and process air handlers | \$65.00 | - | - |
| 06-19-25 | Worthington Enterprises, Inc. | Elgen Manufacturing Company | Manufacturer of HVAC components, ductwork, and framing | \$93.00 | 0.8x | 7.0x |
| 06-10-25 | Morgan Stanley Private Equity | Thermogenics Inc. | Manufacturer of industrial coil tube boilers | - | - | - |
| 06-06-25 | Rosebank Industries plc | Electrical Components Int. | Manufacturer of distribution systems and control box assemblies | \$1,000.00 | - | - |
| 05-29-25 | Modine Manufacturing Company | L.B. White Company, LLC | Manufacturer of forced air heaters and heating systems | \$112.00 | - | - |
| 05-16-25 | Nalka Invest AB | Airteam A/S | Manufacturer of energy-efficient ventilations | \$169.20 | 1.0x | 10.6x |
| 05-05-25 | R W Beckett Corporation | Thermo Products / Norwood | Manufacturer of oil and gas furnaces | \$27.60 | - | - |
| 05-05-25 | T.F. Warren Group Corporation | Krueger Engineering | Manufacturer of heat exchangers and heat transfer equipment | - | - | - |
| 05-01-25 | The RectorSeal Corporation | Aspen Manufacturing LLC. | Manufacturer of evaporator coils and air handlers | \$313.50 | 2.6x | 11.0x |
| 04-08-25 | Groupe F2A | Aero Diffusion Sarl | Manufacturer of textile ventilation ducts | - | - | - |
| 03-25-25 | Smiths Group plc | Duc-Pac Corporation | Manufacturer of metal ducts for HVAC applications | \$40.50 | - | - |
| 03-21-25 | J-Yuan Trust Co., Ltd. | Shanghai Highly Group | Manufacturer of components and heating and cooling products | \$39.50 | - | - |
| 03-12-25 | Ariston Holding N.V. | DDR Heating, Inc. | Manufacturer of tubular electric heaters | - | - | - |
| 02-03-25 | Deltrian International S.A. | Ultramare AB | Manufacturer of commercial, healthcare, and logistic air filters | - | - | - |
| 01-23-25 | Madison IAQ LLC | AcoustiFLO, Inc. | Manufacturer of advanced fan assemblies | - | - | - |
| 01-17-25 | Systemair AB (publ) | Systemair-HSK | Manufacturer of air handling units | - | - | - |
| 01-02-25 | Crawford United Corporation | Rahn Industries, Incorporated | Manufacturer of HVAC coils and related coatings | \$17.20 | - | - |
| 12-31-24 | Air Control Concepts | Midwest Machinery OK, Inc. | Manufacturer of commercial and industrial HVAC equipment | - | - | - |
| 12-24-24 | Undisclosed Buyer | JNK India Limited | Manufacturer of fired heaters, reformers, and cracking furnaces | \$395.70 | 6.3x | 37.1x |
| 12-19-24 | Red Arts Capital Management | KKSP Precision Machining, LLC | Manufacturer of machined metal components | - | - | - |
| 12-19-24 | Vance Street Management LLC | Fumex, LLC | Manufacturer of fume extraction products | - | - | - |
| 12-04-24 | AirX Climate Solutions, Inc. | Powrmatic Inc | Manufacturer of heating and cooling HVAC systems | - | - | - |
| 12-03-24 | Altus Capital Partners, Inc. | Air Innovations Inc. | Manufacturer of environmental control systems | - | - | - |
| 11-19-24 | Micronics Engineered Filtration | Action Filtration, Inc. | Manufacturer of duct, hydraulic, and liquid replacement filters | - | - | - |
| 11-18-24 | Sentinel Capital Partners, L.L.C. | NSI Industries, LLC | Manufacturer of HVAC, electrical connectors, and fitting products | - | - | - |
| 10-03-24 | Al Alpine (Luxembourg) S.à r.l. | Heaten AS | Manufacturer of high-temperature heat pumps | - | - | - |
| 10-01-24 | Munters Group AB (publ) | Geoclima S.r.l. | Manufacturer of air conditioning and refrigeration chillers | - | - | - |
| 09-20-24 | APC Parent, Inc. | Toledo Molding & Die, Inc. | Provider of HVAC, powertrain, components and sub-systems | \$46.70 | - | - |
| 09-17-24 | R-Zero Systems, Inc. | SecureAire Technologies, LLC. | Manufacturer of air purification and filtration products | - | - | - |
| 09-16-24 | Sistemas de Ventilación, S.L.U. | ETS Nord AS | Manufacturer of ventilation equipment and accessories | - | - | - |
| 08-30-24 | Nederman Holding AB (publ) | Duroair Technologies Inc. | Manufacturer of industrial air clean filtration machines | \$8.2 0 | 1.1x | - |
| 08-13-24 | Swegon Group AB | HC Groep BV | Manufacturer of climate control systems and solutions | \$172.60 | 1.5x | - |
| 08-13-24 | VTC GmbH & Co. KG | HÜRner Luft- Und Umwelttechnik | Manufacturer of fans, air cleaning systems, and exhaust units | - | - | - |
| 08-01-24 | Trane Technologies plc | Klinge Corporation | Manufacturer of specialized transport refrigeration equipment | - | - | - |
| 07-24-24 | Infrared Capital Partners Limited | Voltan Lähienenergia Oy | Manufacturer of heating and cooling systems | - | - | - |

Appendix

Selected M&A transactions (continued)

| Date effective | Acquirer | Target | Target's primary line of business | Enterprise Value (\$MM) | Enterprise Value (as a multiple of revenue) | Enterprise Value (as a multiple of EBITDA) |
|----------------|---------------------------------|-------------------------------------|--|-------------------------|---|--|
| 07-24-24 | Laird Thermal Systems | Tark, Inc. | Manufacturer of thermal management products | - | - | - |
| 07-22-24 | Cleanova Holding Limited | Sidco Filter Corporation | Manufacturer of filter element replacements and housings | - | - | - |
| 07-22-24 | OPW Fueling Components Inc | Marshall Excelsior Co. | Manufacturer of engineered flow control products | \$395.00 | 3.3x | - |
| 07-08-24 | AirX Climate Solutions, Inc. | Aboveair Technologies, LLC | Manufacturer of air conditioners and precision cooling equipment | - | - | - |
| 07-02-24 | Bradford White Corporation | HFI HOLDINGS, Inc. | Manufacturer of water heating and storage products | - | - | - |
| 06-03-25 | MKS Pipe and Valve Co. | Industrial Pipe & Supply Company | Distributor of piping and industrial grade products | - | - | - |
| 05-05-25 | Watsco, Inc. | Hawkins HVAC Distributors | Distributor of HVAC equipment, parts, and supplies | - | - | - |
| 05-01-25 | Watsco, Inc. | Southern Ice Equipment Distributors | Distributor of refrigeration equipment, parts and supplies | \$17.80 | 0.6x | - |
| 04-16-25 | Air Control Concepts | O'Dell HVAC Group Inc. | Manufacturer and provider of HVAC equipment and solutions | - | - | - |
| 03-31-25 | Advantage Distribution Holdings | Cumberland Trading Company | Distributor of HVAC equipment and parts | - | - | - |
| 01-21-25 | Riley Hunter | UP&S Inc. | Distributor of plumbing, piping equipment, and HVAC products | - | - | - |
| 01-17-25 | Koch Air, LLC | Standard Air & Lite Corporation | Distributor of residential and commercial HVAC equipment | - | - | - |
| 01-06-25 | Norfolk Iron & Metal Company | Straub Metal International, Inc. | Distributor of aluminized and stainless steel products | - | - | - |
| 01-03-25 | Carrier Enterprise, LLC | Lashley & Associates, Inc. | Manufacturer and provider of HVAC equipment and components | \$4.20 | 0.5x | - |
| 12-06-24 | Motors & Armatures, Inc. | Vladmir, Ltd. | Distributor of HVACR components | - | - | - |
| 11-15-24 | Air Control Concepts | Midwest Mechanical Solutions | Manufacturer and sales of commercial HVAC equipment | - | - | - |
| 09-19-24 | Air Control Concepts | Mechanical Reps, Inc. | Provider of HVAC products | - | - | - |
| 08-21-24 | Edgewater Services, LLC | Nationwide Coils, Inc. | Distributor of custom and OEM HVAC replacement coils | - | - | - |
| 08-15-24 | Lawson Products Canada Inc. | Source Atlantic Limited | Distributor of industrial, government, commercial, and residential contractor products | \$77.10 | 0.6x | - |
| 08-13-24 | Ferguson Enterprises Inc. | Gerster Equipment Company | Distributor of HVAC products | - | - | - |
| 08-08-24 | Wynnchurch Capital, L.P. | ORS Nasco, Inc. | Distributor of industrial supplies | - | - | - |
| 07-19-24 | General Plumbing Supply, Inc. | Consolidated Supply Co. | Distributor of plumbing, waterworks, and heating products | - | - | - |
| 07-18-24 | Hobbs & Associates, LLC | Northrich Delaware, LLC | Provider of HVAC products | - | - | - |
| 06-28-24 | Air Control Concepts | Air Components, Inc. | Provider of aerospace products, hardware, and hydraulic fittings | - | - | - |
| 04-22-24 | Heritage Distribution Holdings | Young Supply Company | Distributor of HVACR and food service equipment and parts | - | - | - |
| 04-15-24 | Meriton, LLC | Custom Mechanical Solutions | Manufacturer of HVAC equipment | - | - | - |
| 01-09-24 | Grove Mountain Partners, LLC | The Plimpton & Hills Corporation | Distributor of plumbing and HVAC equipment | - | - | - |
| 12-31-23 | Beijer Ref AB (publ) | Webb Supply Co. | Distributor of HVAC equipment and heating and cooling products | - | - | - |
| 12-21-23 | Ambient Enterprises LLC | DMG Corporation\Johnson-Barrow | Provider of HVAC products and equipment | - | - | - |
| 12-11-23 | Tom Barrow Co., Inc. | R.F. Peck Co., Inc. | Provider of HVAC products and equipment | - | - | - |
| 07-31-23 | Hobbs & Associates, LLC | Klima New York, LLC | Provider of HVAC, systems, and equipment solutions | - | - | - |
| 04-11-25 | Undisclosed Buyer | Compressed Air Solutions of Texas | Distributor of air compressors | - | - | - |
| 04-08-25 | Air Control Concepts | Georgia Air Associates, Inc. | Representative of commercial HVAC products | - | - | - |
| 04-07-25 | Air Control Concepts | REA, Inc. | Manufacturer of commercial HVAC and cooling equipment | - | - | - |

Appendix

Selected M&A transactions (continued)

| Date effective | Acquirer | Target | Target's primary line of business | Enterprise Value (\$MM) | Enterprise Value (as a multiple of revenue) | Enterprise Value (as a multiple of EBITDA) |
|----------------|------------------------------------|----------------------------------|--|-------------------------|---|--|
| 03-21-25 | Air Control Concepts | Bluefield Engineered Systems | Provider of building control products | - | - | - |
| 03-05-25 | Airtron Heating & Air Conditioning | Sierra Air Conditioning, Inc. | Provider of residential HVAC installation services | - | - | - |
| 02-13-25 | Republic Electric Company | T.F. Ehrhart | Distributor of HVACR products and equipment | - | - | - |
| 12-31-24 | Air Control Concepts | Midwest Machinery OK, Inc. | Manufacturer of industrial HVAC equipment | - | - | - |
| 12-31-24 | Stonehenge; Colville Capital | Motion and Flow Control Products | Provider and representative of HVAC products and components | - | - | - |
| 12-10-24 | A2 Partners | TTI Climatisation Chauffage Inc. | Distributor of air conditioning and heating systems and products | - | - | - |
| 10-08-24 | Daikin Applied Americas Inc. | Varitec Solutions LLC | Provider and installer of HVAC systems | - | - | - |
| 09-25-24 | Rensa Filtration, Inc. | The Filter Shop, LLC | Distributor of air filtration products | - | - | - |
| 09-05-24 | Team Air Distributing, Inc. | Best Choice Supply Company, Inc. | Distributor of HVAC products | - | - | - |
| 07-17-24 | Platinum Equity, LLC | Motors & Armatures, Inc. | Distributor of HVACR motors, components, parts, and equipment | - | - | - |
| 06-07-24 | Hobbs & Associates, LLC | Dorse & Company, LLC | Provider of commercial HVAC products | - | - | - |
| 05-30-24 | Sugar Maple Capital | Eden Energy Equipment Limited | Distributor of HVAC equipment, accessories, and parts | - | - | - |
| 04-01-24 | Hobbs & Associates, LLC | Thermair Systems, LLC | Provider of HVAC products and solutions | - | - | - |
| 03-18-24 | American Air Filter Company, Inc. | Northeast Air Solutions, Inc. | Distributor of HVAC products and solutions | - | - | - |
| 02-29-24 | Air Control Concepts | Airetech Corporation | Provider of HVAC sheet metal products | - | - | - |
| 02-13-24 | PNC Erieview, Grove Mountain | The Plimpton & Hills Corporation | Distributor of plumbing and HVAC equipment | - | - | - |
| 02-02-24 | Hobbs & Associates, LLC | Advanced Thermal Solutions, LLC | Provider of HVAC products and solutions | - | - | - |
| 12-31-23 | The Stephens Group, LLC | The Plimpton & Hills Corporation | Distributor of plumbing and HVAC equipment | - | - | - |
| 12-01-23 | Hobbs & Associates, LLC | Engineered Building Systems | Provider of HVAC products and equipment | - | - | - |
| 12-01-23 | Hobbs & Associates, LLC | Bay Associates Group, Inc. | Representative of plumbing and mechanical equipment | - | - | - |
| 12-01-23 | Hobbs & Associates, LLC | Energy Transfer Solutions, Inc. | Distributor of HVAC equipment and services | - | - | - |
| 06-30-23 | Hobbs & Associates, LLC | C.G. Wood Company LLC | Representative of commercial and industrial HVAC products | - | - | - |
| 05-14-25 | Acuren Corporation | NV5 Global, Inc. | Provider of HVAC system control and monitoring applications | \$1,804.20 | 1.9x | 10.9x |
| 05-06-25 | Madison IAQ LLC | Research Products Corporation | Developer of HVAC parts and cooling products | - | - | - |
| 04-02-25 | Win-Light, SriSid, Arumilli | ConnectM Technology Solutions | Developer of AI driven heat pump system | - | - | - |
| 02-28-25 | Schneider Electric S.E. | Motivair Corporation | Developer of advanced liquid cooling solutions | \$1,133.30 | - | - |
| 01-02-25 | Trane Technologies plc | BrainBox AI Inc. | Developer of (AI)-based HVAC control points automapping tool | - | - | - |
| 11-14-24 | Flex Ltd. | JETCOOL Technologies Inc. | Developer of direct to chip liquid cooling technology | \$49.0 | - | - |
| 04-02-24 | BC Solutions, LLC | Yorkland Controls Ltd | Distributor of HVACR controls and system solutions | - | - | - |
| 01-02-24 | Modine Manufacturing Company | Intellectual Property of TMGcore | Developer of liquid immersion cooling technology | \$12.0 | - | - |
| 12-01-23 | Hobbs & Associates, LLC | Energy Transfer Solutions, Inc. | Distributor of automated temperature control systems | - | - | - |

| Date effective | Acquirer | Target | Target's primary line of business | Enterprise Value (\$MM) | Enterprise Value (as a multiple of revenue) | Enterprise Value (as a multiple of EBITDA) |
|----------------|---------------------------|-------------------------|---|-------------------------|---|--|
| 11-14-23 | Cordance Group | Webduct Systems Inc | Developer of MEP content and 3D modeling technology | - | - | - |
| 09-12-23 | Blade Filters Inc. | Cleanair.ai Corporation | Developer of smart electromagnetic HVAC filters | - | - | - |
| 05-22-23 | Bernhard Capital Partners | Optimum Energy LLC | Developer of energy reduction systems software | - | - | - |

Sources: Capital IQ, publicly available information, and CIBC knowledge.

Public comps financials

(\$'s in millions, except per share amounts)

| Company | LTM data as of | LTM financial data | | | | | | Calendar EPS | |
|------------------------------------|----------------|--------------------|-------------|------------|------------|------------|---------|--------------|---------|
| | | Net debt | Sales | EBITDA | EBIT | Net income | EPS | 2025 | 2026 |
| HVACR | | | | | | | | | |
| AAON, Inc. | 03-25 | \$253.90 | \$1,260.60 | \$267.30 | \$198.90 | \$158.80 | \$1.91 | \$1.99 | \$2.64 |
| Carrier Global Corporation | 03-25 | \$9,486.0 | \$22,284.00 | \$3,232.00 | \$2,005.00 | \$1,067.40 | \$1.22 | \$3.06 | \$3.44 |
| Daikin Industries, Ltd. | 03-25 | \$350.10 | \$31,735.60 | \$4,325.20 | \$2,682.30 | \$1,800.70 | \$6.15 | \$6.43 | \$6.82 |
| Johnson Controls International plc | 03-25 | \$9,451.0 | \$23,248.00 | \$4,114.00 | \$3,326.00 | \$2,433.80 | \$3.70 | \$3.81 | \$4.56 |
| Lennox International Inc. | 03-25 | \$963.00 | \$5,366.80 | \$1,119.20 | \$1,022.50 | \$803.00 | \$22.49 | \$22.82 | \$25.20 |
| Modine Manufacturing Company | 03-25 | \$295.00 | \$2,583.50 | \$386.80 | \$309.10 | \$203.60 | \$3.78 | \$4.28 | \$5.56 |
| SPX Technologies, Inc. | 03-25 | \$779.20 | \$2,001.30 | \$421.50 | \$324.30 | \$211.60 | \$4.45 | \$6.31 | \$7.08 |
| Trane Technologies plc | 03-25 | \$3,910.80 | \$20,311.20 | \$3,934.00 | \$3,585.20 | \$2,735.30 | \$12.14 | \$12.96 | \$14.55 |

Sources: Capital IQ, publicly available information, and CIBC knowledge.



Disclaimer

¹ As of June 30, 2025.

² CIBC 2024 Annual Report.

³ Short-term ratings of P-1, A-1, F1+ and R-1H at Moody's, S&P, Fitch and DBRS, respectively.

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