

An aerial, high-angle photograph of a large industrial facility, likely a data center or server room, showing rows of HVAC units. The image is overlaid with a semi-transparent blue filter. The units are arranged in a grid pattern, with various pipes and conduits visible between them. The perspective is from above, looking down at the equipment.

HVACR Industrials Report 2H 2024

February 2025

■ **clairfield**

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HVACR market overview and trends

- The HVACR industry is dominated by American and Asian conglomerates, while smaller, local players focus on specific subsegments
- The HVACR market demonstrates strong historical growth and moderate future expansion potential, supported by solid global trends, although slightly tempered by green transition challenges
- The shift in acquisition strategies in the HVACR industry focuses on targeting specialists and advanced technology providers to integrate IoT, AI, and address the demands of the evolving sustainability landscape

2

Industry trading multiples

- Positive listed peers' market momentum with listed businesses in the HVACR sector currently trending above the general market
- Over the last 12 months, the listed HVACR players reported a positive performance, although below the MSCI World Index, while a slightly negative performance has been registered over the last 3 months
- Selected trading peers in the HVACR industry show an average 2024E EV/EBITDA multiple of 14.9x and an average 2024E EBITDA margin of 16.7%

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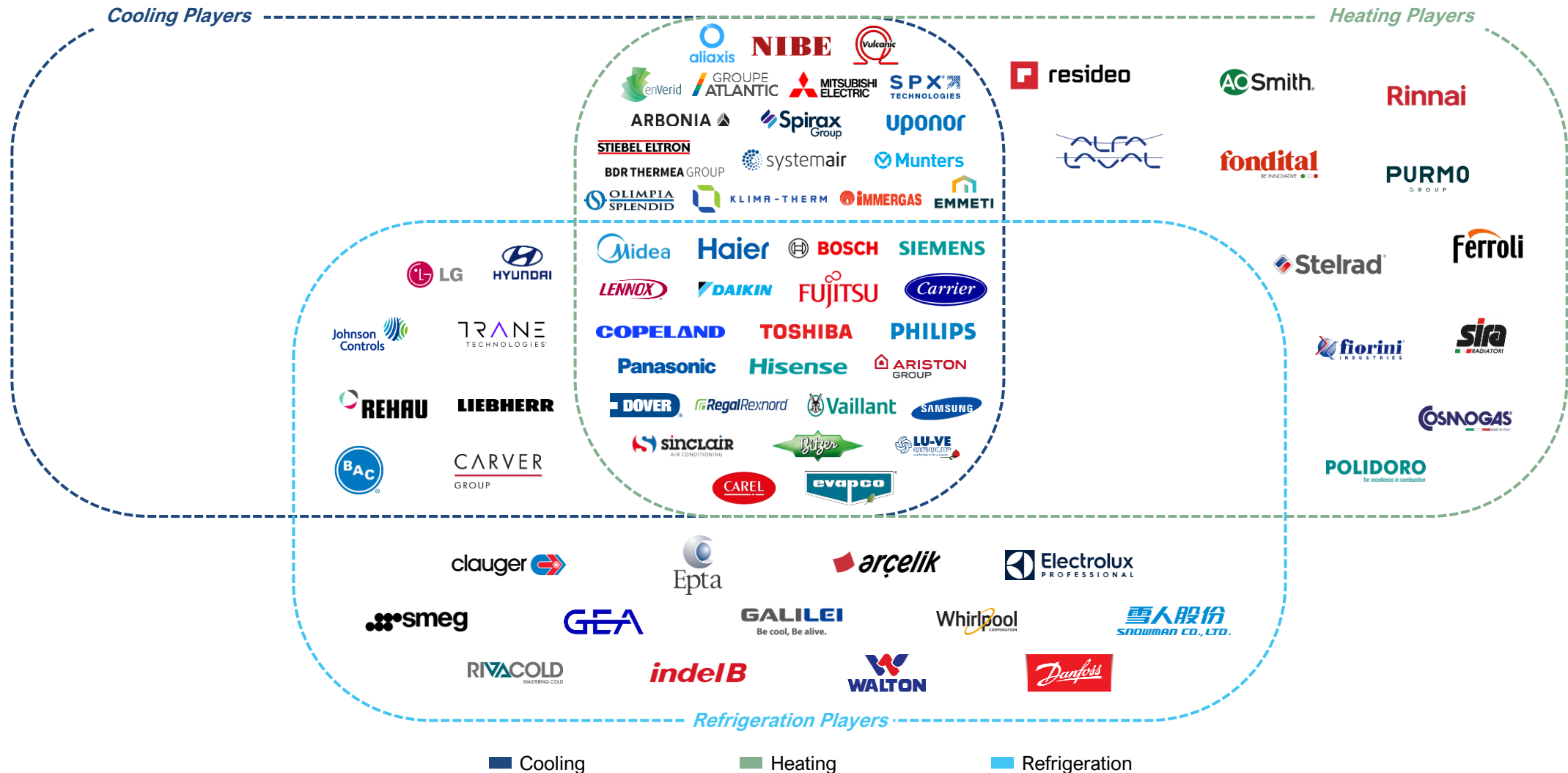
Recent M&A transactions

- Selected disclosed precedent transactions in the HVACR industry in the last 5 years with EV above €50m show a median EV/EBITDA multiple of 12.7x
- In recent years, transaction activity within the HVACR industry has experienced a significant transformative consolidation phase, driven by an increased emphasis on intelligent climate and energy management solutions to meet energy transition targets. In this context, Carrier, Daikin and Bosch have emerged as the main consolidators of the American, Asian and European markets respectively

HVACR market overview and trends

The Heating, Cooling & Refrigeration competitive landscape

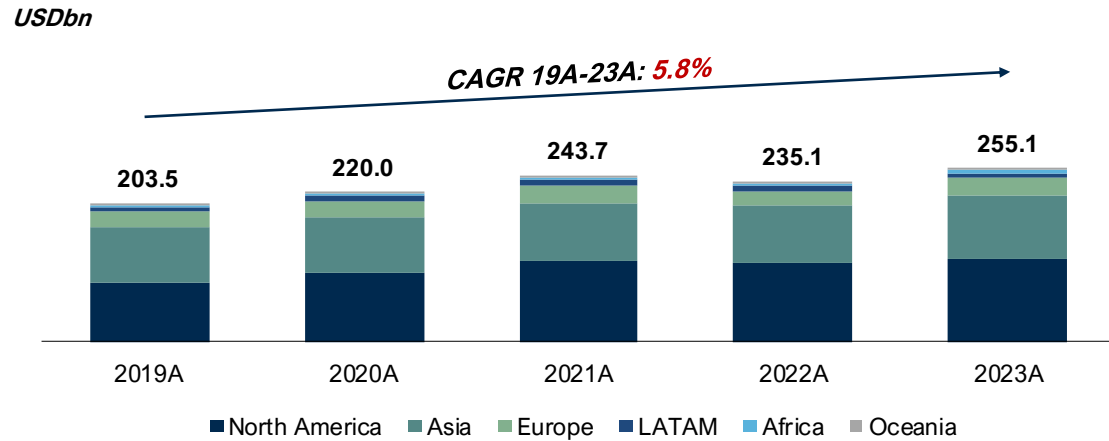
The HVACR industry is dominated by American and Asian conglomerates, while smaller, local players focus on specific subsegments



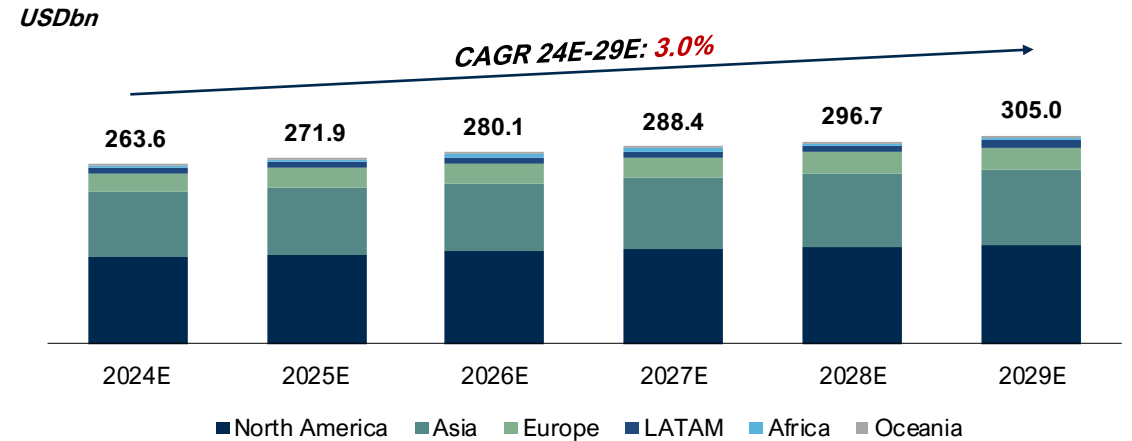
HVACR market evolution and main trends

The HVACR market demonstrates strong historical growth (5.8% 19A-23A CAGR) and moderate future expansion potential (3.0% 24E-29E CAGR), supported by solid global trends although slightly tempered by green transition challenges

Sustained historical growth in the last 5 years...



...with a slight slowdown expected in the coming years...



...driven by a mix of both supportive and challenging trends

Smart Technologies and Automation ↑

- IoT and AI enhance performance, energy management, and predictive maintenance
- Integration with smart buildings and automation improves user control and system efficiency

Air Quality and Food Preservation ↑

- Rising awareness of indoor air quality and cold chain needs boosts demand for advanced filtration, ventilation, and refrigeration systems
- Health and safety concerns drive adoption in hospitals, schools, and workplaces

Climate Conditions and Changes ↑

- Extreme weather and urbanization in emerging markets increase HVACR systems demand
- Durable systems designed for harsher climates require reliability and performance

Green Transition Challenges Impacting the HVACR Market ↘

- Stricter regulations and ambitious sustainability targets drive demand for energy-efficient HVACR systems
- Economic pressures and the perceived infeasibility of certain sustainability goals are slowing their widespread adoption

The shift of acquisition strategies in response to technological advancements

The shift in acquisition strategies in the HVACR industry focuses on targeting specialists and advanced technology providers to integrate IoT, AI, and address the demands of the evolving sustainability landscape

The shift in acquisition strategies in the HVACR industry represents a transition from traditional growth approaches, such as acquiring regional distributors and expanding manufacturing capabilities, to a focus on acquiring companies specializing in advanced technologies. These technologies prioritize **sustainability**, **energy efficiency**, and **precision climate control**, driven by **IoT** and **AI solutions** for **predictive maintenance**, **real-time energy optimization**, and integration with **building management systems (BMS)**. Acquisitions now target innovators in **solar thermal systems**, **geothermal heat pumps**, **CO₂-based seawater heat pumps** and **energy recovery systems** to reduce greenhouse gas emissions and costs. With the adoption of **liquid cooling systems**, **adiabatic cooling modules**, **magnetic refrigeration**, and **energy analytics platforms**, companies are strategically investing in **technology leaders** to position themselves at the forefront of sustainability and operational excellence. This shift underscores the industry's pivot toward integrating groundbreaking solutions to meet evolving market and environmental demands.

Trend & technological advancement

Transaction

Transaction logic

<p>Energy efficiency Variable Refrigerant Flow Systems Low-GWP refrigerants</p> 		<p> acquired by </p>	<p>Johnson Controls-Hitachi's HVAC business offers energy-efficient heat pumps and VRF systems. These systems enhance efficiency with inverter-driven compressors and low-GWP refrigerants.</p>
<p>Sustainability Microchannel Heat Exchangers CO₂ compressor technology</p> 		<p> acquired by </p>	<p>BOCK GmbH provides CO₂ and low-GWP compressors for cooling and heating. Their technology enables compact, energy-efficient, and eco-friendly HVAC solutions</p>
<p>Data Centre Boom Liquid cooling systems Energy recovery systems</p> 		<p> acquired by </p>	<p>Motivair specializes in liquid cooling for high-performance computing. The technology removes heat from servers efficiently, supporting dense, high-power data centres and advanced cooling needs.</p>
<p>AI in Building Systems AI- Driven Predictive Maintenance Energy Optimization</p> 		<p> acquired by </p>	<p>BrainBox AI is a developer of AI-powered autonomous HVAC technology. The technology optimizes energy use, predicts maintenance needs, and improves building sustainability.</p>
<p>Internet of Things (IoT) Smart Thermostats Energy Management Systems</p> 		<p> acquired by </p>	<p>Venstar's vision focuses on lowering energy consumption and operational costs, strengthening remote monitoring and control, and utilizing predictive maintenance for timely issue detection and cost efficiency.</p>

The main consolidators of the HVACR market

Carrier, Daikin and Bosch are the main consolidators of the American, Asian and European markets respectively, having delivered aggressive inorganic growth strategies over the years

Company Business description



Mkt cap:
€59.1bn

- Carrier, headquartered in Florida, is a leading provider of HVAC, refrigeration, and fire and security solutions that became independent in 2020 after spinning off from United Technologies
- Carrier has concentrated its growth strategy on consolidating its existing joint venture with Toshiba and acquiring major European players like Viessmann's Climate Solutions division, transforming its portfolio to prioritize intelligent climate and energy solutions, also planning to divest its non-core businesses



Mkt cap:
€33.6bn

- Daikin, founded in 1924 by Akira Yamada in Osaka, Japan, is one of the world's largest air conditioning manufacturer, specialized in heating, ventilation, air conditioning (HVAC) and refrigeration systems
- In recent years, Daikin has adopted a strategic acquisition approach to strengthen its position in the HVAC industry and expand its global footprint, emphasizing investments in innovative technologies (e.g., smart thermostats and energy management systems with the acquisition of Venstar), and enhancing its market position while supporting global efforts toward carbon neutrality

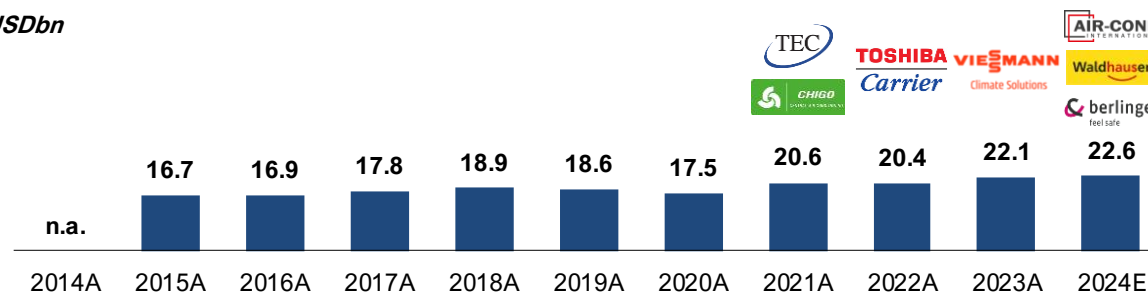


Private

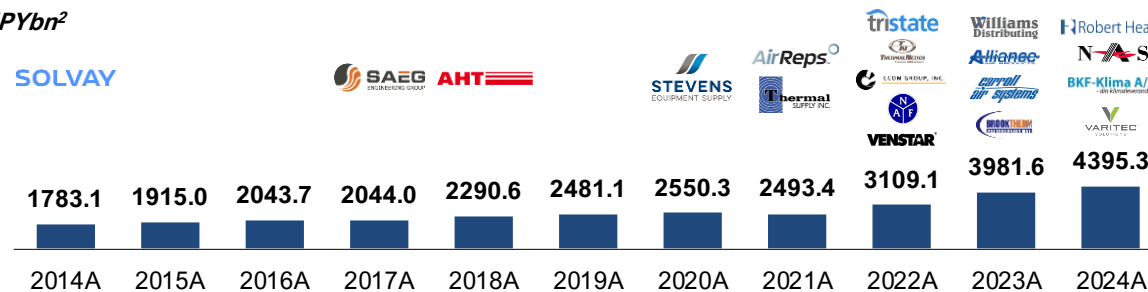
- Bosch, founded in 1886 by Robert Bosch in Stuttgart, Germany, is a global leader in engineering and technology solutions, focusing on energy-efficient heating, cooling, and ventilation systems, including advanced heat pumps and smart building solutions
- Since 2018, Bosch has focused on the HVAC segment to capitalize on the growth of Europe's heat pump market driven by the energy transition. This strategy included the acquisition of Johnson Controls-Hitachi's HVAC business, strengthening its position as a leader in energy-efficient solutions for the residential and commercial markets

Acquisition history¹ and revenue evolution (LOCbn)

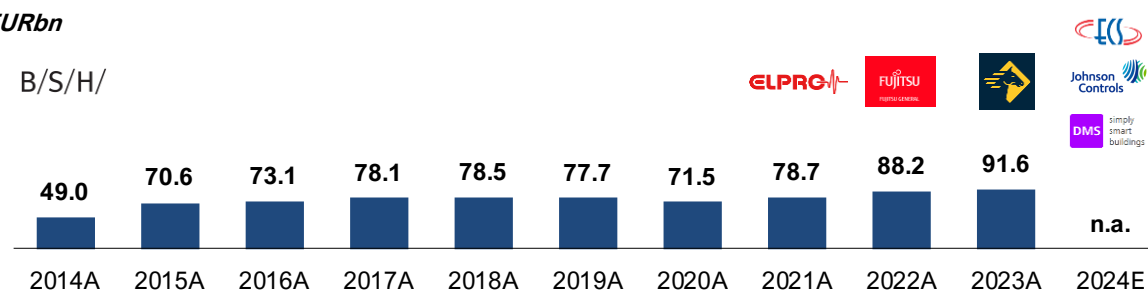
USDbn



JPYbn²



EURbn



Sources: Factset; Companies' financial statements; Mergermarket

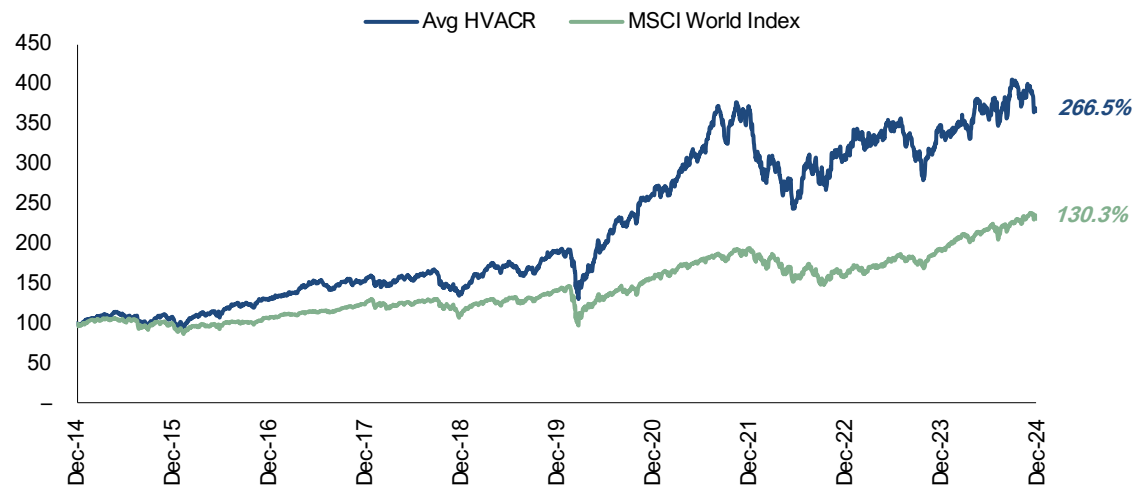
Notes: (1) The acquisition history focuses exclusively on significant transactions within the HVACR sector. (2) Closing accounts date 31/03

Industry trading multiples

Long-term valuation

Positive listed peers' market momentum with listed businesses in the HVACR sector currently trending above the general market

Clairfield HVACR Index vs MSCI World index



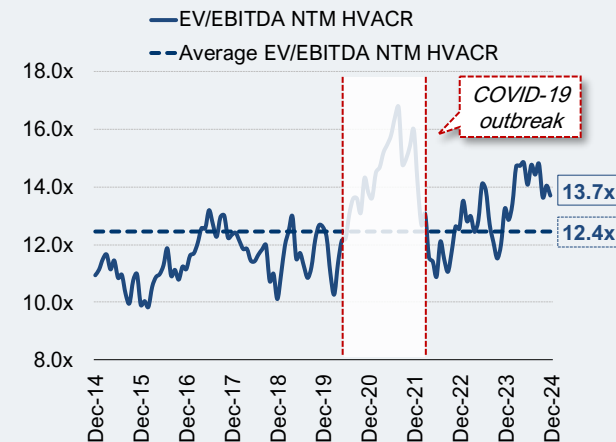
- In the last 10 years, the Clairfield HVACR Index (+266.5%) significantly outperformed the MSCI World Index (+130.3%). The divergence began in the early stages of the pandemic, with rapid growth experienced through 2020-2022, and stabilizing post pandemic while maintaining its lead over market trends

The Clairfield HVACR Index is made up of 16 listed businesses¹:



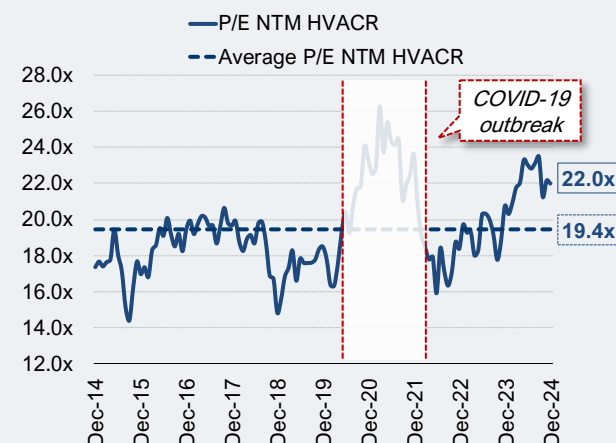
Sources: Factset
Notes: (1) Selected listed businesses with market capitalization above €500m

EV/EBITDA NTM L10Y



- HVACR stocks' valuation, represented by the EV/EBITDA NTM multiple, currently stands at 13.7x, notably above the last 10 years historical average of 12.4x. Over the past decade, the sector showcased a mean-reverting pattern around its historical average, characterized by several fluctuations. The COVID-19 outbreak in early 2020 triggered a significant disruption in valuations. However, the HVACR sector displayed strong resilience, recovering in 2022 and embarking on a consistent upward trajectory thereafter

P/E NTM L10Y

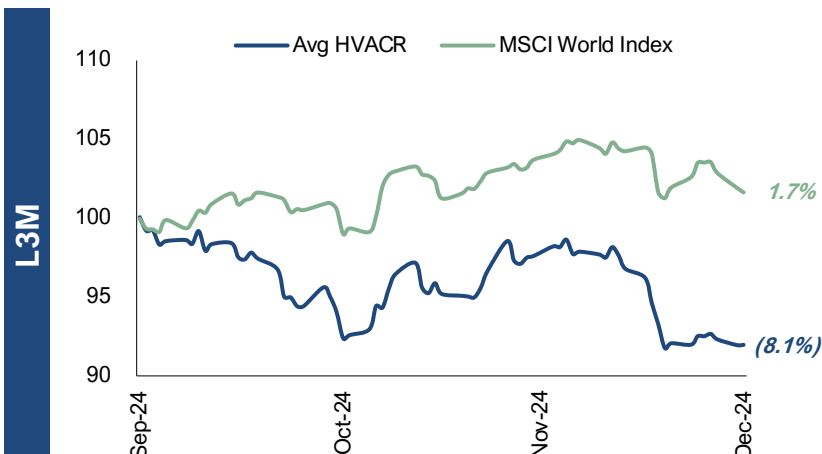
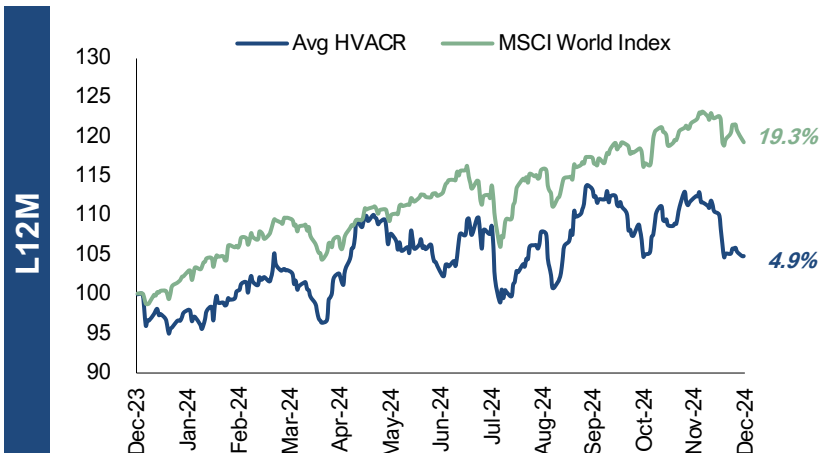


- In the same time frame, the P/E NTM multiple followed a similar trend, with market uncertainty heavily affecting valuations during the COVID-19 outbreak. After the pandemic, the sector experienced a bullish re-rating phase, with the P/E NTM multiple currently trading at "all-time" highs (22.0x, compared to an historical average of 19.4x)

Stock performance

Over the last 12 months, the listed HVACR players reported a positive performance (+4.9%), although below the MSCI World Index (+19.3%). Slightly negative performance over the last 3 months (-8.1%)

Stock performance



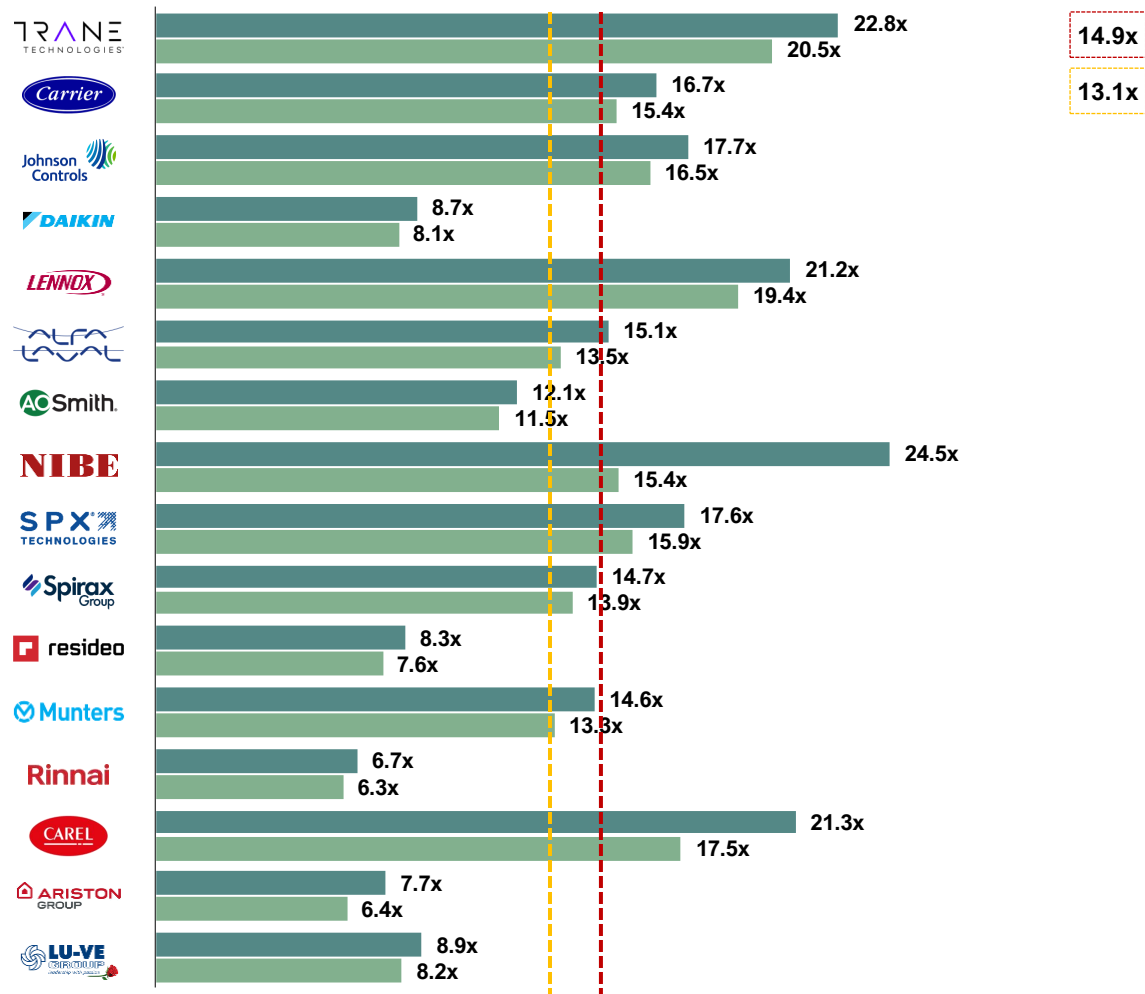
Key highlights

- | | |
|--|--|
| <ul style="list-style-type: none"> In the last 12 months the stock has shown a positive performance (+51.4%), while in the last 3 months the trend has inverted (-5.0%) During 3Q24, orders were up +5% arriving at \$5.2bn, with Americas Commercial HVAC growing 20% yoy | <ul style="list-style-type: none"> In the last 12 months the stock has shown a positive performance (+18.8%), while in the last 3 months the trend has inverted (-15.2%) During 3Q24, sales were up +4% yoy, with orders up in Americas but down in EMEA and APAC |
| <ul style="list-style-type: none"> In the last 12 months the stock has shown a positive performance (+36.9%), as well as in the last 3 months (+1.7%) During FY24, sales were \$26,272m (-1.9% yoy), with increasing double-digit growth for data centers solutions | <ul style="list-style-type: none"> In the last 12 months the stock has shown a negative performance (-18.8%), as well as in the last 3 months (-7.0%) During 2Q24, sales were ¥131bn, well above analyst consensus, driven by growing Indian sales |
| <ul style="list-style-type: none"> In the last 12 months the stock has shown a positive performance (+36.2%), as well as in the last 3 months (+0.8%) During 3Q24, sales were \$1.5bn (+15% yoy), driven by increasing volumes as well as price/mix benefits | <ul style="list-style-type: none"> In the last 12 months the stock has shown a positive performance (+14.7%), while in the last 3 months the trend has inverted (-5.1%) During 3Q24, sales and EBITA were below expectations (-6%, 4%), while marine orders were particularly strong |
| <ul style="list-style-type: none"> In the last 12 months the stock has shown a negative performance (-17.3%), as well as in the last 3 months (-24.1%) During 3Q24, sales were \$903m (-4% yoy), driven by lower sales in China (-17%) due to competitive pressures | <ul style="list-style-type: none"> In the last 12 months the stock has shown a negative performance (-34.7%), as well as in the last 3 months (-8.8%) During 1H24, sales were up 1% organically, impacted by weak macroeconomic environment in key markets |
| <ul style="list-style-type: none"> In the last 12 months the stock has shown a positive performance (+44.1%), while in the last 3 months the trend has inverted (-8.7%) During 3Q24, HVAC sales were up +9% yoy, while D&M organic sales declined -8% yoy | <ul style="list-style-type: none"> In the last 12 months the stock has shown a positive performance (+13.8%), while in the last 3 months the trend has inverted (-19.8%) During 3Q24, sales were SEK2,011m (+1.7% yoy), with profitability remaining stable and EBITA growing +20% yoy |
| <ul style="list-style-type: none"> In the last 12 months the stock has shown a positive performance (+22.5%), as well as in the last 3 months (+14.4%) During 3Q24, sales were \$1,828m (+18% yoy), driven by acquisitions and strong North American HVAC | <ul style="list-style-type: none"> In the last 12 months the stock has shown a negative performance (-25.2%), as well as in the last 3 months (-5.5%) During 3Q24, sales were €167m (+19.4% yoy) but FY24 guidance implies a softer 4Q development |
| <ul style="list-style-type: none"> In the last 12 months the stock has shown a negative performance (-0.3%), as well as in the last 3 months (-7.7%) During 1H24, sales were ¥212.1bn (+10.1% yoy), maintaining momentum despite difficult market conditions | <ul style="list-style-type: none"> In the last 12 months the stock has shown a positive performance (+20.1%), as well as in the last 3 months (+4.3%) During 3Q24, sales were €140m (flat yoy), with higher than expected margins (EBITDA +5.4% yoy) |
| <ul style="list-style-type: none"> In the last 12 months the stock has shown a negative performance (-44.9%), as well as in the last 3 months (-21.2%) During 3Q24, sales were €632m (-14% yoy), mainly due to weak performance in the heating market in Europe | |

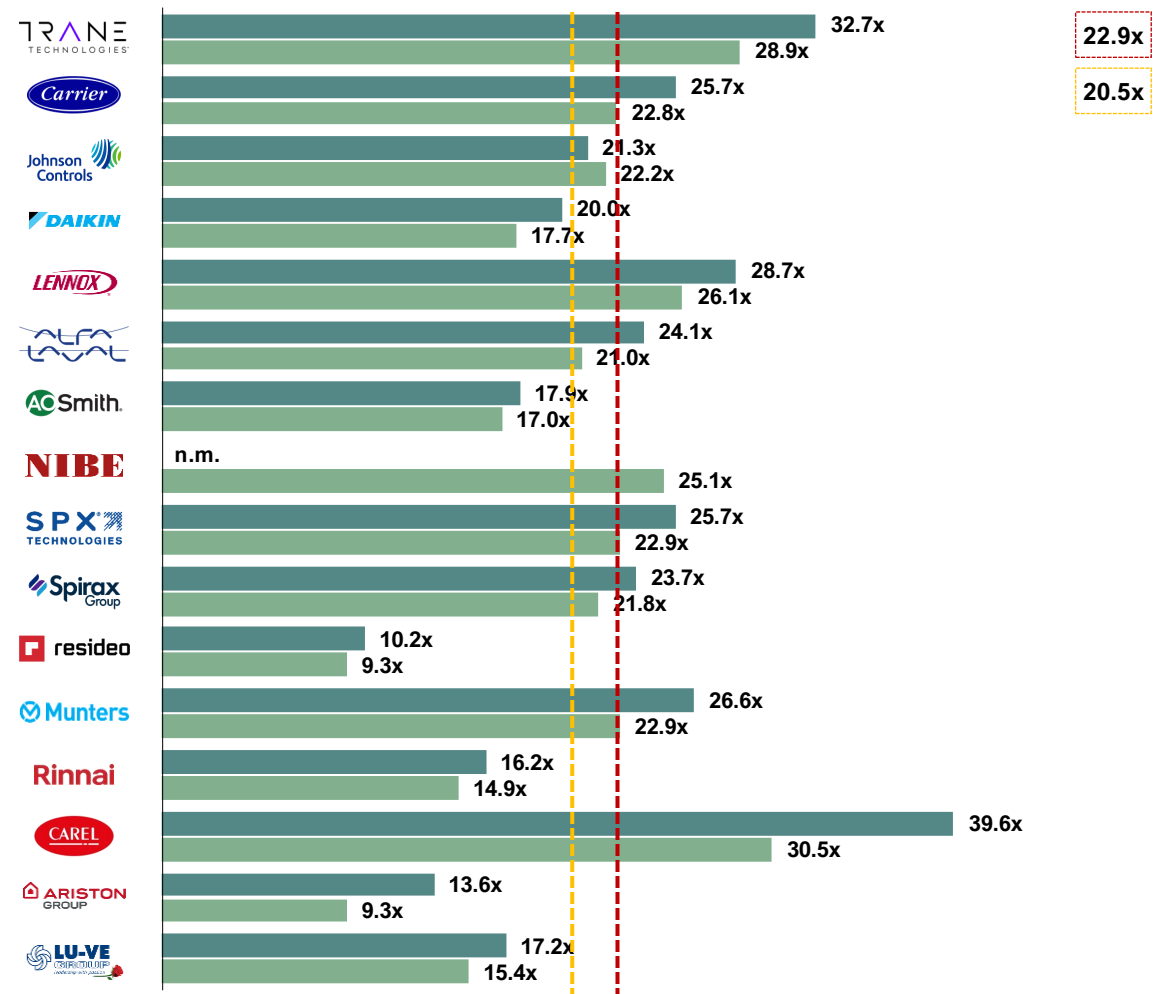
HVACR trading multiples

Selected trading peers in the HVACR industry show an average 2024E EV/EBITDA multiple of 14.9x and an average 2024E P/E multiple of 22.9x

EV/EBITDA



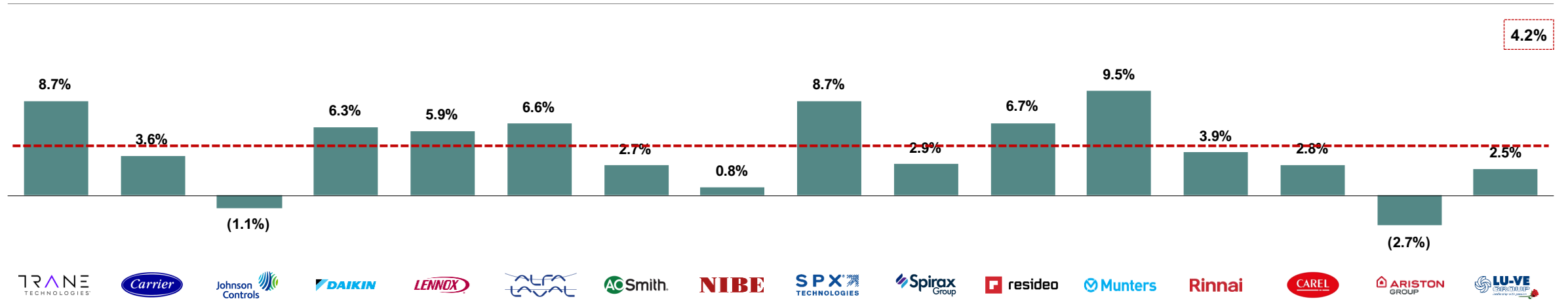
P/E



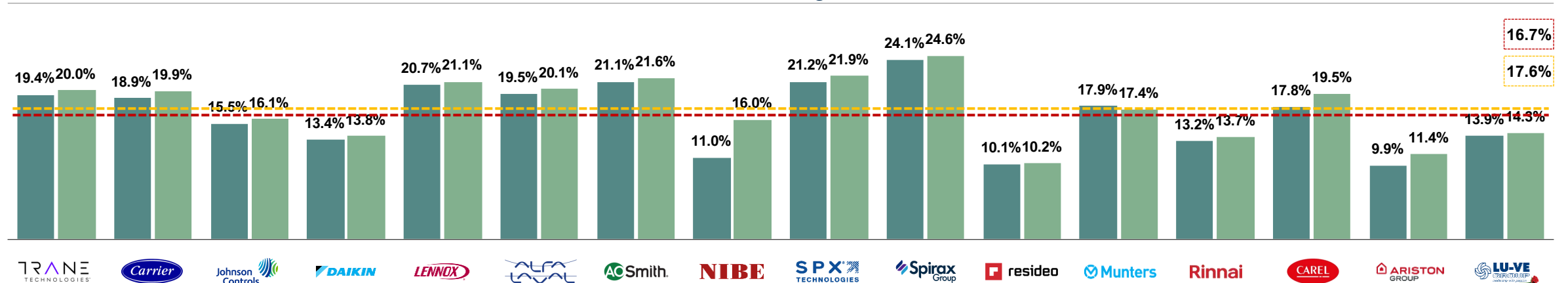
HVACR benchmarking analysis

Selected trading peers in the HVACR industry show an average 2023A-2026E sales CAGR of 4.2% and an average 2024E EBITDA margin of 16.7%

2023A-2026E sales CAGR



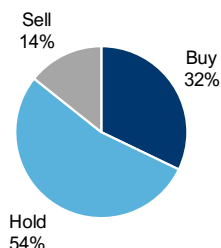
EBITDA margin %



Company

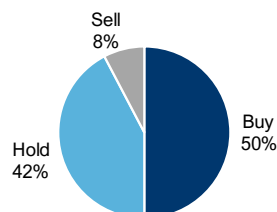
Consensus

Consensus estimates



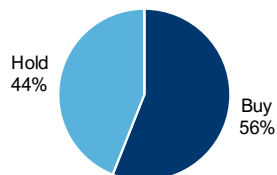
Consensus L3M	
# broker L3M	28
Price	369.35
TP	427.57
Potential upside / (downside)	15.8%

USDm	2024E	Δ vs 3m ago	2025E	Δ vs 3m ago	2026E	Δ vs 3m ago
Revenues	19,720	0.9%	21,220	1.2%	22,706	1.0%
EBITDA	3,824	1.9%	4,237	2.6%	4,633	1.6%
Net income	2,541	2.5%	2,872	3.0%	3,181	1.7%
Net debt	3,604	2.5%	2,534	1.1%	1,218	(2.1%)



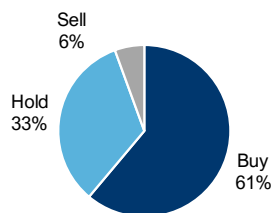
Consensus L3M	
# broker L3M	26
Price	68.26
TP	84.53
Potential upside / (downside)	23.8%

USDm	2024E	Δ vs 3m ago	2025E	Δ vs 3m ago	2026E	Δ vs 3m ago
Revenues	22,557	(11.2%)	23,281	(5.7%)	24,590	(6.0%)
EBITDA	4,261	(11.6%)	4,630	(3.3%)	5,076	(4.0%)
Net income	2,381	(8.3%)	2,690	(3.3%)	2,978	(5.7%)
Net debt	8,628	(9.7%)	10,242	12.4%	8,882	43.7%



Consensus L3M	
# broker L3M	25
Price	78.93
TP	89.15
Potential upside / (downside)	12.9%

USDm	2024E	Δ vs 3m ago	2025E	Δ vs 3m ago	2026E	Δ vs 3m ago
Revenues	23,185	(13.7%)	24,028	(10.1%)	24,980	(8.1%)
EBITDA	3,597	(17.8%)	3,874	(12.5%)	4,284	(7.9%)
Net income	2,455	(2.2%)	2,353	(11.1%)	2,647	(10.3%)
Net debt	8,292	(3.4%)	6,716	(16.1%)	7,705	8.5%



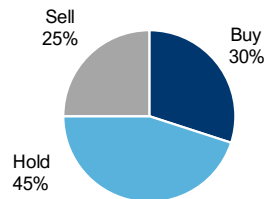
Consensus L3M	
# broker L3M	18
Price	18,660.00
TP	21,913.33
Potential upside / (downside)	17.4%

JPYm	2024E	Δ vs 3m ago	2025E	Δ vs 3m ago	2026E	Δ vs 3m ago
Revenues	4,687,269	1.8%	4,902,446	2.4%	5,140,121	2.1%
EBITDA	628,035	(0.0%)	677,172	(0.3%)	734,197	(1.6%)
Net income	273,088	3.7%	308,374	5.1%	348,294	6.7%
Net debt	89,373	72.9%	2,547	(103.1%)	(93,920)	(59.6%)

Company

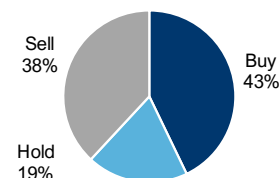
Consensus

Consensus estimates



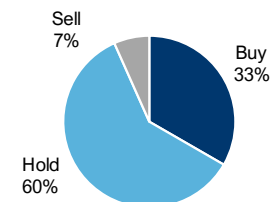
<u>Consensus L3M</u>	
# broker L3M	20
Price	609.30
TP	634.07
Potential upside / (downside)	4.1%

<i>USDm</i>	2024E	Δ vs 3m ago	2025E	Δ vs 3m ago	2026E	Δ vs 3m ago
Revenues	5,219	2.1%	5,577	1.1%	5,923	(0.3%)
EBITDA	1,082	2.4%	1,179	0.9%	1,282	0.1%
Net income	755	3.9%	833	2.2%	918	1.5%
Net debt	807	(10.8%)	333	(37.0%)	(293)	(480.1%)



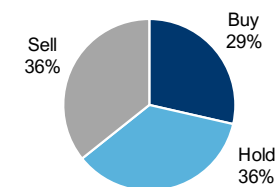
<u>Consensus L3M</u>	
# broker L3M	21
Price	462.60
TP	487.00
Potential upside / (downside)	5.3%

<i>SEKm</i>	2024E	Δ vs 3m ago	2025E	Δ vs 3m ago	2026E	Δ vs 3m ago
Revenues	67,628	(2.1%)	73,281	(0.5%)	76,944	1.0%
EBITDA	13,190	(1.1%)	14,751	1.3%	15,693	3.3%
Net income	7,925	(0.3%)	9,110	1.3%	9,832	3.9%
Net debt	5,706	(6.8%)	2,092	(12.5%)	(2,642)	19.1%



<u>Consensus L3M</u>	
# broker L3M	15
Price	68.21
TP	83.33
Potential upside / (downside)	22.2%

<i>USDm</i>	2024E	Δ vs 3m ago	2025E	Δ vs 3m ago	2026E	Δ vs 3m ago
Revenues	3,858	(3.3%)	3,974	(4.2%)	4,178	(3.5%)
EBITDA	816	(6.2%)	858	(6.0%)	913	(4.6%)
Net income	555	(7.1%)	585	(7.0%)	625	(5.5%)
Net debt	(121)	(36.8%)	(135)	(59.2%)	(173)	(73.1%)



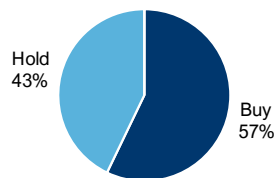
<u>Consensus L3M</u>	
# broker L3M	14
Price	43.24
TP	51.38
Potential upside / (downside)	18.8%

<i>SEKm</i>	2024E	Δ vs 3m ago	2025E	Δ vs 3m ago	2026E	Δ vs 3m ago
Revenues	40,455	(3.0%)	43,765	(3.4%)	47,804	(3.5%)
EBITDA	4,433	(5.6%)	7,023	(5.3%)	7,992	(4.7%)
Net income	1,625	(14.5%)	3,472	(7.2%)	4,229	(5.9%)
Net debt	18,354	2.6%	15,180	1.8%	12,846	6.7%

Company

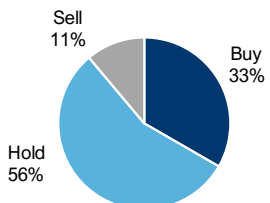
Consensus

Consensus estimates



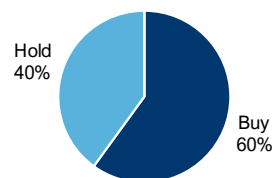
Consensus L3M	
# broker L3M	7
Price	145.52
TP	173.00
Potential upside / (downside)	18.9%

USDm	2024E	Δ vs 3m ago	2025E	Δ vs 3m ago	2026E	Δ vs 3m ago
Revenues	1,984	(0.6%)	2,128	1.2%	2,234	3.6%
EBITDA	420	(0.2%)	466	0.6%	515	4.3%
Net income	263	0.7%	294	1.5%	325	6.0%
Net debt	476	1.3%	299	85.9%	(150)	(37.1%)



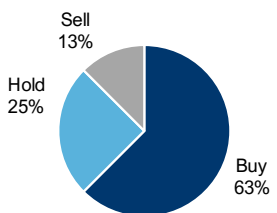
Consensus L3M	
# broker L3M	18
Price	68.55
TP	78.66
Potential upside / (downside)	14.8%

GBPm	2024E	Δ vs 3m ago	2025E	Δ vs 3m ago	2026E	Δ vs 3m ago
Revenues	1,667	(0.9%)	1,732	(1.8%)	1,833	(2.0%)
EBITDA	401	(1.2%)	425	(2.7%)	465	(2.6%)
Net income	213	(0.9%)	232	(2.3%)	261	(2.2%)
Net debt	706	0.1%	668	1.2%	602	3.6%



Consensus L3M	
# broker L3M	5
Price	23.05
TP	28.33
Potential upside / (downside)	22.9%

USDm	2024E	Δ vs 3m ago	2025E	Δ vs 3m ago	2026E	Δ vs 3m ago
Revenues	6,741	0.4%	7,338	2.1%	7,573	0.1%
EBITDA	682	1.5%	751	1.4%	796	2.4%
Net income	333	(3.0%)	365	(10.8%)	403	(13.3%)
Net debt	1,352	(1.3%)	1,071	(0.7%)	843	3.8%



Consensus L3M	
# broker L3M	8
Price	186.00
TP	212.86
Potential upside / (downside)	14.4%

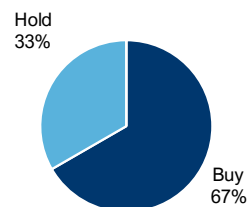
SEKm	2024E	Δ vs 3m ago	2025E	Δ vs 3m ago	2026E	Δ vs 3m ago
Revenues	14,996	(3.3%)	16,929	(4.4%)	18,301	(4.0%)
EBITDA	2,678	(2.9%)	2,948	(6.1%)	3,279	(3.6%)
Net income	1,288	(6.6%)	1,497	(11.1%)	1,750	(8.8%)
Net debt	5,049	5.3%	4,314	10.8%	3,129	13.5%

Company

Consensus

Consensus estimates

Rinnai



Consensus L3M	
# broker L3M	9
Price	3,259.00
TP	4,085.00
Potential upside / (downside)	25.3%

JPYm	2024E	Δ vs 3m ago	2025E	Δ vs 3m ago	2026E	Δ vs 3m ago
Revenues	450,755	(0.2%)	466,968	(0.3%)	480,585	0.0%
EBITDA	59,454	0.2%	64,074	0.5%	67,369	0.1%
Net income	29,488	-	32,184	-	33,930	-
Net debt	(143,180)	(3.3%)	(150,610)	(4.7%)	(164,086)	(5.2%)

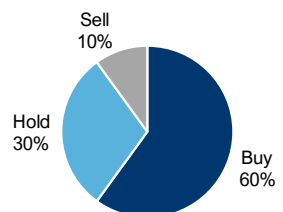
CAREL



Consensus L3M	
# broker L3M	4
Price	18.54
TP	19.75
Potential upside / (downside)	6.5%

EURm	2024E	Δ vs 3m ago	2025E	Δ vs 3m ago	2026E	Δ vs 3m ago
Revenues	579	(3.3%)	643	(4.6%)	707	(4.1%)
EBITDA	103	(3.2%)	125	(5.5%)	142	(3.2%)
Net income	53	(6.2%)	68	(7.2%)	81	(3.2%)
Net debt	36	(14.3%)	(8)	(234.8%)	(51)	36.0%

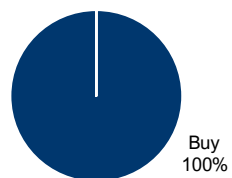
ARISTON GROUP



Consensus L3M	
# broker L3M	10
Price	3.45
TP	4.66
Potential upside / (downside)	35.0%

EURm	2024E	Δ vs 3m ago	2025E	Δ vs 3m ago	2026E	Δ vs 3m ago
Revenues	2,614	(1.2%)	2,727	(0.4%)	2,847	(0.4%)
EBITDA	259	(4.5%)	312	(1.3%)	356	(0.4%)
Net income	89	(6.4%)	130	(2.4%)	165	(0.3%)
Net debt	598	2.6%	422	0.8%	288	(5.1%)

LU-VE GROUP
leadership with passion



Consensus L3M	
# broker L3M	3
Price	27.75
TP	32.00
Potential upside / (downside)	15.3%

EURm	2024E	Δ vs 3m ago	2025E	Δ vs 3m ago	2026E	Δ vs 3m ago
Revenues	587	(1.1%)	620	(2.9%)	664	(2.1%)
EBITDA	82	1.0%	88	(0.4%)	95	(0.9%)
Net income	36	0.7%	40	(1.5%)	46	(3.0%)
Net debt	108	(0.4%)	86	(1.4%)	59	(3.9%)

Recent M&A transactions

HVACR M&A transactions (1/2)

Selected disclosed precedent transactions in the HVACR industry show a median EV/EBITDA multiple of 12.7x

Date	Target	Country	Target Description	Bidder	Country	EV (€m)	EV/EBITDA
Apr-24			Purmo Group is a company active in sustainable indoor climate comfort solutions			690	7.5x
Apr-24			Arbonia is a company with two divisions that are active in the areas of indoor climate and interior doors made of wood and glass			760	13.5x
Feb-24			Friulair specializes in the design and production of compressed air treatment solutions and industrial chillers. The company's offerings include air dryers, aftercoolers, filters, condensate separators, and water-oil separators			135	16.6x
Jun-23			CFL Holding is an holding company active as a ventilation and heating systems providers			640	13.6x
Apr-23			Viessmann Climate Solutions is a manufacturer of gas boilers, heat pumps, air conditioning units			12,000	17.0x
Dec-22			Resolute Industrial specializes in the rental, sales, and service of HVAC and power generation equipment			414	8.3x
Oct-22			Emerson Electric's Climate Technologies business specializes in the production and distribution of compressors, controls, and climate monitoring solutions		 	14,121	12.7x
Sep-22			Centrotec Climate Systems is a manufacturer of sustainable heating systems			1,065	12.6x
Jul-22			Vulcanic is a provider of industrial electric heating and cooling solutions. The company's portfolio includes heaters, thermostats, control panels, chillers, and temperature sensors			262	13.2x
Dec-21			Purmo Group is a company active in sustainable indoor climate comfort solutions			685	8.1x

Sources: Mergermarket

Note: Selected disclosed transactions in the Heating, Ventilation, Air Conditioning and Refrigeration industry in the last 5 years with EV above €50m

HVACR M&A transactions (2/2)

Selected disclosed precedent transactions in the HVACR industry show a median EV/EBITDA multiple of 12.7x

Date	Target	Country	Target Description	Bidder	Country	EV (€m)	EV/EBITDA
Dec-21			SPX Flow is a company active in the flow control industry, also offering heat exchange solutions			3,355	17.1x
Oct-21			GIANT Factories is a company active in the manufacturing of water heaters			165	9.5x
Jul-21			Sira Industrie is a manufacturer of water heating solutions			62	6.6x
Jun-21			Airtech is a company active in the manufacturing and installation of heating and cooling solutions			385	16.0x
Apr-21			Nortek Air Management business of Melrose offers heating, cooling and ventilation solutions			3,034	12.5x
Dec-18			HygroMatik is a company active in the manufacturing of air humidification systems and other HVAC solutions			59	14.4x
Dec-18			AlfaLaval is a company active in the development and manufacturing of heat exchange and other fluid control solutions			67	6.5x
Average							12.1x
Median							12.7x

Appendix

Overview of the selected listed HVACR players (1/4)

Company	Country	Mkt Cap (€m)	Key Financials	Business Description	Revenues Breakdown	Geography Breakdown
		80,263	- Revenues 23: € 17,093m - EBITDA% 23: 18.3% - PFN/EBITDA 23: 1.1x	Trane Technologies, headquartered in Swords, Ireland, is a global climate innovator specializing in heating, ventilation, air conditioning (HVAC), and refrigeration systems. Operating under brands like Trane and Thermo King, the company delivers sustainable solutions for buildings, homes, and transportation. Tracing its roots back to 1871, Trane Technologies emerged in its current form in 2020 after spinning off its industrial segment, Ingersoll Rand		
		59,145	- Revenues 23: € 21,340m - EBITDA% 23: 16.8% - PFN/EBITDA 23: 1.1x	Carrier Global, headquartered in Florida, is a leading provider of HVAC, refrigeration, and fire and security solutions. Carrier's product portfolio includes residential and commercial HVAC systems, refrigeration units for various applications, and fire and security technologies. Founded in 1915 by Willis Carrier, it became independent in 2020 after spinning off from United Technologies. In 2022, Carrier completed the acquisition of Toshiba's global residential and light commercial HVAC business, strengthening its position in the variable refrigerant flow (VRF) and heat pump markets		
		50,474	- Revenues 23: € 24,924m - EBITDA% 23: 15.4% - PFN/EBITDA 23: 2.1x	Johnson Controls International, headquartered in Cork, Ireland, is a global leader in building technology, software, and services. With a history dating back to 1885, the company specializes in heating, ventilation, and air conditioning (HVAC) systems, building management solutions, fire and security systems, and energy-efficient products. Operating in over 150 countries, Johnson Controls employs more than 100,000 people worldwide. In 2016, it merged with Tyco International, enhancing its capabilities in fire and security solutions		
		33,609	- Revenues 23: € 26,326m - EBITDA% 23: 13.5% - PFN/EBITDA 23: 0.3x	Daikin Industries, founded in 1924 by Akira Yamada in Osaka, Japan, has evolved into the world's largest air conditioning manufacturer. The company specializes in heating, ventilation, air conditioning (HVAC), refrigeration systems, and chemical products. Its diverse portfolio includes residential and commercial air conditioners, air purifiers, large-scale chillers, and fluorochemical products		

Overview of the selected listed HVACR players (2/4)

Company	Country	Mkt Cap (€m)	Key Financials	Business Description	Revenues Breakdown	Geography Breakdown
		20,961	<ul style="list-style-type: none"> - Revenues 23: € 4,811m - EBITDA% 23: 18.7% - PFN/EBITDA 23: 1.4x 	Lennox International, founded in 1895 by Dave Lennox, is a leading provider of climate control solutions, specializing in heating, ventilation, air conditioning (HVAC), and refrigeration systems. Headquartered in Richardson, Texas, the company operates globally, serving residential, commercial, and industrial markets. Lennox's product portfolio includes furnaces, air conditioners, heat pumps, and indoor air quality equipment, marketed under brands such as Lennox, Armstrong Air, and Heatcraft		
		16,712	<ul style="list-style-type: none"> - Revenues 23: € 5,559m - EBITDA% 23: 18.5% - PFN/EBITDA 23: 0.9x 	Alfa Laval, founded in 1883 by Gustaf de Laval and Oscar Lamm, is a Swedish company specializing in heat transfer, separation, and fluid handling technologies. Headquartered in Lund, Sweden, it operates globally, serving industries such as energy, environment, food, and marine		
		9,607	<ul style="list-style-type: none"> - Revenues 23: € 3,721m - EBITDA% 23: 21.7% - PFN/EBITDA 23: cash 	A. O. Smith, founded in 1874 and headquartered in Milwaukee, Wisconsin, is a leading manufacturer of residential and commercial water heaters and boilers. The company also offers water treatment and purification products, serving markets in North America, China, Europe, and India. With approximately 12,000 employees worldwide, A. O. Smith operates multiple manufacturing facilities, including five in North America		
		7,619	<ul style="list-style-type: none"> - Revenues 23: € 4,077m - EBITDA% 23: 18.6% - PFN/EBITDA 23: 2.1x 	NIBE Industrier, founded in 1952 in Markaryd, Sweden, is a global leader in energy-efficient climate solutions. The company operates through three main business areas: NIBE Climate Solutions, offering heating, cooling, ventilation, and hot water systems; NIBE Element, providing components and solutions for industrial heating and control; and NIBE Stoves, specializing in wood-burning and gas stoves		

Overview of the selected listed HVACR players (3/4)

Company	Country	Mkt Cap (€m)	Key Financials	Business Description	Revenues Breakdown	Geography Breakdown
		6,515	- Revenues 23: € 1,682m - EBITDA% 23: 17.8% - PFN/EBITDA 23: 1.5x	SPX Technologies, headquartered in Charlotte, North Carolina, is a global supplier of highly engineered products and technologies, holding leadership positions in the HVAC and detection and measurement markets. The company employs approximately 3,300 people across 15 countries. In June 2023, SPX completed the acquisition of ASPEQ Heating Group, a provider of electrical heating solutions for industrial and commercial markets, and it also acquired Ingénia Technologies in February 2024	Detection & Measurement 35.5% Heating, Ventilation & Cooling 64.5%	United States 83.5% Other 7.9% United Kingdom 5.5% China 3.1%
		6,117	- Revenues 23: € 2,035m - EBITDA% 23: 24.5% - PFN/EBITDA 23: 1.7x	Spirax, headquartered in Cheltenham, UK, is a global leader in thermal energy management and fluid technology. Established in 1888, through its expertise in steam systems, electric thermal solutions, and fluid technologies, the company helps clients achieve sustainable and efficient processes. In February 2024, the company announced a rebranding initiative, changing its name from Spirax-Sarco Engineering to Spirax Group	Steam Thermal Solutions 54.1% Electric Thermal Solutions 22.5% Watson-Marlow 23.4%	United States 27.0% Europe, Middle East & Africa 27.1% United Kingdom 6.5% Other 39.4%
		3,272	- Revenues 23: € 6,028m - EBITDA% 23: 8.8% - PFN/EBITDA 23: 1.4x	Resideo Technologies, headquartered in Scottsdale, Arizona, is a global provider of residential HVAC, security, and energy management solutions. Established in 2018 following a spin-off from Honeywell, Resideo offers products under brands like Honeywell Home and First Alert, including thermostats, security systems, and water leak detectors	ADI Global Distribution 57.2% Products & Solutions 42.8%	United States 75.6% Europe 17.1% Other International 7.3%
		2,999	- Revenues 23: € 1,217m - EBITDA% 23: 15.1% - PFN/EBITDA 23: 2.2x	Munters, founded in 1955 and headquartered in Kista, Sweden, is a global leader in energy-efficient air treatment and climate solutions. The company specializes in innovative technologies that control humidity, temperature, and air quality, serving industries such as pharmaceuticals, food production, data centers, and agriculture. In July 2024, the company signed an agreement to acquire Geoclima, an Italian manufacturer of air- and water-cooled chillers, enhancing its data center cooling solutions	AirTech 58.9% Data Center Technologies 24.5% FoodTech 16.6%	United States 51.0% Other 33.9% China 13.2% Sweden 2.0%

Overview of the selected listed HVACR players (4/4)

Company	Country	Mkt Cap (€m)	Key Financials	Business Description	Revenues Breakdown	Geography Breakdown
		2,937	- Revenues 23: € 2,630m - EBITDA% 23: 13.0% - PFN/EBITDA 23: cash	Rinnai, founded in 1920 in Nagoya, Japan, is a multinational company specializing in gas appliances, including high-efficiency tankless water heaters, boilers, and gas dryers. With a global presence spanning over 20 subsidiaries and manufacturing facilities in countries such as Australia, the United States, Italy, and China, Rinnai is renowned for its innovation in heating and hot water solutions		
		2,086	- Revenues 23: € 650m - EBITDA% 23: 21.3% - PFN/EBITDA 23: 0.3x	Carel Industries, founded in 1973 and headquartered in Brugine, Padua, Italy, is a multinational company specializing in hardware and software solutions for air conditioning, refrigeration, humidification, and evaporative cooling systems. The company operates 15 production sites and employs over 2,500 people worldwide		
		1,210	- Revenues 23: € 3,092m - EBITDA% 23: 13.5% - PFN/EBITDA 23: 1.4x	Ariston, headquartered in Fabriano, Italy, is a global leader in sustainable thermal comfort solutions, specializing in heating and water heating systems. Founded in 1930 by Aristide Merloni, the company has expanded its presence to over 40 countries, distributing products in nearly 170 markets worldwide. Ariston's portfolio includes high-efficiency boilers, heat pumps, and water heaters, marketed under brands such as Ariston, Elco, and Wolf		
		617	- Revenues 23: € 617m - EBITDA% 23: 12.9% - PFN/EBITDA 23: 1.7x	LU-VE, founded in 1985 by Iginio Liberali through the acquisition of Contardo S.p.A., has become a leading player in the HVACR industry. The company specializes in the production of air heat exchangers, serving sectors such as commercial and industrial refrigeration, air conditioning, and energy and power generation. Over the years, LU-VE has expanded its global footprint, operating 20 manufacturing facilities across Europe, Asia, and the United States, and maintaining a network of 34 sales offices worldwide		

HVACR trading multiples

Selected trading peers in the HVACR industry show a median 2024E EV/EBITDA multiple of 14.9x

Company Name	Country	Mkt Cap € m	EV / Sales			EV / EBITDA			EV / EBIT			P / E		
			2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026
HVACR														
Trane Technologies	United States	80,263	4.4x	4.1x	3.8x	22.8x	20.5x	18.8x	25.2x	22.6x	20.5x	32.7x	28.9x	26.1x
Carrier Global	United States	59,145	3.2x	3.1x	2.9x	16.7x	15.4x	14.0x	19.5x	18.2x	16.3x	25.7x	22.8x	20.6x
Johnson Controls International	United States	50,474	2.8x	2.7x	2.6x	17.7x	16.5x	14.9x	23.7x	21.0x	18.5x	21.3x	22.2x	19.7x
Daikin Industries	Japan	33,609	1.2x	1.1x	1.1x	8.7x	8.1x	7.5x	13.1x	12.1x	11.0x	20.0x	17.7x	15.7x
Lennox International	United States	20,961	4.4x	4.1x	3.9x	21.2x	19.4x	17.9x	23.1x	21.0x	19.2x	28.7x	26.1x	23.6x
Alfa Laval	Sweden	16,712	2.9x	2.7x	2.6x	15.1x	13.5x	12.7x	18.2x	16.0x	14.9x	24.1x	21.0x	19.4x
A. O. Smith	United States	9,607	2.6x	2.5x	2.4x	12.1x	11.5x	10.8x	13.4x	12.7x	11.9x	17.9x	17.0x	15.9x
NIBE Industrier	Sweden	7,619	2.7x	2.5x	2.3x	24.5x	15.4x	13.6x	38.0x	21.8x	18.7x	n.m.	25.1x	20.6x
SPX Technologies	United States	6,515	3.7x	3.5x	3.3x	17.6x	15.9x	14.4x	19.6x	17.8x	16.6x	25.7x	22.9x	20.8x
Spirax	United Kingdom	6,117	3.5x	3.4x	3.2x	14.7x	13.9x	12.7x	17.9x	16.9x	15.3x	23.7x	21.8x	19.4x
Resideo Technologies	United States	3,272	0.8x	0.8x	0.8x	8.3x	7.6x	7.1x	9.8x	8.2x	8.2x	10.2x	9.3x	8.4x
Munters	Sweden	2,999	2.6x	2.3x	2.1x	14.6x	13.3x	12.0x	18.6x	17.1x	15.3x	26.6x	22.9x	19.6x
Rinnai	Japan	2,937	0.9x	0.9x	0.8x	6.7x	6.3x	5.9x	9.1x	8.3x	7.8x	16.2x	14.9x	14.1x
Carel Industries	Italy	2,086	3.8x	3.4x	3.1x	21.3x	17.5x	15.4x	32.3x	24.3x	20.6x	39.6x	30.5x	25.8x
Ariston	Netherlands	1,210	0.8x	0.7x	0.7x	7.7x	6.4x	5.6x	14.5x	10.1x	8.4x	13.6x	9.3x	7.3x
LU-VE	Italy	617	1.2x	1.2x	1.1x	8.9x	8.2x	7.6x	13.9x	12.7x	11.4x	17.2x	15.4x	13.5x
Average			2.6x	2.4x	2.3x	14.9x	13.1x	11.9x	19.4x	16.3x	14.7x	22.9x	20.5x	18.2x
Median			2.7x	2.6x	2.5x	14.9x	13.7x	12.7x	18.4x	17.0x	15.3x	23.7x	22.0x	19.5x

Sources: Factset
Note: Selected listed businesses with market capitalization above €500m

HVACR benchmarking analysis

Selected trading peers in the HVACR industry show a median 2024E EBITDA margin of 17.8%

Company Name	Country	Sales CAGR	EBITDA %			EBIT %			Net Income %			ND / EBITDA		
		23-26	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026
HVACR														
Trane Technologies	United States	8.7%	19.4%	20.0%	20.4%	17.5%	18.2%	18.7%	12.9%	13.5%	14.0%	0.9x	0.6x	0.3x
Carrier Global	United States	3.6%	18.9%	19.9%	20.6%	16.2%	16.8%	17.8%	10.6%	11.6%	12.1%	2.0x	2.2x	1.7x
Johnson Controls International	United States	(1.1%)	15.5%	16.1%	17.2%	11.6%	12.7%	13.8%	10.6%	9.8%	10.6%	2.3x	1.7x	1.8x
Daikin Industries	Japan	6.3%	13.4%	13.8%	14.3%	8.9%	9.2%	9.7%	5.8%	6.3%	6.8%	0.1x	0.0x	cash
Lennox International	United States	5.9%	20.7%	21.1%	21.7%	19.0%	19.5%	20.1%	14.5%	14.9%	15.5%	0.7x	0.3x	cash
Alfa Laval	Sweden	6.6%	19.5%	20.1%	20.4%	16.2%	17.0%	17.4%	11.7%	12.4%	12.8%	0.4x	0.1x	cash
A. O. Smith	United States	2.7%	21.1%	21.6%	21.9%	19.1%	19.5%	19.8%	14.4%	14.7%	15.0%	cash	cash	cash
NIBE Industrier	Sweden	0.8%	11.0%	16.0%	16.7%	7.1%	11.4%	12.1%	4.0%	7.9%	8.8%	4.1x	2.2x	1.6x
SPX Technologies	United States	8.7%	21.2%	21.9%	23.1%	19.1%	19.5%	20.0%	13.2%	13.8%	14.5%	1.1x	0.6x	cash
Spirax	United Kingdom	2.9%	24.1%	24.6%	25.4%	19.8%	20.2%	21.0%	12.8%	13.4%	14.2%	1.8x	1.6x	1.3x
Resideo Technologies	United States	6.7%	10.1%	10.2%	10.5%	8.6%	9.5%	9.1%	4.9%	5.0%	5.3%	2.0x	1.4x	1.1x
Munters	Sweden	9.5%	17.9%	17.4%	17.9%	14.1%	13.5%	14.0%	8.6%	8.8%	9.6%	1.9x	1.5x	1.0x
Rinnai	Japan	3.9%	13.2%	13.7%	14.0%	9.7%	10.3%	10.7%	6.5%	6.9%	7.1%	cash	cash	cash
Carel Industries	Italy	2.8%	17.8%	19.5%	20.1%	11.7%	14.0%	15.1%	9.1%	10.6%	11.5%	0.3x	cash	cash
Ariston	Netherlands	(2.7%)	9.9%	11.4%	12.5%	5.2%	7.2%	8.3%	3.4%	4.8%	5.8%	2.3x	1.4x	0.8x
LU-VE	Italy	2.5%	13.9%	14.3%	14.4%	8.9%	9.3%	9.6%	6.1%	6.5%	6.9%	1.3x	1.0x	0.6x
Average		4.2%	16.7%	17.6%	18.2%	13.3%	14.2%	14.8%	9.3%	10.1%	10.6%	1.5x	1.1x	1.1x
Median		3.8%	17.8%	18.5%	19.0%	12.9%	13.8%	14.5%	9.8%	10.2%	11.0%	1.5x	1.4x	1.1x

Sources: Factset
 Note: Selected listed businesses with market capitalization above €500m

Clairfield credentials in the HVACR sector

<p>HVACR </p> <p>VIESSMANN acquired</p> <p>Waldhauser Heizung & Wasser</p> <p>Buy-side financial advisor 2024</p>	<p>HVACR </p> <p>NORDIC CLIMATE GROUP acquired</p> <p>T&S klimaatechneek</p> <p>Buy-side financial advisor 2024</p>	<p>HVACR </p> <p>NORDIC CLIMATE GROUP acquired</p> <p>Compair</p> <p>Buy-side financial advisor 2024</p>	<p>HVACR </p> <p>EUROFRED sold its subsidiary</p> <p>HORECA global solutions</p> <p>to</p> <p>TEFCOLD</p> <p>Sell-side financial advisor 2024</p>	<p>HVACR </p> <p>ENTEK SOLUTIONS was sold to</p> <p>PremiStar</p> <p>Sell-side financial advisor 2024</p>
<p>HVACR </p> <p>AIRA acquired</p> <p>ALL SEASONS ENERGY LTD</p> <p>Buy-side financial advisor 2023</p>	<p>HVACR </p> <p>DIP was sold to</p> <p>MULTI-WING</p> <p>Sell-side financial advisor 2023</p>	<p>HVACR </p> <p>Epta acquired</p> <p>HEIFO DIE PROFIS</p> <p>Buy-side financial advisor 2023</p>	<p>HVACR </p> <p>MV was sold to</p> <p>NORDIC CLIMATE GROUP</p> <p>Sell-side financial advisor 2022</p>	<p>HVACR </p> <p>ARISTON GROUP acquired</p> <p>CENTROTEC</p> <p>Buy-side financial advisor 2022</p>
<p>HVACR </p> <p>STUART TURNER acquired</p> <p>MIKROFILL</p> <p>Buy-side financial advisor 2021</p>	<p>HVACR </p> <p>BH Srl Holding Company acquired 40% of</p> <p>IVAR</p> <p>Buy-side financial advisor 2021</p>	<p>HVACR </p> <p>AREM was sold to</p> <p>ESFIN GEFIN CRÉDIT AGRICOLE RÉGIONS INVESTISSEMENT</p> <p>Sell-side financial advisor 2019</p>	<p>HVACR </p> <p>cmt acquired</p> <p>IXO</p> <p>Buy-side financial advisor 2017</p>	

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