

# US Commercial HVAC and Plumbing Industry

Sector M&A Brief Review

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# US Commercial HVAC and Plumbing Industry M&A Overview

- The US HVAC and plumbing sector is highly fragmented, comprising thousands of small to mid-sized businesses, and is undergoing consolidation to achieve economies of scale and drive expansion
  - States like Texas, Florida, and California have seen higher growth in commercial real estate and construction activities, driving demand for HVAC and plumbing systems
  - Companies are increasingly integrating vertically to control costs and improve margins. HVAC component manufacturers, for example, are merging with service providers to gain greater control over the supply chain

## Key Trends Shaping HVAC and Plumbing Industry's Market M&A

**There is a growing emphasis on acquiring companies specializing in energy-efficient HVAC systems and green plumbing technologies**

**Companies offering aftermarket services experience high demand as they have potential to generate recurring revenue**

**Large HVAC and plumbing distributors are actively acquiring regional players to expand their geographic presence**

**Companies specializing in IoT-enabled HVAC and plumbing systems are attractive targets for M&A**

**Cross-industry acquisitions are becoming more common as companies seek to offer holistic solutions that integrate HVAC, plumbing, electrical, and other building services**

# US Commercial HVAC and Plumbing Industry – Key Trends



## Aging Infrastructure Driving Demand for Retrofitting

Much of the existing HVAC and plumbing systems are aging, leading to increased demand for repairs, retrofitting, and replacement



## Technological Advancements

Innovations such as smart thermostats, automated HVAC systems, and IoT-enabled plumbing monitoring are transforming the industry



## Energy Efficiency and Sustainability

Growing regulatory requirements and corporate sustainability goals are driving the installation of energy-efficient HVAC systems and water-saving plumbing solutions



## New Commercial Construction

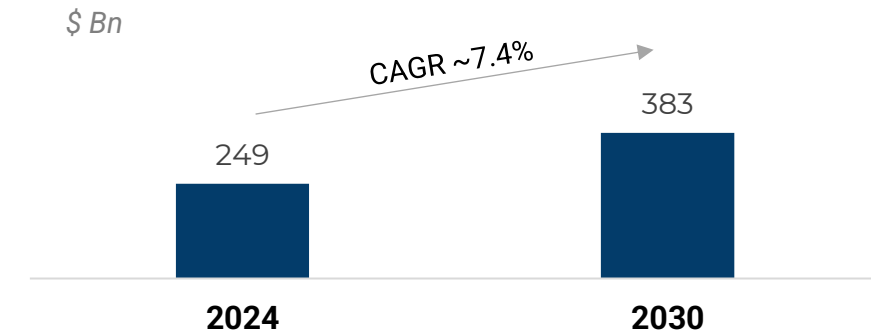
Ongoing growth in commercial real estate, including office spaces, warehouses, and healthcare facilities, drive demand for HVAC and plumbing installation



## Government Regulations and Incentives

Incentives, such as tax breaks or rebates for adopting energy-efficient technologies, encourage commercial property owners to invest in advanced HVAC and plumbing systems

## Global HVAC Market



Source : Grand View Research

**The global plumbing fixtures market is \$107 Bn and is expected to reach \$145 Bn by 2025**

primarily driven by increasing demand for ceramic and aesthetic appeal for washrooms and kitchen

Source : Grand View Research

# Active Private Equity Groups

 *has acquired* 

 *has acquired* 







 *has acquired* 

 *has acquired* 

 *has acquired* 

 *has acquired* 

# Active PE Backed Platform Buyers

PE Firm	Platform Company	Platform Overview	Select Acquisitions by Platform Company
<p><b>Madison Dearborn Partners</b></p>		<p>Air Control Concepts is a leading platform specializing in HVAC solutions, focusing on delivering high-quality products and services across the US through strategic M&amp;A activities, such as the acquisition of Dorse and Company</p>	
<p><b>Huron Capital Partners</b></p>		<p>The Exigent Group primarily focuses on commercial HVAC and mechanical services. They provide a range of solutions, including installation, maintenance, and repair of HVAC systems for commercial clients.</p>	
<p><b>Omers Private Equity</b></p>		<p>Modigent focuses on providing HVAC and plumbing services for commercial and industrial sectors. The company has expanded its market presence through strategic acquisitions of HVAC service providers, enhancing its capabilities in maintenance, and energy-efficient solutions</p>	



# Recently Active Strategic Buyers

## Acquiror

## M&A Overview

## Select Acquisitions



Crete United specializes in providing comprehensive commercial HVAC solutions, including installation, maintenance, and repair services for various industries. It has been actively pursuing strategic acquisitions to expand its service offerings and market reach in the HVAC sector



Integra primarily focuses on providing HVAC services, including installation, maintenance, and repair for commercial clients. The company is also involved in strategic mergers and acquisitions to enhance its service offerings and expand its market reach in the HVAC industry



Premistar is a company specializing in HVAC and mechanical services. The company has been engaged in strategic mergers and acquisitions to expand its service portfolio and market presence, aiming to enhance its capabilities in providing comprehensive HVAC solutions.



# Selected M&A Transactions

Date	Target	Acquiror(s) / Investor(s)	Percentage Acquired	Deal Size (\$ Mn)	Target Business Description
Jun-24	HVAC Services, Inc. (USA)	Green Mechanical Construction Inc.	100	-	HVAC Services, Inc. is a Kentucky-based company providing commercial HVAC and mechanical contracting services. They specialize in system design, installation, maintenance, and energy-efficient solutions for businesses across various industries
Jun-24	5 Seasons Mechanical, LLC (USA)	Thermal Concepts LLC	100	-	5 Seasons Mechanical, LLC is a Georgia-based company specializing in commercial HVAC and mechanical services. They provide installation, maintenance, and energy-efficient solutions for businesses across various industries, including healthcare, education, and industrial sectors
May-24	TriplePoint MEP Holdings, LLC (USA)	Stellex Capital Management LLC	-	-	TriplePoint MEP Holdings, LLC is a Texas-based company specializing in mechanical, electrical, and plumbing (MEP) services. They offer comprehensive design, installation, and maintenance solutions for commercial and industrial clients across various sectors
Mar-24	Dynamic Air Solutions LLC. (USA)	RLJ Equity Partners, LLC; Flow Service Partners Tennessee Op-Co LLC	100	-	Dynamic Air Solutions LLC is a Florida-based company offering commercial HVAC services, including system design, installation, and maintenance. They focus on providing energy-efficient solutions for businesses across various industries
Jan-24	Miinc, LP (USA)	SubSplit Services Group, L.P.	100	-	Miinc, LP is a Texas-based mechanical contracting company offering commercial HVAC, plumbing, and piping services. They provide design, installation, and maintenance solutions for large-scale projects in industries like healthcare, education, and industrial facilities
Sep-23	A.O. Reed & Company, Inc. (USA)	Legence Holdings LLC	100	-	A.O. Reed & Company, Inc. is a San Diego-based mechanical contracting firm offering commercial HVAC, plumbing, and piping services. They provide installation, maintenance, and energy management solutions for large-scale projects across various industries
Mar-23	Tradewinds Mechanical, LLC (USA)	Sound Partners., LLC; Calico Group	100	-	Tradewinds Mechanical, LLC is a Texas-based company providing commercial HVAC and plumbing services. They specialize in the design, installation, and maintenance of mechanical systems for businesses in sectors such as healthcare, retail, and industrial facilities
Jan-23	Aire-Rite Air Conditioning & Refrigeration, Inc. (USA)	CMS Mechanical Services, LLC	100	-	Aire-Rite Air Conditioning & Refrigeration, Inc. is a California-based company specializing in commercial HVAC and refrigeration services. They offer installation, maintenance, and repair solutions for various industries, including food service and retail
Oct-22	Marick, Inc. (USA)	Orion Group	100	-	Marick, Inc. is a commercial HVAC and refrigeration company based in Kansas, specializing in system design, installation, and maintenance services. They cater to a wide range of industries, including retail, healthcare, and industrial facilities

Have questions about this report or would like to speak to our team?



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## Industry Expertise: Residential & Commercial Services

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|--|---|--|--|
|  Exterior building Service              |  Garage Door Services        |  Waste & Site Services          |  Plumbing           |
|  Guard, Concierge & Parking Management |  Fire & Life Safety         |  Roofing                       |  Pest Control      |
|  Janitorial & Cleaning                |  HVACR                     |  Facility Technology Services |  Pool Maintenance |
|  Landscaping & Grounds Maintenance    |  Restoration & Remediation |  Security Systems Integration |  |

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