

# HVAC Industry Trends & Transactions

## Industry Trends

- New energy efficiency standards have prompted improvements in HVAC equipment and the replacement of outdated installations
- Increases in sales of new advanced unit and service expected to replacing older units and improve HVAC filters to help reduce airborne contaminants including viruses in buildings or small spaces
- Expansion of construction and real estate sectors to drive industry revenues and profits
- Low mortgage rates, strong housing starts, and private spending on home improvements should lead to increased sales and services
- Strategic acquirors regularly seek to expand their footprints
- Private equity is active in the space with platform companies completing numerous add-on transactions
- Service providers offering recurring revenue streams and operate in favorable geographies are targeted by investors

## Transactions

Target	Acquiror	Transaction Comments
		Wrench Group (backed by Leonard Green and Partners) acquired Service Champions North on 7/6/20. Service Champions North offers HVAC repair, installation, and maintenance. Company was founded in 2003 and is based in Pleasanton, California.
		Service Champions, Inc. acquired Abc Cooling, Heating & Plumbing, Inc on 7/14/20. Abc Cooling, Heating & Plumbing, Inc. provides air conditioning, plumbing, and heating service, including repair, maintenance, and installation. Company was founded in 2016 and is based in Hayward, California.
		Nation Wide Products acquired Ductless Supply LLC from Jason Darby and others on July 7, 2020. Ductless Supply LLC provides mini split HVAC systems sold under the DuctlessAire brand. The company was incorporated in 2012 and is based in Columbia, South Carolina.
Honold & La Page, Inc		Dakota Supply Group, Inc. agreed to acquire Honold & La Page, Inc. from a family on June 24, 2020. Honold & LaPage, Inc. distributes electrical, heating, industrial, pipe/valves/fitting, and plumbing products. The company was founded in 1933 and is based in Sheboygan, Wisconsin.
		Turnpoint Services, LLC acquired Cool Air Mechanical, LLC on March 16, 2020. Cool Air Mechanical, LLC provides HVAC services, was founded in 2009, and is based in Marietta, Georgia.
		Turnpoint Services, LLC acquired Meetze Plumbing Co., Inc. on March 9, 2020. Meetze Plumbing Co., Inc. provides residential and commercial plumbing services to the Midlands of South Carolina.
	Electra USA, Inc.	Electra USA, Inc. agreed to acquire 56% stake of FW Sims, Inc. for \$19.4 million on February 18, 2020. F.W. Sims, Inc. provides mechanical contracting and HVAC services.
		Thompson Street Capital Partners V, L.P. managed by Thompson Street Capital Partner and management agreed to acquire Len The Plumber, Inc on January 29, 2020. Len The Plumber is a contractor of plumbing, heating and air conditioning systems.
		Service Logic, LLC acquired Huckestein Mechanical Services, Inc. on January 28, 2020. Huckestein Mechanical Services, Inc., offers a suite of HVAC solutions that include design-build capabilities, ongoing maintenance, and repair and replace support services.