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Integrity | Expertise | Results

Nationally recognized investment bank
founded in 2000

Over 300 transactions completed, totaling
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Extensive relationships with leading
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and strategic buyers

Proven ability to source quality buyers
and maximize deal value

Industry Expertise

- Industrials
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- Business Services
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- Financial Services
- Consumer

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and management buyouts

Capital raising of equity, mezzanine, and
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Comprehensive and targeted sell-side
marketing efforts

Hyde Park Capital Advisors, LLC

701 N. Franklin Street

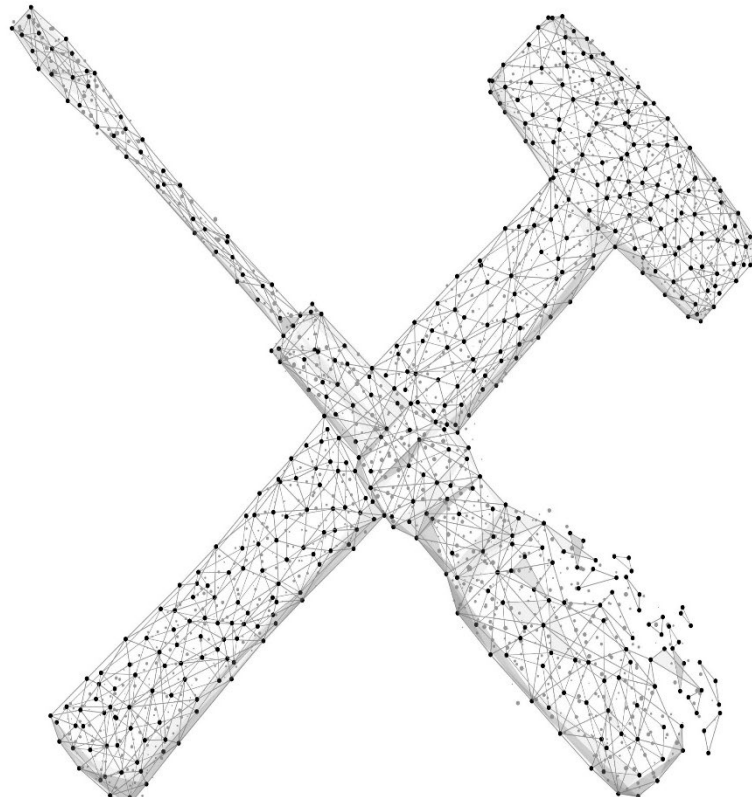
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HVAC Services Market Insights *Fall 2024*

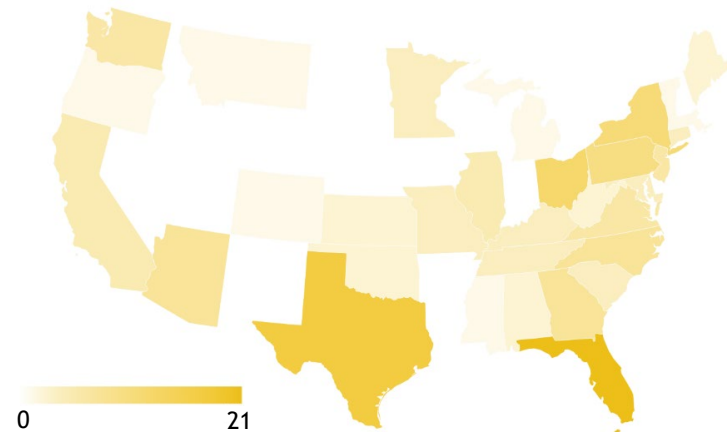


Market Overview

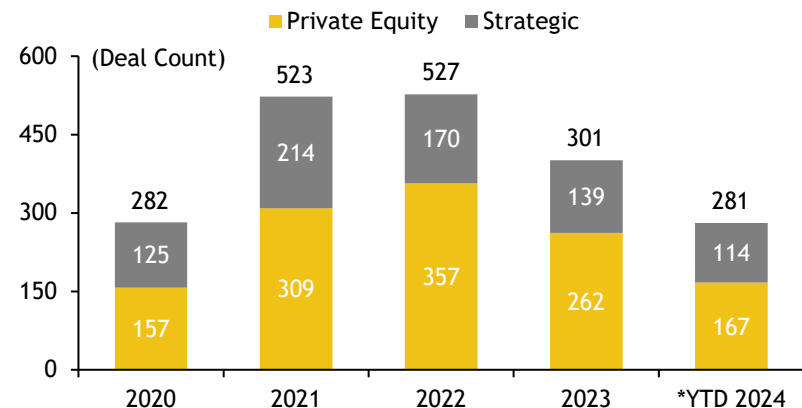
Market Overview - HVAC Services

- The U.S. HVAC services market is projected to generate **\$19.8 billion** in revenue in 2024, growing at a CAGR of **6.6%** and expected to reach **\$27.2 billion** by 2029. The sector's growth is driven by ongoing demand for HVAC repair and maintenance services, as well as the installation of new systems. This growth aligns with the forecasted increase in new construction in the U.S., which is supported by recent rate cuts that are lowering borrowing costs and encouraging investment in residential and commercial construction.
- In 2024, the HVAC services sector has seen significant consolidation, with Florida and Texas leading the way, followed closely by the broader Southeast. As consolidation continues, there will be fewer privately held companies available for acquisition. Consequently, service providers in states with lower consolidation will increasingly attract interest from larger providers in neighboring states seeking to expand their footprint.
- Many HVAC business owners often worry about employee retention after a sale. However, in response to the skilled labor shortage resulting from an aging workforce and fewer new entrants, private equity acquisitions have often led to increased compensation and benefits for employees of the acquired company. Many sellers have also opted to rollover equity into the acquiring company, enabling them to benefit from "two bites of the apple" when selling their business.
- Both private equity investors and broader facility service providers have been actively acquiring HVAC companies to enhance their service offerings. Since 2022, private equity investors have acquired nearly 800 HVAC, plumbing, and electrical companies, highlighting a strong interest in expanding service lines within a more comprehensive brand portfolio.

HVAC Services M&A Activity by State*



U.S. HVAC, Electrical, and Plumbing Services M&A



Select M&A Transactions

Deal Date	Target	Target Description	Buyer/Investor
11/01/24	Len's Refrigeration, Heating & Air Conditioning	Provider of HVAC repair and installation services for residential and commercial customers.	User Friendly Home Services
10/31/24	DWC Mechanical	Provider of HVAC services, offering installation, maintenance, and designing services.	Alliance Group (Trinity Hunt Partners)
10/30/24	Atmostemp	Provider of installation, maintenance and repair services of HVAC systems catering to the residential and commercial markets.	Lennox International (NYSE: LII)
10/29/24	ProFlo Air Conditioning, Heating and Plumbing	Provider of residential HVAC services, offering installation, maintenance, and designing services.	Apex Service Partners (Alpine Investors)
10/22/24	Sullivan Oil & Propane	Full-service furnace and heating repair specialists, offering installation and maintenance services for HVAC systems.	Energy Distribution Partners (Concentric Equity Partners)
10/10/24	Total Comfort	Provider of residential and commercial HVAC and plumbing services, offering air conditioner installation, water filter replacements, furnace installation, and more.	Seacoast Service Partners (White Wolf Capital Group)
10/04/24	Excel Heating & Cooling	Provider of HVAC services and smart thermostat installation intended to serve residential and commercial end-markets.	Valley Air
10/02/24	Hart HVAC	Provider of residential and commercial HVAC services, offering repair, installation, maintenance and replacement of heating and cooling systems, air ducts, thermostats and electrical components.	FoW Partners
10/01/24	Appalachian Heating	Provider of HVAC services, offering air conditioning installation, repair, replacement, and boiler service.	Leap Service Partners (Concentric Equity Partners)
10/01/24	Hart & Iliff	Provider of air conditioning maintenance services, specializing in installation, repair, and maintenance of hot water making, heating equipment, ventilation equipment, and more.	NRG Heat & Power
10/01/24	St. Clair's Custom Air	Provider of residential air conditioning services, offering installation, maintenance, repair and indoor air quality services.	Elevate Home Services



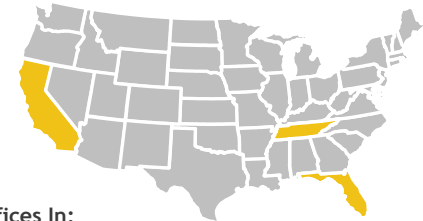
Select M&A Transactions (Cont.)

Deal Date	Target	Target Description	Buyer/Investor
09/16/24	Victor's Air Conditioning	Provider of residential and commercial HVAC services, offering new air conditioning systems, furnaces, boilers, ductless systems, humidifiers, multi-zoned systems, electronic air cleaners, and more.	Total Comfort Group
09/13/24	American Residential Services	Provider of plumbing and HVAC services to residential and commercial end-markets, offering a wide range of services including plumbing, drain cleaning, installation, repair, and more.	Del-Air Heating and Air Conditioning (Astara Capital Partners)
09/06/24	Four Star Mechanical	Provider of HVAC services intended to serve the commercial and industrial sectors.	Kelso Industries (Paceline Equity Partners)
09/01/24	CW Air Conditioning & Heating	Provider of comprehensive air conditioning and heating services catering to homeowners and businesses.	Rescue One Air
09/01/24	HERC Enterprises	Provider of heating and air conditioning systems services intended for residential and commercial customers, offering installation, repair and maintenance as well as electrical and plumbing services.	A&M Capital
09/01/24	Stephen K. Denny	Provider of HVAC services, offering air conditioning, heating, ductless systems, indoor air quality, and maintenance services.	Zephyr (The Pritzker Organization)
09/01/24	Woodstock Heating & Cooling	Provider of HVAC services intended for residential and light commercial properties, offering air condition installation, maintenance, heating repair, heating installation, indoor air quality, and more.	LightBay Capital
08/20/24	Advanced Cooling and Heating	Provider of air conditioning repair, maintenance, and installation services.	Seacoast Service Partners (White Wolf Capital Group)
08/20/24	Allied Experts	Provider of residential HVAC services, offering heating, cooling, duct cleaning, and air conditioning repair services.	Sila Heating & Air Conditioning (Constitution Capital Partners)
08/19/24	Smith & Keene	Provider of residential HVAC services, offering installation, replacement service, and repairs for various brands of HVAC systems, water heaters, and generators.	Cascade Services (Trive Capital)
08/09/24	Holsenback Service	Provider of residential and commercial HVAC repair services.	McGee Heating & Air (Grove Mountain Partners)



HPC Overview

- Founded in 2000 by the prior heads of investment banking coverage groups at Raymond James
- Advised on **300+ transactions** and has been a consistent leader in providing independent and unbiased strategic counsel and advisory services to global sellers and buyers of middle-market firms
- Diverse team with extensive execution experience across all areas of Facility Services
- Bulge bracket capabilities with a boutique touch



Offices In:

- Tampa, FL (Headquarters)
- Nashville, TN
- San Francisco, CA

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- M&A Atlas Awards Boutique Investment Bank of the Year and Deal of the Year Winner (Business Services)



- Global Finance World's Best Investment Bank (Southeast Region)



- Ernst & Young Entrepreneur of the Year (Florida Region, Financial Services)

Industrials Coverage. . .



With a Focus on HVAC Services



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Dedicated Bankers Committed to Facility Services Sector Coverage

Industrials coverage bankers with extensive experience in sell-side M&A and a relentless commitment to clients

Experienced Facility Services Bankers



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Select Transactions

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Highlighted HVAC Services Case Studies

HPC Overview

Case Study - Residential HVAC, Plumbing, and Electrical Services

CLIENT: PALLADIN CONSUMER RETAIL PARTNERS / SOUTHEAST MECHANICAL

ADD-ON TARGET: CLIMATE DESIGN HOME SERVICES

COMPANY OVERVIEW

- Based in Winston-Salem, NC, Southeast Mechanical (or the “Company”), is a platform, backed by Palladin Consumer Retail Partners, providing HVAC, plumbing, and electrical services. The platform is composed of local market-leading brands, servicing both residential and commercial customer across North Carolina, South Carolina, Georgia, and now Florida.
- Palladin Consumer Retail Partners, founded in 1998 and based in Boston, Massachusetts, is a private investment firm that primarily focuses on the retail, consumer products, and industrial services sectors in North America and Europe.
- Climate Design Home Services is a provider of residential and light commercial HVAC, electrical, and plumbing services, including new installations, maintenance, and repairs. Headquartered in St. Petersburg, FL, the Company primarily services customers in the Southwest FL region.

PROCESS OVERVIEW

- Hyde Park Capital represented Palladin Consumer Retail Partners and Southeast Mechanical as a buy-side advisor in its acquisition of Climate Design Home Services.
- Hyde Park Capital identified Climate Design Home Services, facilitated introductions to Southeast Mechanical, aided due diligence, and successfully closed the deal with Climate Design Home Services.



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The undersigned acted as a buy-side advisor to Southeast Mechanical for this transaction.



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HPC Overview

Case Study - Residential HVAC, Plumbing, and Electrical Services

CLIENT: ACREE PLUMBING, AIR & ELECTRIC

ACQUIRER: LTP HOME SERVICES GROUP, A PORTFOLIO COMPANY OF L CATTERTON

COMPANY OVERVIEW

- Founded in 1967, Acree Plumbing, Air & Electric (the “Company”) offers a full suite of residential services including new installation, regular maintenance, and urgent repair of HVAC, electrical, and plumbing equipment. The Company provides services to 60,000+ customers, in the Greater Tampa area, and is fully licensed, bonded, and insured, offering same day service from 7am - 11pm, 365 days a year.
- Utilizing a live call center and trademarked, Straight Forward Price Guide, the Company values transparency to increase customer experience and ongoing retention. The Company has 6,000+ 5-star customer reviews.

PROCESS OVERVIEW

- Hyde Park Capital represented Acree Plumbing, Air & Electric in its sale to LTP Home Services Group, a provider of residential plumbing and HVAC services in the Mid-Atlantic and Southeastern United States.
- Hyde Park Capital engaged in a targeted marketing process, in which LTP Home Services Group submitted an offer for the Company. Hyde Park Capital then assisted in negotiating and signing an LOI, facilitated due diligence, and closed the transaction in ~45 days.

CLIENT QUOTE

“We are incredibly thankful to have had Hyde Park help us with this process and excited to be partnered with LTP. We could not be happier with our decision and are excited to watch our HVAC, electrical and plumbing services expand throughout the United States.”



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HPC Overview

Case Study - Commercial HVAC Services

CLIENT: MILLIAN-AIRE ENTERPRISES

ACQUIRER: BGIS, A PORTFOLIO COMPANY OF CCMP CAPITAL

COMPANY OVERVIEW

- Founded in 1989, Millian-Aire Enterprises (the “Company”) is a HVAC services company headquartered in Tampa, FL servicing primarily commercial customers across the United States. Millian-Aire’s services are comprised of routine HVAC system maintenance, repairs, and installation, utilizing their 100+ employees.
- In addition to AC services, the Company offers a variety of comprehensive solutions to improve indoor air quality and overall comfort, including UV lights, duct sealing and replacement, air purification systems, and more. The Company has received 1200+ 5-star reviews for their services.

PROCESS OVERVIEW

- Hyde Park Capital represented Millian-Aire Enterprises in its sale to BGIS, a Canadian-based provider of facility management services to the healthcare, education, government, utilities, and infrastructure end-markets.
- Hyde Park Capital engaged in a targeted marketing process, in which BGIS submitted a preemptive offer for the Company. Hyde Park Capital then signed an LOI facilitated due diligence and closed the transaction in ~45 days.

CLIENT QUOTE

“We had demand for our services that were well beyond our ability and resources to handle on our own. So, we decided to engage **Hyde Park Capital** to find the right partner/buyer to help us. **Hyde Park** quickly found **BGIS**, and we could not be more thrilled with our decision to partner with **BGIS** and grow our HVAC company nationally while also helping **BGIS** expand its facilities management services throughout the U.S.”



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