SDR VENTURES – MECHANICAL, ELECTRICAL, AND PLUMBING (MEP) SERVICES

PLUMBING & HVAC SERVICES - M&A OVERVIEW

DRIVING A SUCCESSFUL OUTCOME THROUGH A COMPETITIVE PROCESS

AIRSIDE TECHNOLOGY CORPORATION

- SDR served as the exclusive sell-side advisor to Airside Technology
- Founded in 1984, Airside is a full-service union HVAC contractor headquartered in East Syracuse, NY
- Comprehensive service mix: controls, pipe fitting, and sheet metal fabrication, supported by an automated inhouse fab shop
- Serves commercial, industrial, institutional, municipal, retail, and office-building customers across Central New York
- The process attracted 50+ prospective investors
- Acquired by Heritage Holdings, a Boston-based lower-middle-market PE firm focused on founder-and-family-owned services businesses
- Heritage Holding has four distinct companies in its HVAC Platform: Airco, Blue Mountain Mechanical, Walker Mechanical, and Winchester Mechanical

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WHAT BUYERS ARE LOOKING FOR IN A COMMERCIAL HVAC BUSINESS

- Service Over Construction: Buyers prioritize "service maintenance," then replacement, then new construction. The most tangible path to increasing Enterprise Value is diversifying towards service maintenance and replacement over new construction.
- End Markets: Favorable end markets include data centers, healthcare, and industrial facilities. Office buildings, public education, multi-family residential, and hospitality are less desirable for buyers.
- Operational Excellence: Low turnover, a trained non-union team, well-maintained equipment, 6+ months of backlog, low customer concentration, and EBITDA margins above 10–11% signal a true turnkey operation.

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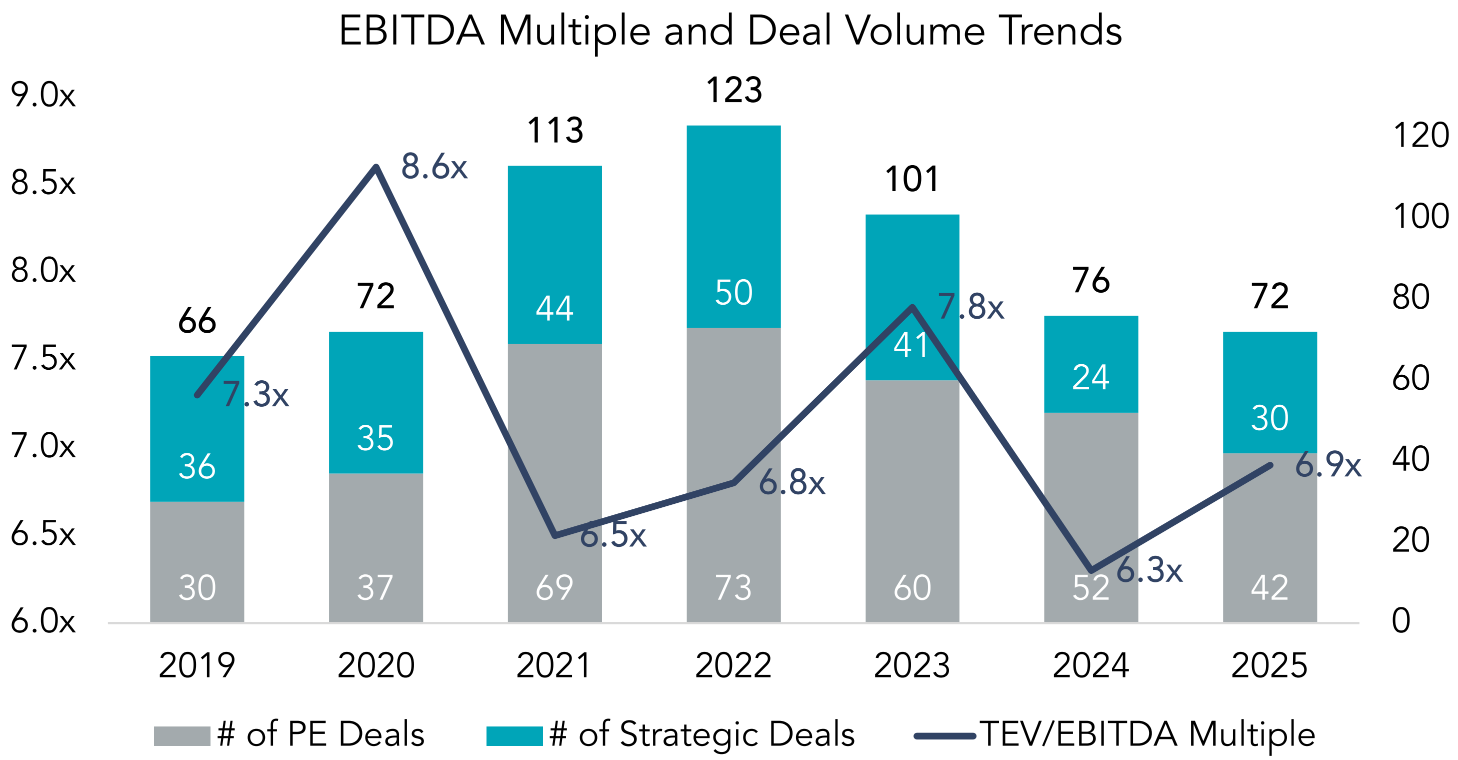
PLUMBING, HEATING, AND AIR-CONDITIONING CONTRACTORS



Sources: Deal multiples sourced from GF Data, deal volume sourced from Pitchbook

MARKET INSIGHTS: PLUMBING, HEATING, AND AIR-CONDITIONING CONTRACTORS

- Deal activity peaked at 123 transactions in 2022 before declining steadily, while EBITDA multiples similarly rose to 8.6x in 2020, compressed to 6.3x by 2024, and partially recovered to 6.9x in 2025, reflecting a broader moderation in sector valuation and deal appetite from post-pandemic highs.
- Buyer competition has tripled: The acquirer universe is 3x what it was five years ago. In residential, platforms like Seacoast Service Partners and Champions Group are executing deals at a rapid clip across the Southeast and Texas. In commercial, PE-backed consolidators such as CoolSys and Climate Pros are aggressively rolling up commercial HVAC/MEP contractors, drawn by recurring service contracts, data center and healthcare end-market tailwinds, and fragmented regional ownership.
- Most targets are family-owned businesses ready to transition: PE is drawn to essential, recession-resistant services with recurring maintenance revenue and a strong management team willing to stay on post-close.

Click Here to Read the Full M&A Snapshot >

Sources: PitchBook HVAC Analyst Note Q2 2025; PitchBook Construction & Engineering Q4 2024; McCombie Group / Forbes; Seacoast Service Partners; Champions Group; Hiller / Gunn

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ACTIVE MEP BUYERS

BUYERS OF COMMERCIAL SERVICES

ARES · PremiStar · Modigent (All ways forward.) · Greenspring Growth Partners · hkw · Kingfish Group · Banyan Ridge Capital · Delos Capital · CoolSys · Heritage Holding · IMB Partners · Climate Pros

BUYERS OF RESIDENTIAL SERVICES

Huron Capital · LGP Leonard Green & Partners · Alpine · Apex Service Partners · Sila Services · TJC · Riverside · Saw Mill Capital · Shore Capital Partners · PNC · Air Pros · Heartland Home Services · Churchill from nuveen

SELECT SDR TRANSACTIONS

- Airside Technology Corporation — Has been acquired by — Heritage Holding — SDRVentures Sell-Side Transaction
- done plumbing & heating — Has been acquired by — Radiant Plumbing · Air Conditioning — A portfolio company of — Riverside — SDRVentures Sell-Side Transaction
- Lumos — Has been acquired by — A Private Investor — SDRVentures Sell-Side Transaction
- L&D Electric — Has been acquired by — Series 1 Acquisitions, LLC — SDRVentures Sell-Side Transaction
- MVA Medium Voltage Accessory Supply, Inc. — Has been acquired by — Radwell — A portfolio company of — CVC Capital Partners — SDRVentures Sell-Side Transaction
- integrity controls inc. — Has been acquired by — JICI, LLC — SDRVentures Sell-Side Transaction
- Residential & Commercial HVAC Services — *Under LOI* — SDRVentures Sell-Side Transaction

SDR'S EXPERIENCE IN PLUMBING & HVAC SERVICES

- Deep experience advising founder-owned lower middle market businesses
- Proven track record maximizing valuation through competitive sale processes
- Strong relationships across strategic and private equity-backed buyers

CONTACT THE MECHANICAL, ELECTRICAL, AND PLUMBING TEAM

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