

**DATE**

June 04, 2019

**SECTORS**

Industrials

**DEAL TYPE**

M&A Advisory

**DEAL LOCATIONS**



**DEAL TEAM**



**Michael Mariaz**  
Managing Director



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Director

# DC Advisory advised Paloma Rheem Manufacturing Company on the acquisition of Intergas



## Background

- Operating as a wholly owned subsidiary of Japan-headquartered Paloma Co., Ltd, Rheem Manufacturing Company (Rheem) is one of the largest manufacturers of water heaters in the world. Under the brand names of Rheem, RUUD, Raypak, Solahart and others, Rheem sells water heaters, swimming pool heaters and commercial boilers, central warm-air furnaces and air conditioners in more than 50 countries
- Established in 1939 and headquartered in Coevorden, the Netherlands, Intergas Verwarming B.V. (Intergas) is a leading manufacturer of high efficiency gas boilers and water heaters for the residential market, selling more than 230,000 units per year across 20 countries
- Intergas is a brand leader in the Netherlands for condensing boilers, has a rapidly growing market share in the UK, as well as an established presence in North America
- Bregal Freshstream (Freshstream), a private equity fund specialising in mid-market buyouts in the UK and Benelux, acquired a significant minority stake in Intergas in November 2017

## Process

- Owing to DC Advisory's (DC) strong heating, ventilation and air conditioning (HVAC) sector expertise, relationships and insights into the landscape of actionable European M&A opportunities, the team was engaged by Rheem to provide buy-side advice in relation to their acquisition of Intergas
- DC provided strategic and valuation advice, and transaction support to Rheem

throughout the negotiations

### **Outcome**

- On 31 May 2019, Rheem entered into a definitive agreement to acquire a 100% stake in Intergas for an undisclosed consideration
- Intergas will join Rheem's Global Water Division with its headquarters remaining in Coevorden and the Intergas brand name remaining unchanged
- The acquisition expands Rheem's water heating and boiler portfolio for both residential and commercial applications to meet demands in Europe and additional markets worldwide
- Led by Intergas' current management team, Rheem plans to leverage Intergas' strong pan-European platform to launch a HVAC sector consolidation strategy, whilst also benefiting from research and development knowledge sharing and cross-selling opportunities

We are delighted to be associated with Rheem's acquisition of Intergas, which represents a seismic shift in the European HVAC industry that we expect to trigger a wave of consolidation in the heating sector. Intergas' stakeholders have built an exceptional business that is the perfect fit for Rheem's European strategy.

Michael Mariaz  
Managing Director, DC Advisory: