Middle Market Value



INDUSTRY REPORT Q3 2026

Mechanical, Electrical & Plumbing (MEP) Contractors: Strategic Buyers and Private Equity Compete for the Skilled Trades.

Electrical, plumbing and HVAC contractors make up a $738 billion market with thousands of owners and too few skilled workers. Data centers are filling backlogs, and two very different kinds of buyers are competing to acquire the firms that can staff them.

Middle Market Value · Windward Advisors deal team Data through September 2026

MEP TRADES REVENUE

$738B

Electrical, plumbing and HVAC contractors combined, across more than 500,000 businesses.[1][2][3]

PRIVATE EQUITY SHARE

49.7%

Of MEP services deals in Q1 2026, the highest share in four years.[7]

LARGEST Q3 DEAL

$1.65B

MasTec's purchase of The Superior Group, a data center electrical contractor.[9]

COMFORT SYSTEMS BACKLOG

+90%

To a record $17.8B in Q3, driven by data center and technology work.[6]

WHAT WE'RE SEEING

Four forces shaping the market.

Data centers are filling backlogs

AI data centers need far more power, cooling and piping than traditional buildings. At Comfort Systems, technology work reached 59% of revenue this year, and backlog now runs 18 to 24 months instead of the historical nine. Data centers have also become the main growth driver for commercial construction overall.[1][5][6]

Labor is the constraint, not demand

Contractors consistently name skilled labor as their biggest problem. Plumber pay rose 16.4% from 2021 to 2026, and the U.S. is projected to be 550,000 plumbers short by 2027. Comfort Systems says hiring, not demand, will limit its growth.[1][2][6]

Recurring service revenue attracts capital

Maintenance and repair is a quarter of HVAC revenue and much of plumbing's. That recurring work is what private equity platforms are buying, and services businesses with a large maintenance base sell for more than project-driven firms.[3][8]

Prefabrication earns a premium

To stretch scarce labor, contractors are building systems off-site in controlled shops and installing them in the field. Buyers are rewarding firms with proven prefabrication capabilities with higher valuations.[7]

THE MARKET

Three trades and the power grid.

Each trade is highly fragmented. Even Quanta Services, the largest electrical contractor, holds only about 6% of its market. Most contractors are regional firms that buy and sell through local relationships, which gives acquirers a long list of targets.[1]

ELECTRICAL CONTRACTORS

$370.9B

Revenue; 6.2% a year over the past five years, 2.3% forecast; 7.2% profit margin[1]

- Power systems installation and service are 65% of revenue.[1]
- Data centers are the leading source of new demand, led by Virginia and Texas.[1]
- The fastest-growing of the three trades over the past five years.[1]

PLUMBING & MECHANICAL

$208.1B

Revenue; 4.9% a year over the past five years, 2.5% forecast; 5.6% profit margin[2]

- General plumbing is 51% of revenue and mechanical services 37%.[2]
- Office-to-residential conversions need new water, drainage and fire-protection systems.[2]
- Rising wages are squeezing margins.[2]

HVAC CONTRACTORS

$159.4B

Revenue; 2.6% a year over the past five years, 1.8% forecast; 7.0% profit margin[3]

- New construction installations are 38% of revenue.[3]
- Maintenance and repair (25%) and existing-building upgrades (24%) provide steady work.[3]
- Healthcare and manufacturing are offsetting weaker office demand.[3]

TRANSMISSION & POWER LINE

$147.9B

Revenue; 5.4% a year over the past five years, 2.1% forecast; 5.9% profit margin[4]

- Electric transmission construction and repair is 57% of revenue.[4]
- Rising power demand from data centers is driving grid investment.[4]
- Quanta Services holds about 8% of the market.[4]

WHO'S BUYING

Two kinds of buyers, both active.

Strategic acquirers and private equity-backed platforms are both buying MEP contractors, but they look for different things. For owners, that competition is an opportunity: a business that fits both buyer types can draw more bidders.

Strategic acquirers

Public contractors such as EMCOR, Comfort Systems, MasTec, Quanta and Legence. They buy to add skilled crews, data center and critical-facility expertise, and new regional markets.

- Focus: commercial, industrial and mission-critical project work
- Recent deals: MasTec / The Superior Group, Comfort Systems / Lewis Electrical, Legence / Bowers
- Disclosed multiples: about 6.6x–7.3x for Superior and 6.6x for Bowers[79]

Private equity-backed platforms

Platforms backed by firms such as Blackstone, Kohlberg, Quad-C and CCMP Growth. They buy regional brands, keep the names and teams in place, and build density in local markets.

- Focus: service and maintenance revenue, both commercial and residential
- Recent deals: Champions / Powell Electric, Airo Mechanical / Legrande's, Loenbro / Prism Electric, Flow Service Partners / Altman Air
- Median deal multiple: 8.1x EBITDA in Q1 2026, vs. 5.0x for strategic buyers[71012]

Few MEP deals disclose multiples, so medians rest on a small number of transactions. Superior multiple calculated from the disclosed price and projected 2026 adjusted EBITDA.

DEAL ACTIVITY · Q3 2026

Notable Q3 2026 transactions.

Our Q3 screen found 44 MEP-related acquisitions announced between July and September, and only four disclosed a price. Public strategic buyers made the largest deals, while private equity-backed platforms kept adding regional electrical, HVAC, plumbing and fire protection firms.[11]

DATE	BUYER	TARGET	VALUE	NOTES
STRATEGIC ACQUIRERS				
Aug 1	Comfort Systems USA	Lewis Electrical; Neopod	Undisclosed	Two acquisitions expected to add more than $100M of annual revenue

DATE	BUYER	TARGET	VALUE	NOTES
Jul 30	**EMCOR Group**	Schmidt Electric Company	Undisclosed	Electrical contractor
Jul 30	**Quanta Services**	Phalcon	Undisclosed	—
Jul 20	**Centuri Holdings**	J.J. White	$62M	Mechanical contractor
Jul 7	**MasTec**	The Superior Group (Electrical Specialists)	$1.63B	Data center electrical contractor, Ohio (~3,000 employees); about 6.6x–7.3x projected 2026 EBITDA
PRIVATE EQUITY-BACKED PLATFORMS				
Sep 14	**Loenbro (Kohlberg)**	Prism Electric	Undisclosed	Electrical contractor, Texas and Oklahoma (~2,500 employees); Loenbro's largest deal to date
Sep 3	**FirstCall Mechanical (SkyKnight Capital)**	Lowder Brothers Heating and Air	Undisclosed	HVAC services
Aug 31	**Pye-Barker Fire & Safety (Leonard Green)**	Suppression Systems	Undisclosed	Fire protection; Pye-Barker also bought E.H.S.-Emert Electric on Jul 30
Aug 25	**Flow Service Partners (Quad-C)**	Altman Air Conditioning	Undisclosed	Commercial HVAC, South Florida
Aug 25	**Hidden Harbor Capital Partners**	Escape Fire Protection	Undisclosed	Fire protection
Aug 19	**Blackford Capital**	Industrial Electronic Systems	Undisclosed	Electrical and controls
Aug 11	**Airo Mechanical (CCMP Growth)**	Legrande's Enterprises	Undisclosed	Plumbing and HVAC contractor, South Carolina
Aug 7	**Champions Group (Blackstone)**	Powell Electric	Undisclosed	Residential electrical contractor, Southern California
Jul 20	**Greenbelt Capital Management**	Bowe & Gant Electrical Services	Undisclosed	Electrical contractor
Jul 6	**Sila Services (Goldman Sachs Alternatives)**	Davis Heating and Air Conditioning	Undisclosed	Residential HVAC services

Selected from the S&P Capital IQ screen and company announcements; not an exhaustive list. Private equity sponsors shown in parentheses.[69101112]

VALUATION BENCHMARKS

Where the multiples sit.

Public MEP contractors trade at a median of about 14.5x LTM EBITDA. Companies most exposed to data centers and the power grid trade highest: Quanta at 29.0x, APi Group at 18.6x and Comfort Systems at 17.2x. Private deals happen at a steep discount to those levels: private equity buyers paid a median of 8.1x in Q1, and services businesses with a large maintenance base have sold for more than 10x. In our deal team's experience, middle-market MEP contractors most often sell for 6.5x to 9.5x EBITDA.[7][8][11]

14.5x

PUBLIC MEP CONTRACTORS

Median EV / LTM EBITDA across the ten companies below, as of October 21, 2026.[11]

8.1x

PRIVATE EQUITY BUYERS

Median EV / EBITDA on reported MEP services deals, Q1 2026.[7]

6.5x–9.5x

PRIVATE MIDDLE MARKET

EBITDA range in our deal team's experience with middle-market MEP contractors.

COMPANY	ENTERPRISE VALUE ($M)	LTM REVENUE ($M)	REV. GROWTH	EBITDA MARGIN	EV / REVENUE	EV / EBITDA
DIVERSIFIED MEP CONTRACTORS						
EMCOR (EME)	28,193	18,598	18.9%	10.7%	1.5x	14.2x
Comfort Systems USA (FIX)	39,005	12,543	50.7%	18.1%	3.1x	17.2x
Limbach (LMB)	609	684	23.7%	8.7%	0.9x	10.3x
Legence (LGN) Growth includes acquisitions	4,051	3,746	69.2%	6.9%	1.1x	15.7x
Median	**16,122**	**8,145**	**37.2%**	**9.7%**	**1.3x**	**14.9x**
ELECTRICAL CONTRACTORS						
IES Holdings (IESC)	8,204	3,986	22.7%	13.8%	2.1x	14.9x
MYR Group (MYRG)	3,891	4,006	16.1%	7.3%	1.0x	13.4x
Median	**6,048**	**3,996**	**19.4%**	**10.5%**	**1.5x**	**14.1x**
ELECTRICAL & INFRASTRUCTURE						
Quanta Services (PWR)	88,353	32,905	26.3%	9.3%	2.7x	29.0x
MasTec (MTZ)	16,604	16,109	23.5%	8.1%	1.0x	12.7x

COMPANY	ENTERPRISE VALUE ($M)	LTM REVENUE ($M)	REV. GROWTH	EBITDA MARGIN	EV / REVENUE	EV / EBITDA
Primoris (PRIM)	4,562	7,284	5.1%	4.4%	0.6x	14.2x
Median	**16,604**	**16,109**	**23.5%**	**8.1%**	**1.0x**	**14.2x**
BUILDING & LIFE-SAFETY SERVICES						
APi Group (APG)	20,040	8,438	14.1%	12.8%	2.4x	18.6x
All companies	**12,404**	**7,861**	**23.1%**	**9.0%**	**1.3x**	**14.5x**

LTM = last twelve months. Source: S&P Capital IQ, as of October 21, 2026.[11]

WHAT THIS MEANS IF YOU OWN AN MEP CONTRACTOR

With strategic buyers and private equity platforms both looking, the best outcome comes from putting your business in front of both and letting them compete.

Know your revenue mix

Service and maintenance revenue draws private equity; data center and critical-facility work draws strategics. Show buyers exactly how your revenue splits.

Your people are the asset

Licensed tradespeople, apprenticeship programs and a leadership team that stays after the sale are what buyers are really paying for.

Watch concentration

A backlog tied to one data center customer or general contractor raises questions. Diversified customers support a stronger price.

SOURCES & NOTES

1. IBISWorld, *Electricians in the US* (NAICS 23821), August 2026.
2. IBISWorld, *Plumbers in the US* (NAICS 23822b), July 2026.
3. IBISWorld, *Heating & Air-Conditioning Contractors in the US* (NAICS 23822a), January 2026.
4. IBISWorld, *Transmission Line Construction in the US* (NAICS 23713), May 2026.
5. IBISWorld, *Commercial Building Construction in the US* (NAICS 23622a), May 2026.
6. Comfort Systems USA, third quarter 2026 earnings call, October 23, 2026 (transcript via The Motley Fool).
7. R.L. Hulett, "Mechanical, Electrical & Plumbing (MEP) Services M&A Update Q1 2026" (PitchBook data). The report notes its multiples are based on a limited number of disclosed deals.
8. PKF O'Connor Davies, "U.S. HVAC M&A Industry Update," Summer 2026.
9. MasTec, "MasTec to Acquire The Superior Group," July 7, 2026. Multiple calculated from the disclosed price and projected 2026 adjusted EBITDA.
10. Schryver, "Champions Group Acquires Southern California's Powell Electric," August 2026.
11. S&P Capital IQ, public company and M&A transaction screens, as of October 21, 2026.
12. Pulse 2.0, "Loenbro Acquires Prism Electric," September 21, 2026; sponsor information from company and sponsor announcements.

This report is for general information only and is not investment, legal or tax advice. Figures from third-party sources are presented as published and have not been independently verified.

Middle Market Value

WHY MIDDLE MARKET VALUE

Most advisors start with a transaction. We start with a conversation. Middle Market Value combines a deep understanding of how companies are valued with years of buy-side and sell-side deal experience, so we can show you the full range of options and help you choose the path that best fits your objectives.

LET'S TALK

Own an MEP Contractor?

We follow this sector closely and work with electrical, mechanical and plumbing contractors on valuations and sales. We'll tell you how today's buyers would look at your company.

Confidential
Your information is always protected.

No Obligation
An open conversation with no pressure.

Focused on You
Guidance tailored to your goals and situation.

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Middle Market Value brings together professional, third-party business valuation through **Cornerstone Valuation** and sell-side and select buy-side M&A advisory through **Windward Advisors**.

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