

Nordic Climate Group expands in climate control by building on what works



Alexander Vitols is head of M&A at Nordic Climate Group, a leading provider of services and installations of cooling and heating systems with about 80 companies and over 110 local establishments with revenue over EUR 430 million. Nordic Climate Group is backed by private equity group Altor.

Alexander, you're Swedish, and heading M&A for a Nordic company. Tell me – what need do Swedes have for air conditioning?

That's a very good question! Cooling spans a wide range of industries, from supermarkets to industrial applications. We have industrial cooling needs even in the Nordics. For example, the fishing and marine industries require precise cooling solutions to maintain the right conditions for fish and seafood. We do some air conditioning, but it's a smaller portion. About 95% of our business is in refrigeration and heating. It's a broad field within a focused niche.

What new technologies are you seeing in the heating and cooling sectors? I imagine sustainability plays a big role.

Sustainability is key. One major trend is the shift towards natural refrigerants. These are more eco-friendly alternatives to older refrigerants like HFCs and HFOs. For instance, CO2 and ammonia are increasingly being used in systems.

The Nordics are leaders in adopting these solutions and we're at the forefront of driving this change. It's a crucial part

of what we look for in companies we acquire – being well-developed in this area or having the potential to accelerate the transition to natural refrigerants.

We also focus on energy efficiency. For example, there's a spa outside Stockholm where we helped them shift from oil-based heating to a CO2-based system. It not only reduced their environmental impact but also delivered noticeable savings.

Can you tell us a bit more about who your customers are? Do you serve specific sectors, or is it more general?

Our customers are diverse, spanning supermarkets, industrial applications, and specialised industries like fisheries. For example, with land-based fish farms, we design systems that ensure optimal water temperature and oxygen levels for species like salmon.

We also serve supermarkets with their refrigeration needs, ensuring food preservation. It's a wide array, but all within our niche of refrigeration and heating.

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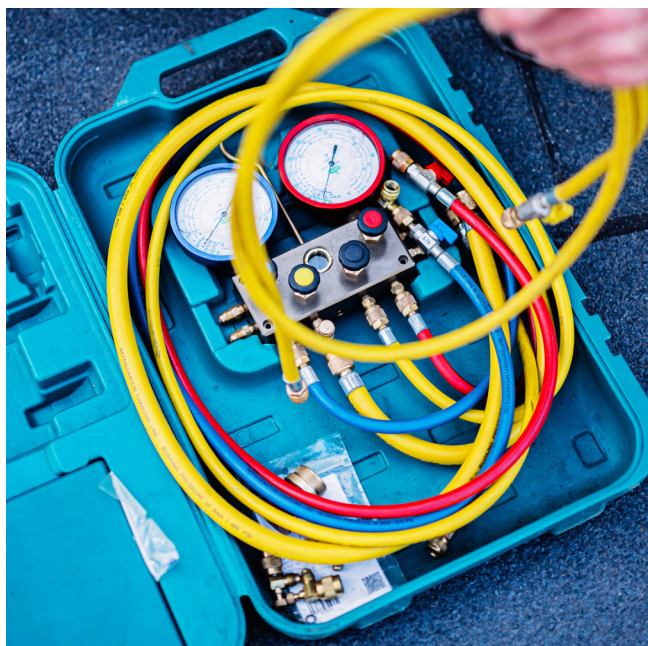
How is Nordic Climate Group structured? Do you organise around specific sectors or regions?

We operate with a decentralised model. Each country (Sweden, Norway, Finland, Denmark and the Netherlands) has a country head responsible for overseeing operations. Within each region, companies focus on their specialties, whether it's supermarkets, industrial installations, or other applications.

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Geographically speaking, you mentioned the Nordic countries and the Netherlands. Why did you prioritise the Netherlands after the Nordics, as opposed to, say, Britain, Germany, or the Baltics?

It's a fairly straightforward answer. The Netherlands shares cultural similarities with the Nordics, which made it an easier fit



for us. But more importantly, we found great entrepreneurial companies there early on. That alignment made it a logical next step.

We always do extensive analysis before entering a new market such as engaging with local leaders, conducting market studies, and spending time on the ground. We made 15 to 20 trips to the Netherlands in about ten months. That investment helped us identify great entrepreneurs and build a solid foundation for our expansion.

Our approach is about finding the right entrepreneurs and companies that fit with our long-term vision. The subsequent steps become much easier once you establish a strong foundation in a new geography.

You clearly value an entrepreneurial mindset. Regarding your acquisition strategy, what characteristics do you typically look for in a company?

We're not looking for turnaround companies. We're focused on local leaders – the industry winners. There are a few key criteria we measure that are most important. First is a long-term financial track record, both in terms of organic growth and stable margins. Secondly the human element. We must also consider the entrepreneur behind the company. It's important that they want to stay on and contribute to building something larger as part of the group. And finally, reputation matters. We rely on our network of over 75 companies to help assess which businesses have a good standing in the market.

We value entrepreneurial leadership because it aligns with our decentralised model. One of the most important points is that the CEO of that company or the entrepreneur wants to continue working, even if in a slightly different context. Ideally the entrepreneur stays on and becomes a shareholder in the larger group. That way, they're not simply handing over the keys but joining something bigger, which often helps address challenges like sustainability or economic shifts better as a team than independently.

What about the sustainability angle? How does that factor into your acquisitions?

Sustainability is a crucial part of what we do. Our Nordic heritage gives us a head start since many companies here are already leaders in sustainable solutions, especially in adopting natural refrigerants.



Working with Clairfield

We've worked with Clairfield on our market entry into the Netherlands, and it's been a very positive collaboration. Typically we handle most of the acquisition process internally, but for the Dutch market, Clairfield played a key role.

Clairfield's team helped accelerate our entry by identifying the right opportunities and keeping us on track with progress. Having that local expertise and partnership was invaluable, especially in a market where we were building our presence from the ground up.

We value this kind of partnership because entering a new market requires both analytical preparation and on-the-ground engagement. Clairfield helped us navigate that process effectively and made the Dutch market a success story for us.

When we expand into markets like the Netherlands, where companies may be slightly behind on this journey, we see it as an opportunity. By bringing them into the group, we can accelerate their transition to sustainable practices and technologies. As I mentioned before, addressing sustainability challenges together is more effective than doing so individually.

That's all related to people coming together. How do you manage that with so many acquisitions each year and distinct brands? How do you get everyone to talk to each other?

I think it starts with the fact that when you're a co-owner of something, you're naturally more inclined to collaborate with your colleagues. In this industry, the local leaders in cooling and refrigeration are often smaller, specialised companies, not large installation firms.

These companies tend to work quite independently, but when they join us, they become part of a group of more than 70 others. That opens opportunities for collaboration. For example, if one company is short on technicians during a busy period, they can reach out to another for support. Or if a customer asks for a solution they haven't developed before, they can draw on the technical expertise of others in the group.

What's great is that this kind of collaboration happens organically. For many entrepreneurs, it's exciting to go from working independently to being part of something bigger while still maintaining their autonomy.

We also support collaboration through initiatives like group-level procurement, where we pool volumes on a country level to secure better terms. Another tool we've developed is the NCG toolbox. It's a data-driven approach to identifying best practices and areas for improvement across the group. By analysing performance, we can highlight the top 10 performers in specific segments and help others learn from their success.

For talent development, we recognise that skilled technicians are hard to find. That's why we established the NCG Academy, which focuses on training and retaining top talent in refrigeration and cooling.

But it's important to emphasise that we never force changes. We prefer a "pull, not push" approach, inviting entrepreneurs to explore these tools and initiatives rather than imposing them. This approach builds trust and respects the independence that made these companies successful in the first place.

What have been some of the most challenging or rewarding acquisitions you've done?

The first acquisitions in a new geography are always the most challenging and the most rewarding. Establishing trust and a reputation in a new market is like starting with a blank slate.

For example, in the Netherlands, it took significant time and effort, we spent months on the ground, meeting entrepreneurs, and understanding the local dynamics. But once you secure those first deals, it creates a runway for future growth.

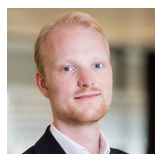
How did your M&A activity in 2024 turn out?

We maintained our strong M&A momentum in 2024. After completing 17 transactions across all our markets in 2023, we closed another 17 deals in 2024.

What's the forecast for your industry in 2025 and beyond?

I will be bold and say that our long-term goal is to see EUR 1 billion turnover in ten countries and become a true Northern European leader. The outlook is promising, with several macro trends supporting our industry, including the move towards natural refrigerants and energy-saving technologies, EU regulations, and even political shifts. So we have a lot of tailwinds for continued growth in 2025, and it is our view that we will have stronger growth than other construction-related verticals as we benefit from both new builds and retrofitting. We're expecting continued organic growth, especially towards the end of the year and into 2026.

So, our goal is to build a group that lasts, with a structure that supports sustainability and growth. But growth isn't just about numbers. We want to create an environment where entrepreneurs feel empowered to address challenges as part of a larger group. By maintaining their independence while fostering collaboration, we believe they can achieve more than they would on their own. ■



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