



## Your Report

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Variable: Client Name (HVAC Industry) Definition: The legal or registered name of the client's HVAC contracting business. Value: N/A Top Performers: N/A – Not applicable Value Tiers: N/A – Not applicable Red Flag Trigger: N/A – Not applicable Default Value: N/A

Variable: Business Name (HVAC Industry) Definition: The primary operating or trade name used by the HVAC business for marketing and customer-facing purposes. Value: N/A Top Performers: N/A – Not applicable Value Tiers: N/A – Not applicable Red Flag Trigger: N/A – Not applicable Default Value: N/A

Variable: Business Address (HVAC Industry) Definition: The primary physical address of the HVAC business operations, including street, city, state, and ZIP code. Value: N/A Top Performers: N/A – Not applicable Value Tiers: N/A – Not applicable Red Flag Trigger: N/A – Not applicable Default Value: N/A

Variable: Years as Owner Operator (HVAC Industry) Definition: The number of years the current owner has actively operated the HVAC business. Value: Client-provided Top Performers: Elite performers typically have 15+ years, enabling refined processes and vendor relationships (Nexstar contractor surveys). Value Tiers: <\$1M revenue: 5-10 years; \$1-5M: 10-20 years; >\$5M: 15+ years Red Flag Trigger: <3 years (high failure risk per SBA reports) Default Value: 10

Variable: Recurring Revenue Percent (HVAC Industry) Definition: Percentage of total annual revenue from recurring sources like maintenance agreements and service contracts in HVAC businesses. Value: Client-provided Top Performers: Top 10-20% achieve 20-30% via aggressive membership sales and 80%+ renewal rates (ServiceTitan 2023: 90th percentile 25.6%; Nexstar benchmarks). Value Tiers: <\$1M revenue: 5-15%; \$1-5M: 10-20%; >\$5M: 15-30% Red Flag Trigger: <5% Default Value: 12%

Variable: Avg Revenue Per Sale (HVAC Industry) Definition: Average revenue generated per completed sale or invoice, including service, repair, and replacement jobs in HVAC. Value: Client-provided Top Performers: Elite achieve \$2,500+ via upselling replacements and add-ons (ServiceTitan 2023 residential HVAC median \$2,100; top quartile \$3,000+). Value Tiers: <\$1M

revenue: \$1,200-\$1,800; \$1-5M: \$1,800-\$2,500; >\$5M: \$2,500+Red Flag Trigger:  
<\$1,200Default Value: 2000

Variable: Revenue Replacements vs Repairs Percent (HVAC Industry)Definition: Percentage of total revenue from equipment replacements (new installs) versus repairs in HVAC businesses.Value: Client-providedTop Performers: Top 10-20% derive 40-60% from replacements through diagnostic sales processes (Contractor Magazine surveys; Nexstar targets 50%).Value Tiers: <\$1M revenue: 20-40%; \$1-5M: 30-50%; >\$5M: 40-60%Red Flag Trigger: <25% (repair-heavy indicates low profitability)Default Value: 40%

Variable: Gross Margin Percent of Total Revenue (HVAC Industry)Definition: Gross profit (revenue minus COGS) as a percentage of total revenue for HVAC operations.Value: Client-providedTop Performers: Elite 10-20% hit 55-65% with tight material controls and labor efficiency (ServiceTitan 2023: 90th percentile 60%; PHCC/ACCA benchmarks 55-60%).Value Tiers: <\$1M revenue: 40-50%; \$1-5M: 45-55%; >\$5M: 50-60%Red Flag Trigger: <40%Default Value: 50%

Variable: Avg Markup Supplies Materials (HVAC Industry)Definition: Average markup percentage applied to supplies and materials cost in HVAC jobs (e.g., parts, refrigerant).Value: Client-providedTop Performers: Top performers average 100-150% markup (2-2.5x cost) via bulk buying and inventory management (Nexstar; ServiceTitan medians).Value Tiers: <\$1M revenue: 50-100%; \$1-5M: 75-125%; >\$5M: 100-150%Red Flag Trigger: <50%Default Value: 100%

Variable: Labor Field Percent of Revenue (HVAC Industry)Definition: Field technician labor costs (wages, benefits, burdens) as a percentage of total revenue in HVAC businesses.Value: Client-providedTop Performers: Elite maintain 25-30% with high tech productivity and routing optimization (ServiceTitan 2023 median 28%; Nexstar target 28%).Value Tiers: <\$1M revenue: 28-35%; \$1-5M: 26-32%; >\$5M: 25-30%Red Flag Trigger: >35% or <20%Default Value: 28%

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