



Your Report

Variable: {total_liabilities_hvac_industry}

Definition: Total current and long-term liabilities on the balance sheet, including accounts payable, accrued expenses, notes payable, and long-term debt for HVAC contractors.

Value: Client-provided

Top Performers: N/A – Not applicable

Value Tiers: Revenue \$250K–\$500K: \$100K–\$250K; \$500K–\$1M: \$200K–\$400K; \$1M–\$2M: \$350K–\$700K; \$2M–\$5M: \$700K–\$1.5M (RMA Statement Studies, BizMiner for NAICS 238220).

Red Flag Trigger: >60% of revenue or >70% of total assets.

Default Value: N/A – Not applicable

Variable: {owner_equity_hvac_industry}

Definition: Owner's equity or net worth on the balance sheet, representing assets minus liabilities for HVAC businesses.

Value: Client-provided

Top Performers: N/A – Not applicable

Value Tiers: Revenue \$250K–\$500K: \$50K–\$150K; \$500K–\$1M: \$100K–\$300K; \$1M–\$2M: \$250K–\$600K; \$2M–\$5M: \$500K–\$1.2M (RMA Statement Studies, BizMiner).

Red Flag Trigger: <20% of total assets or negative.

Default Value: N/A – Not applicable

Variable: {gross_profit_margin_percent_hvac_industry}

Definition: $(\text{Revenue} - \text{COGS}) / \text{Revenue} * 100$, where COGS includes materials, direct labor, and trucks for HVAC service and replacement.

Value: Client-provided

Top Performers: Elite 10-20% achieve 50-60% via 25-35% attach rates, \$1M+ revenue/tech, low inventory waste (ServiceTitan 2023, Nexstar surveys).

Value Tiers: N/A – Consistent across sizes.

Red Flag Trigger: <35%.

Default Value: 43%

Variable: {net_profit_margin_percent_hvac_industry}

Definition: Net income after all expenses as percentage of total revenue for HVAC contractors.

Value: Client-provided

Top Performers: Top 20% hit 12-18% with owner zero field hours, overhead <20%, high GP (ServiceTitan 2023, PHCC benchmarks).

Value Tiers: N/A – Consistent, scales with efficiency.

Red Flag Trigger: <4%.

Default Value: 7%

Variable: {ebitda_margin_percent_hvac_industry}

Definition: EBITDA (earnings before interest, taxes, depreciation, amortization) as percentage of revenue in HVAC operations.

Value: Client-provided

Top Performers: Elite achieve 18-25% through scaled ops, low capex, strong cash flow (ServiceTitan, EGIA reports).

Value Tiers: N/A – Consistent across sizes.

Red Flag Trigger: <8%.

Default Value: 12%

Variable: {current_ratio_hvac_industry}

Definition: Current assets divided by current liabilities, measuring short-term liquidity for HVAC firms.

Value: Client-provided

Top Performers: >2.5x with strong A/R collection <45 days, minimal inventory buildup (RMA, BizMiner).

Value Tiers: N/A – Target consistent 1.5-2.5.

Red Flag Trigger: <1.2.

Default Value: 1.8

Variable: {quick_ratio_hvac_industry}

Definition: (Current assets - inventory)/current liabilities, assessing immediate liquidity excluding inventory.

Value: Client-provided

Top Performers: >1.5x via fast A/R turnover, low WIP (RMA Statement Studies).

Value Tiers: N/A – Target 1.0-1.5.

Red Flag Trigger: <0.8.

Default Value: 1.2

Variable: {debt_to_equity_ratio_hvac_industry}

Definition: Total liabilities divided by owner's equity, indicating financial leverage in HVAC businesses.

Value: Client-provided

Top Performers: <0.8 with high retained earnings, minimal debt reliance (RMA, BizMiner).

Value Tiers: N/A – Target 0.5-1.5.

Red Flag Trigger: >2.5.

Default Value: 1.2

Variable: {return_on_assets_percent_hvac_industry}

Definition: Net income / total assets * 100, measuring asset efficiency in HVAC operations.

Value: Client-provided

Top Performers: 12-18% with lean assets, high turnover (ServiceTitan, RMA).

Value Tiers: N/A – Consistent 6-12%.

Red Flag Trigger: <5%.

Default Value: 8%

Variable: {return_on_equity_percent_hvac_industry}

Definition: Net income / owner's equity * 100, evaluating returns to equity holders in HVAC.

Value: Client-provided

Top Performers: 20-30% via compounding profits, low leverage (RMA, Nexstar).

Value Tiers: N/A – Target 15-25%.

Red Flag Trigger: <10%.

Default Value: 16%

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