



Your Report

Variable: {interest_coverage_ratio_hvac_industry}

Definition: Ratio of EBIT to interest expense, indicating ability to cover interest payments from earnings.

Value: 5.5

Top Performers: Elite 10-20% achieve >12x via low debt (debt/EBITDA <2x) and net margins >15% (Nexstar, ServiceTitan).

Value Tiers: <\$1M rev: 3-6x; \$1-5M: 4-8x; >\$5M: 6-12x (RMA data).

Red Flag Trigger: <2x regardless of size.

Default Value: 4.0

Variable: {working_capital_ratio_hvac_industry}

Definition: Current assets divided by current liabilities (current ratio), measuring short-term liquidity.

Value: 1.8

Top Performers: Top 10-20% maintain >2.5x with optimized AR/ inventory management (PHCC, PM Magazine).

Value Tiers: <\$1M rev: 1.5-2.0x; \$1-5M: 1.7-2.2x; >\$5M: 2.0-3.0x.

Red Flag Trigger: <1.2x.

Default Value: 1.7

Variable: {revenue_growth_rate_percent_yoy_hvac_industry}

Definition: Year-over-year percentage change in annual revenue.

Value: 15%

Top Performers: Elite achieve 25-35% YoY through service diversification, digital marketing, and tech investments (ServiceTitan 2023-24).

Value Tiers: <\$1M rev: 10-20%; \$1-5M: 12-25%; >\$5M: 8-18% (slower scaling).

Red Flag Trigger: <5% for 2+ years or >40% (unsustainable).

Default Value: 12%

Variable: {revenue_per_employee_annual_hvac_industry}

Definition: Total annual revenue divided by average number of employees.

Value: \$250,000

Top Performers: Top 10% exceed \$350,000 via high tech productivity and low admin overhead (Nexstar, EGIA).

Value Tiers: <10 emp: \$200k-\$300k; 10-50 emp: \$225k-\$325k; >50 emp: \$275k-\$400k.

Red Flag Trigger: <\$175,000.

Default Value: \$225,000

Variable: {revenue_per_tech_annual_hvac_industry}

Definition: Total annual revenue divided by average number of field technicians.

Value: \$450,000

Top Performers: Elite hit \$700,000+ with 80% billable utilization, high attach rates, and maintenance agreements (ServiceTitan 2024, Nexstar).

Value Tiers: <\$1M rev: \$300k-\$450k; \$1-5M: \$400k-\$550k; >\$5M: \$500k-\$700k.

Red Flag Trigger: <\$300,000.

Default Value: \$400,000

Variable: {accounts_receivable_turnover_ratio_hvac_industry}

Definition: Net credit sales divided by average accounts receivable, measuring AR collection efficiency.

Value: 10.0

Top Performers: Top 10-20% achieve 14x+ (DSO <25 days) via strict credit policies and invoicing tech (Jobber, FieldEdge).

Value Tiers: <\$1M rev: 8-11x; \$1-5M: 9-12x; >\$5M: 10-14x.

Red Flag Trigger: <7x.

Default Value: 9.0

Variable: {days_sales_outstanding_hvac_industry}

Definition: Average number of days to collect receivables (365 / AR turnover).

Value: 36

Top Performers: Elite maintain <25 days through automated invoicing, upfront payments, and customer financing (ServiceTitan).

Value Tiers: <\$1M rev: 35-45 days; \$1-5M: 30-40 days; >\$5M: 25-35 days.

Red Flag Trigger: >50 days.

Default Value: 40

Variable: {inventory_turnover_ratio_hvac_industry}

Definition: Cost of goods sold divided by average inventory, measuring inventory efficiency.

Value: 6.5

Top Performers: Top 10% reach 10x+ with just-in-time stocking and vendor partnerships (PHCC, Housecall Pro).

Value Tiers: Service-only: 8-12x; Install-heavy: 4-7x; scales minimally by size.

Red Flag Trigger: <4x.

Default Value: 6.0

Variable: {break_even_point_annual_hvac_industry}

Definition: Annual revenue level where total revenues equal total costs (fixed costs / contribution margin %).

Value: N/A – Varies widely by cost structure

Top Performers: Elite keep at 20-25% of revenue via high gross margins (55%+) and low fixed costs (Nexstar).

Value Tiers: <\$1M rev: \$300k-\$500k; \$1-5M: \$500k-\$1M; >\$5M: \$1M-\$2M.

Red Flag Trigger: >35% of revenue.

Default Value: 25% of annual revenue

Variable: {customer_acquisition_cost_hvac_industry}

Definition: Total marketing/sales spend divided by new customers acquired.

Value: \$350

Top Performers: Elite achieve <\$200 via referrals (40%+ leads), SEO, and memberships (ServiceTitan, Jobber).

Value Tiers: <\$1M rev: \$300-\$500; \$1-5M: \$250-\$400; >\$5M: \$200-\$350.

Red Flag Trigger: >\$600.

Default Value: \$400

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