



## Your Report

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Variable: {recurring\_revenue\_total\_hvac\_industry}

Definition: Total annual revenue from recurring HVAC sources such as maintenance agreements, memberships, and service contracts.

Value: Client-provided

Top Performers: Elite 10-20% achieve 25-35% of total revenue from recurring sources, often \$500K+ for mid-sized firms, via strong membership sales (ServiceTitan 2023, Nexstar benchmarks).

Value Tiers: \$0.5-2M revenue firms: \$100K-\$400K; \$2-5M: \$400K-\$1M; \$5M+: \$1M+ (PHCC, ServiceTitan).

Red Flag Trigger: <5% of total revenue or <\$50K absolute for firms >\$1M revenue.

Default Value: 15% of total revenue

Variable: {ops\_efficiency\_score\_hvac\_industry}

Definition: Composite score (0-100) assessing HVAC operational efficiency, including tech utilization, dispatching, and inventory turnover from industry software benchmarks.

Value: Client-provided

Top Performers: Scores of 85-95+; achieved via GPS routing, predictive scheduling, and 80%+ tech utilization (ServiceTitan, Jobber 2023).

Value Tiers: N/A – Not applicable

Red Flag Trigger: <60

Default Value: 75

Variable: {finance\_health\_score\_hvac\_industry}

Definition: Composite score (0-100) evaluating HVAC financial health based on margins, liquidity, debt ratios, and cash flow from RMA and industry surveys.

Value: Client-provided

Top Performers: Scores of 85-100; via 15%+ net margins, DSCR >2x, low debt (RMA Annual Studies, Nexstar).

Value Tiers: N/A – Not applicable

Red Flag Trigger: <50

Default Value: 70

Variable: {training\_investment\_roi\_hvac\_industry}

Definition: Return on investment from technician and staff training expenditures, typically measured as revenue uplift or margin improvement per dollar spent.

Value: Client-provided

Top Performers: 4-6x ROI; elite firms invest 2-3% of payroll, yielding 20%+ productivity gains (Nexstar, EGIA reports).

Value Tiers: N/A – Not applicable

Red Flag Trigger: <2x

Default Value: 3.5x

Variable: {revenue\_growth\_rate\_percent\_yoy\_hvac\_industry}

Definition: Year-over-year percentage growth in total HVAC revenue.

Value: Client-provided

Top Performers: 25-40% YoY; driven by acquisitions, memberships, and tech leverage (ServiceTitan 2023, Contractor Magazine).

Value Tiers: <\$1M revenue: 15-25%; \$1-5M: 12-20%; \$5M+: 10-18% (IBISWorld, ServiceTitan).

Red Flag Trigger: <5% or >50% (unsustainable).

Default Value: 15%

Variable: {contribution\_margin\_by\_service\_type\_hvac\_industry}

Definition: Gross profit margin after direct costs by HVAC service type (e.g., service calls, replacements, maintenance).

Value: N/A – Non-numeric

Top Performers: Service: 65-75%; Maintenance: 70-80%; Replacement: 45-55%; via high attach rates, efficient installs (ServiceTitan, ACCA).

Value Tiers: N/A – Not applicable

Red Flag Trigger: Service <50%; Replacement <35%; Maintenance <60%.

Default Value: Service 60%; Maintenance 70%; Replacement 45%

Variable: {operating\_cash\_flow\_approx\_hvac\_industry}

Definition: Approximate annual operating cash flow for HVAC businesses, typically 10-15% of revenue.

Value: Client-provided

Top Performers: 20%+ of revenue; \$400K+ for \$2M firms via tight AR control (<30 days), low capex (RMA, PHCC).

Value Tiers: \$1-2M revenue: \$150K-\$300K; \$2-5M: \$300K-\$750K; \$5M+: \$750K+.

Red Flag Trigger: <5% of revenue or negative.

Default Value: 12% of revenue

Variable: {capacity\_utilization\_percent\_hvac\_industry}

Definition: Percentage of total available tech hours that are billable in HVAC operations.

Value: Client-provided

Top Performers: 82-90%; via dynamic dispatching, minimal travel time (ServiceTitan, FieldEdge 2023).

Value Tiers: 1-5 techs: 65-75%; 6-15: 70-80%; 15+: 75-85%.

Red Flag Trigger: <65%

Default Value: 75%

Variable: {customer\_retention\_years\_hvac\_industry}

Definition: Average number of years a customer remains active with the HVAC contractor.

Value: Client-provided

Top Performers: 5-7+ years; through maintenance programs, satisfaction scores >4.8/5 (Jobber, Housecall Pro).

Value Tiers: N/A – Not applicable

Red Flag Trigger: <2 years

Default Value: 4 years

Variable: {variable\_cost\_percentage\_hvac\_industry}

Definition: Variable costs (materials, labor, subcontractors) as percentage of total HVAC revenue.

Value: Client-provided

Top Performers: 40-45%; controlled via bulk purchasing, tech training (ServiceTitan, PM Magazine).

Value Tiers: Service-heavy: 45-55%; Install-heavy: 50-60%.

Red Flag Trigger: >60%

Default Value: 50%

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