

10 Ways to Boost Your Exit Value Before You're Ready to Sell

What HVAC and trades buyers actually pay premiums for — and how to start building it in, starting today.

01 Recurring Maintenance Attach Rate (The Single Biggest Lever)

The single biggest lever for moving your multiple — and the one buyers scrutinize hardest.

- Recurring-contract shops under \$5M EBITDA typically sell at 5-8x EBITDA, versus 2-4x for shops without them ([The Arena Partners, 2026](#)).
- A 0.5-1.0x higher multiple is tied to having 40%+ of revenue come from members — ideally 60% of members eventually do their install or replacement work with you too ([Main Street Wealth, citing Brentwood Growth](#)).
- Well-run shops retain 80-90% of members annually — and lower churn rates lead to higher multiples.
- Members who've been with you longest should show the lowest churn; a customer base skewed toward longer-tenured members is a strong signal to buyers.
- Rule of thumb: aim for roughly 1,000 active memberships per \$1M in revenue.

02 Make the Business Run Without You

If every job routes through your cell phone, your price drops the day you'd walk away. Build a leadership layer — a service manager, an ops lead — who can run daily operations without you in the room. If you carry commercial accounts, this matters even more: make sure those relationships belong to your business, not just to you personally. A buyer needs confidence a commercial contract survives the day you're no longer the one they call.

03 Get Financial Statements That Hold Up in Diligence

Buyers don't pay for the number on your tax return — they pay for the number they can verify fast.

- COGS properly separated (labor, materials, subcontractors) so gross profit is real, not estimated — the foundation everything else here is built on.
 - Every number supported by documentation and reconciled cleanly to your CRM (ServiceTitan, Housecall Pro, etc.) — a mismatch between your books and your CRM is one of the fastest ways to lose buyer trust in diligence.
 - Margin broken out by department — install, service, maintenance — plus technician utilization.
 - Skipping any of this doesn't kill a deal — it just means a slower process and a lower offer. The fix is cheap relative to what the ambiguity costs you.
-

04 Use Software Buyers Can Actually Take Over

PE-backed platforms standardize every new acquisition onto whatever their existing portfolio companies already run — usually ServiceTitan, Housecall Pro, or Jobber — within the first year. A homegrown or AI-built system, however good, is something they have to migrate off of, not adopt. That reads as integration risk, not innovation. Businesses still running on spreadsheets can and do sell, but typically absorb roughly a 0.25 to 0.5x lower multiple for it ([Main Street Wealth](#)). If you've built your own tools, plan a migration to a standard platform before you're close to selling, not after.

05 Get Your Operational and Legal House in Order

SOPs, technician training, dispatch process, and vendor relationships should be written down, not just in your head — what isn't documented isn't transferable. Pair that with clean compliance: current licenses, signed contracts, organized HR files, no handshake deals. Neither of these usually kills a price outright, but together they're exactly what stalls a deal in due diligence — and a stalled deal is often a dead deal.

06 Show a Growth Trend — With Room Left to Run

Buyers pay for a trend line, not a pitch. Two to three years of consistent, provable growth is worth more than one great year followed by a flat one. But they're also checking whether that growth has room left — a business that's already captured most of its addressable market reads very differently than one with clear, provable market share still on the table.

07 Protect Your Margins, Not Just Your Revenue

Revenue growing while margins shrink signals a business that's scaling its problems, not its profit. Buyers underwrite EBITDA — not top-line revenue.

08 Know Your Technician Economics

Buyers model your comp structure forward, not just today's payroll.

- A couple of techs generating a disproportionate share of revenue.
 - Commission with no cap on discounting or parts markup — the risk isn't that pay is tied to revenue (that's standard), it's that nothing stops a tech from eroding margin to close a sale.
 - High technician turnover and low utilization — a labor model that only works because of who happens to be on the team today is a risk, not an asset.
-

09 Know Your Cost of Leads and Real Retention

Buyers calculate lifetime value against cost to acquire a customer — a ratio of 3-5x with payback under about 18 months reads as investable ([Main Street Wealth](#)).

10 Start the Clock Before You Think You Need To

Most of this takes 12-24 months to show up cleanly in your financials. The owners who get the best price aren't the ones who prepared hardest in the final stretch — they're the ones who started before they had a reason to.

SIDE NOTE — IF YOU CARRY COMMERCIAL WORK

Residential service businesses naturally diversify across hundreds or thousands of small households — concentration risk usually isn't the issue. Commercial-heavy shops are different: customer concentration over 15% routinely triggers EBITDA discounts or earnout-heavy deal structures.

BONUS: How Buyers Actually Blend Your Number

Sophisticated buyers don't apply one multiple to your whole business — they value each revenue stream separately, then add them together:

$$\begin{aligned} \text{Enterprise Value} &= \text{Maintenance ARR} \times 2.0\text{--}3.0x \\ &+ \text{Captive Replacement EBITDA} \times 4\text{--}6x \\ &+ \text{Retail Install EBITDA} \times 3\text{--}4x \\ &- \text{Net Debt} \\ &+ \text{Excess Working Capital} \end{aligned}$$

The more of your revenue sits in the ARR and captive-replacement lines, the higher your blended multiple. The more it leans on retail install, the more it compresses toward a standard contractor multiple. (Source: Main Street Wealth, How Private Equity Values HVAC Maintenance Contracts, 2026)

You Can't Predict the Day You'll Need This

A great unsolicited offer. A health scare. A burnout moment. A shift in the market. The business that's always ready to sell also happens to be the business that runs better every single day it's not for sale.

Profit Today. Premium Exit Tomorrow.

NextStage Advisory LLC | nextstageadvisoryllc.com | Outsourced accounting, cash flow, and exit prep for HVAC and trades companies \$5M–\$15M+ in revenue.