LEGACY ENTREPRENEURS

OWNER RESOURCE / COMMERCIAL HVAC

The Commercial HVAC Business Owner's Exit Guide

A practical roadmap to understanding value, preparing your company for buyers, and navigating a confidential sale.

01 What commercial HVAC buyers evaluate

Buyers assess whether earnings can continue after the owner steps away. Revenue alone rarely tells the full story.

Recurring service revenue
Maintenance agreements, renewal patterns, margins and retention.

Customer concentration
Reliance on a small number of property managers or large accounts.

Workforce and leadership
Technician retention, supervisors, dispatch and owner independence.

Service versus projects
Balance of predictable maintenance and more variable installation work.

Financial reporting
Reliable statements, consistent margins and documented adjustments.

Operating transferability
Fleet, systems, backlog, vendor relationships and transferable processes.

THE LESS OWNER-DEPENDENT THE BUSINESS, THE CLEARER THE BUYER STORY.

Build a buyer-ready business

Preparation can reduce friction even when a sale is not imminent.

A Pre-sale readiness checklist

- [ ] Three years of P&L; statements, balance sheets and tax returns
- [ ] Current financials and unusual expense explanations
- [ ] Maintenance agreements, renewal dates and recurring revenue
- [ ] Gross margin by service, installation and project work
- [ ] Top-customer concentration and important contract terms
- [ ] Organization chart, licenses, certifications and insurance
- [ ] Fleet, equipment, leases and software inventory
- [ ] Backlog, warranty exposure and receivables
- [ ] Owner responsibilities and proposed transition plan

SELLER EXERCISE
Which three activities would stall if you stepped away for a month? They may reveal owner-dependency risks to address before a sale.

B Six stages of the selling process

01 **Define exit goals**	02 **Understand value**
03 **Prepare for market**	04 **Market confidentially**
05 **Negotiate and diligence**	06 **Close and transition**

Anticipate due diligence

Clear, organized answers help buyers understand opportunities and assess risk.

Earnings
How were EBITDA or seller discretionary earnings normalized? Which adjustments can be supported?

Contracts
Which maintenance agreements renew automatically or transfer? What are cancellation terms?

Customers
What share of revenue comes from the five largest accounts? Who owns the relationships?

People
Who holds licenses? Which supervisors run operations? How stable is the technician team?

Projects
What work is in backlog? Are there unbilled costs, warranties or margin risks?

Deal structure
How might working capital, seller financing, earnouts and tax allocation affect proceeds?

! Three avoidable mistakes

01	Going to market before reconciling financial records.
02	Treating a verbal price indication like a financed, executable offer.
03	Sharing sensitive information before screening buyers and establishing appropriate protections.

Your first 30 days

Four focused weeks to move from wondering about an exit to having a practical starting point.

WEEK 01

Establish goals

Define your preferred timeline, desired financial outcome and role after closing.

WEEK 02

Review earnings

Gather financial statements and document nonrecurring or discretionary items.

WEEK 03

Audit transferability

Review renewals, key accounts, management coverage and owner-dependent work.

WEEK 04

Build your advisory team

Discuss readiness with a broker and qualified legal and tax advisers.



READY TO DISCUSS YOUR COMMERCIAL HVAC EXIT?

Legacy Entrepreneurs helps business owners assess value, prepare for market, screen buyers and navigate a sale.

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Educational information only. Transaction outcomes depend on individual facts and conditions. Consult qualified legal, tax and financial advisers.