PANARGENT

M&A PRIMER FOR

BUSINESS AND PROPERTY SERVICES

What owners of restoration, plumbing, HVAC, electrical, and adjacent trade services businesses should do before engaging inbound buyer interest

Q3 2026

PanArgent Capital Advisors

PANARGENT

PROPERTY AND HOME SERVICES HAS BECOME ONE OF THE MOST ACTIVE CONSOLIDATION MARKETS IN THE U.S.

Essential, non-discretionary trade services have attracted sustained private equity capital, driven by durable replacement demand, extreme fragmentation, and recurring service economics

What Has Happened Over the Last Six Years

2020
Trade services were designated essential through COVID; homeowners deferred moving and redirected spend into existing property systems

2021
The first generation of multi-market residential platforms scaled with dedicated sponsor capital behind them

2022 - 2023
Add-on activity broadened from single-trade HVAC into plumbing, electrical, and property restoration

2024
Private equity backed share of HVAC transactions rose from roughly 8% in 2023 to 23% in 2024; electrical M&A volume grew 13%

2025 - 2026
HVAC add-ons rose 88% year over year through mid-2025; Blackstone agreed to acquire Champions Group at roughly 18.5x EBITDA

50+

PRIVATE EQUITY PLATFORM INVESTMENTS ACROSS RESIDENTIAL AND PROPERTY SERVICES **SINCE 2018**

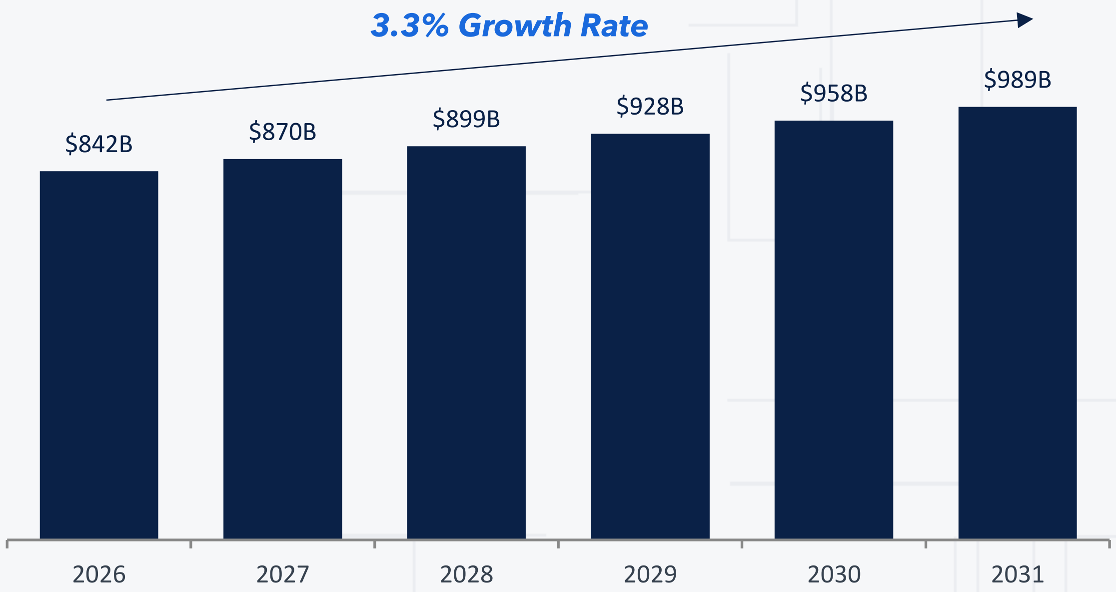
Sources: Capstone Partners; GF Data; S&P Global Market Intelligence; Bloomberg; company announcements; PanArgent analysis

PANARGENT

WHY BUYERS CONTINUE TO CARE

Buyers value trade services businesses because they provide immediate access to essential, recurring, locally dense demand that cannot be offshored, deferred indefinitely, or disintermediated by a website

U.S. Home and Property Services Market



Drivers Buyers Care About

Non-Discretionary Demand

No heat, no power, a failed water heater, or a flooded basement is an emergency purchase, not a deferrable one.

Recurring Service Base

Maintenance memberships and multi-year commercial service agreements produce repeatable revenue and pull through replacement work.

Multiple Growth Vectors

Operators expand across trades, into commercial, and into adjacent services on the same truck and the same customer file.

Extreme Fragmentation

Roughly 990,000 U.S. plumbing and HVAC establishments; even the largest platforms hold low single-digit national share.

IMPLICATION FOR OWNERS: BUYERS CARE ABOUT PAST AND CURRENT FINANCIAL TRACK RECORD BUT THEY ARE MOST FOCUSED ON WHAT KIND OF GROWTH THEY CAN ACHIEVE WITH YOU. A CATEGORY THAT CONTINUES TO GROW SIGNALS OPPORTUNITY

Sources: Mordor Intelligence, U.S. Home Service Market; Marketdata LLC; Business Research Insights. Interim years interpolated at reported CAGR.

FOUR TAIL WINDS DRIVING DEMAND

and how investors value essential trade services

PanArgent Capital Advisors

Aging housing stock

The median U.S. owner-occupied home is now over 40 years old and nearly half were built before 1980, pushing mechanical systems, roofs, and plumbing past useful life.

Key Figure: **42 years** median age of owner-occupied homes

Catastrophe-driven restoration

Wildfire, severe convective storm, and water losses continue to run above trend, sustaining mitigation and reconstruction volume largely independent of the housing cycle.

Key Figure: **$107B** global insured nat-cat losses in 2025, a sixth straight year above $100B

Labor scarcity and succession

A retiring technician base and a thin apprenticeship pipeline make recruited, licensed, retained headcount a scarce asset buyers will pay for.

Key Figure: **~550K** projected U.S. plumber shortfall by 2027

Regulation and electrification

The R-410A phase-out, tightening efficiency standards, and heat pump conversion raise ticket sizes and favor operators who can sell and install complex systems.

Key Figure: **62.5%** of U.S. HVAC equipment demand is retrofit and replacement

IMPLICATION FOR OWNERS: THE BEST TIME TO BENCHMARK YOUR VALUE IS BEFORE AN INBOUND BUYER DEFINES THE NARRATIVE FOR YOU

Sources: NAHB analysis of American Community Survey; Harvard JCHS; Swiss Re Institute sigma 01/2026; Grand View Research; U.S. EPA; PanArgent analysis.

PANARGENT

WHAT BUYERS ARE PAYING ATTENTION TO

Capabilities that turn a local trade business into a platform asset

Recurring service base

Membership and agreement penetration, renewal and membership growth rates, and the replacement work they pull through.

Revenue mix

Service and replacement ahead of new construction; in restoration, mitigation mix ahead of reconstruction.

Market density

Real share in a defined metro, with route density and technician utilization to support it.

Attractive financial profile

Consistent growth in ticket and close rate, healthy margin per truck, low customer and salesperson concentration.

Systems and data

ServiceTitan or equivalent, a disciplined pricebook, accurate job costing, and reporting a buyer can diligence.

Technician engine

Recruiting, apprenticeship, licensing depth, and retention that let a platform actually add capacity.

Management depth

The owner can remain, but the business must not depend on the owner, or any single producer, selling every job.

Carrier claims process

In restoration, a documented system for working with carriers: estimating discipline, claim-to-cash cycle time, and a low history of write-downs.

IMPLICATION FOR OWNERS: POSITION AROUND PERCEIVED VALUE DRIVERS

PANARGENT

WHAT BUYERS ARE TELLING US ABOUT THE GROWING IMPORTANCE OF TECHNOLOGY AND AI

Field service technology has moved from back-office record keeping to the operating system of the business, and 2026 is the inflection year

2x — **Growth in AI adoption among commercial contractors, 2025 to 2026**

72% — **Of AI-handled inbound calls at one operator required zero human touch**

AI Call Capture and Booking

Voice agents answer, triage, and book after-hours and overflow demand that historically leaked straight to a competitor.

Intelligent Dispatch

Job-value and technician-skill routing lifts revenue per truck without adding headcount, which is the constraint that actually binds.

Pricebook and Pricing Discipline

Standardized good-better-best pricing is now both a diligence item and the most direct margin lever available to an owner.

Membership Lifecycle Automation

Automated renewal, recapture, and database reactivation convert an installed base into contracted recurring revenue.

Restoration Documentation

As carriers tighten review and reimbursement, Xactimate, moisture and IoT monitoring, and photo-driven documentation shorten cycle times and reduce write-downs.

Data Integrity as Currency

A clean CRM is what allows a buyer to underwrite growth; a messy one caps the multiple regardless of EBITDA.

IMPLICATION FOR OWNERS: TECHNOLOGY IS EMERGING AS A MEANINGFUL POINT OF DIFFERENTIATION, SEPARATING OPERATORS WHO CAN SCALE WITHOUT ADDING PROPORTIONAL OVERHEAD FROM THOSE STILL RUNNING ON THE OWNER'S JUDGMENT ALONE

Sources: ServiceTitan 2026 State of AI in the Trades; company disclosures; PanArgent analysis | YTD 2026

VALUATION IS DRIVEN BY INTRINSIC VALUE, NOT JUST SECTOR MOMENTUM

Which parts of your business are important to a buyer?

01

EBITDA quality

Clean, normalized EBITDA with defensible owner add-backs and, on project work, disciplined percentage-of-completion accounting. A sell-side quality of earnings report is paramount.

02

Recurring revenue

Membership and service agreement penetration is the clearest signal of earnings durability. Buyers underwrite it before they underwrite growth.

03

Revenue and trade mix

Service and replacement carry margin; new construction and reconstruction carry risk. In restoration, mitigation mix drives the multiple.

04

Concentration, customer and producer

Carrier, third-party administrator, general contractor, or builder concentration is a drag on value even when the relationship is strong. Buyers apply the same test to producers: revenue and referral sources tied to one salesperson are a diligence risk.

05

Margin and pricing discipline

Gross margin per job, technician utilization, and consistent pricing show a business that is managed rather than sold job by job.

06

Platform readiness

Second layer management, licensing depth across markets, integrated systems, and a documented sales process improve odds of a successful exit.

IMPLICATION FOR OWNERS: TRANSLATE YOUR BUSINESS INTO AN INVESTMENT THESIS BEFORE THE PROCESS STARTS

BUYER UNIVERSE: STRATEGIC LOGIC DIFFERS BY CATEGORY

A credible process starts with knowing why each buyer would care about your business

Strategics

Public and large private mechanical, facilities, and property services companies

Need geographic coverage, commercial service density, and licensed capacity they cannot recruit organically fast enough.

Representative buyers
Comfort Systems USA, EMCOR, Chemed / Roto-Rooter, FirstService / First Onsite, BELFOR

Sponsor-Backed Platforms

Multi-trade residential, commercial mechanical, and property restoration consolidators

Seek in-market add-ons with a technician bench, a membership base, and cross-sell into adjacent trades.

Representative buyers
Apex Service Partners, Wrench Group, Sila Services, Redwood Services, Service Logic, Champions Group, BluSky, ATI Restoration, Right Restoration, Guardian Restoration, ARS-Rescue Rooter

Private Equity Sponsors

Home services, facilities services, and industrial services investors forming new platforms

Focus on EBITDA quality, recurring mix, market density, platform versus add-on fit, and exit narrative.

Representative buyers
Dedicated home and property services funds plus generalist lower-middle-market sponsors building a first platform

IMPLICATION FOR OWNERS: DO NOT SEND THE BOOK TO EVERYONE. A GOOD BUYER LIST FOCUSES ON STRATEGIC FIT, SPONSOR OWNERSHIP, LIVE ACQUISITION APPETITE, AND PROBABILITY OF EXECUTION

Representative buyers shown are publicly known acquirers in the sector and are illustrative of category logic only. They do not indicate any current mandate, engagement, or contact.

HOW THE MARKET IS PRICING TRADE SERVICES

Recent transactions that frame the buyer set, the size thresholds, and the valuation reference points

PanArgent Capital Advisors

Selected recent transactions in business and property services:

Champions Group → Blackstone

Residential HVAC, plumbing and electrical
~$2.5B EV at roughly 18.5x EBITDA (announced February 2026)

Apex Service Partners → Apollo

Multi-trade residential platform
~$2B investment at a ~$10B valuation (announced May 2026)

Sila Services → Goldman Sachs Alternatives

Residential HVAC and plumbing
~$1.7B reported valuation, from Morgan Stanley Capital Partners

Service Logic → Bain Capital and Mubadala

Commercial HVAC service and facilities
Recapitalization announced December 2025

American Restoration → Morgan Stanley Capital Partners

Residential and commercial property mitigation and restoration

Mooring USA → Crossplane Capital

Commercial property restoration

Regency Plumbing Contractors → Green Heron

Commercial plumbing, Gulf Coast
Strategic investment, February 2026, management retained significant ownership

HighGround Restoration → Trivest Partners portfolio exit

Property restoration

Transactions shown are publicly reported market precedents used to illustrate current buyer appetite and pricing.

Sources: Bloomberg; PR Newswire; Morgan Stanley Investment Management; company announcements; trade press.

WHY PANARGENT CAPITAL ADVISORS

Senior M&A advisors to founder-led services, technology, and business-services companies

Over 25 years, David Sheehan and PG Roy have advised entrepreneurs and growth companies on strategic sales, private placements, and cross-border transactions involving Fortune 500 acquirers and leading private equity firms.

Our services coverage centers on founder-led, owner-operated businesses where value sits in recurring customer relationships, skilled or licensed labor, and local market density.

We maintain live coverage of the strategics and sponsor-backed platforms consolidating property and home services, including who is buying, at what size, and on what structure.

Our focus is on helping owner-operators understand buyer appetite, prepare for market, and run disciplined sale processes that protect confidentiality, competitive tension, and founder outcomes.

Founder-led advisory lens

"The first conversation should make the owner smarter, not force them into a process."

200+
transactions

$20B+
aggregate value

OUR FIRST CONVERSATION IS TO BUILD THE RELATIONSHIP

Benchmark the market confidentially and control the narrative before the market defines it for you

PanArgent Capital Advisors

1. **What would buyers value in my business today?**
2. **Which buyers are credible versus opportunistic?**
3. **What would I need to address before a real process?**
4. **How should I evaluate an advisor value proposition?**

LET'S BENCHMARK YOUR BUSINESS BEFORE YOU RUN A PROCESS

David Sheehan
MANAGING DIRECTOR
dsheehan@panargent.com
+1 847 313 1482

Pierre-Georges (PG) Roy
MANAGING DIRECTOR
pgroy@panargent.com
+1 917 415 4823