



DIFFERENTIATION SERIES:
**STANDING OUT AS
LOCAL**

MARKETING DIFFERENTIATION IN A PRIVATE
EQUITY LANDSCAPE

Peter Troast, Founder & CEO

August 20, 2025

Ongoing Focus on the Importance of Differentiation



DOES YOUR COMPANY STAND ABOVE?

THE GROWING IMPORTANCE
DIFFERENTIATION

Peter Troast, Founder & CEO

February 7, 2024



WHY CONTRACTORS NEED BRANDING

THE ROLE OF BRAND IN DRIVING BUSINESS
AND DIFFERENTIATING YOUR COMPANY

Peter Troast, Founder & CEO
David Puella, Creative Director & Founder, Puella Design

April 3, 2024



WINNING THE HEAT PUMP MARKET: HOW TO DIFFERENTIATE ON QUALITY

Peter Troast, Founder & CEO
Energy Circle Webinar Series

July 30, 2025

THE GROWING IMPORTANCE OF DIFFERENTIATION: HOW CONTRACTORS ARE POSITIONING TO STAND OUT FROM THE CROWD

MICHELLE GRIFFITH, DEVERE HOME PERFORMANCE, MARYLAND
KEVIN BRENNER, HEALTHY HOME ENERGY & CONSULTING, NEW YORK
MATT HARGROVE, TOTAL HOME PERFORMANCE, MARYLAND

Moderator: Peter Troast, Energy Circle

April 9, 2024



What We'll Discuss

- 1 **Private Equity's Insatiable Appetite for HVAC**
- 2 **PE Owned Company Tactics and Vulnerabilities**
- 3 **What Do Consumers Think?**
- 4 **Positioning Approaches—The Anti-PE Story**
- 5 **Marketing Tactics to Compete**



PRIVATE EQUITY'S INSATIABLE APPETITE FOR HVAC



PRIVATE EQUITY MARKET REPORT



HVAC SERVICES

PRIVATE EQUITY BACKED



667

HVAC SERVICES

Platform Companies & Add On Acquisitions

RESIDENTIAL

155 Main Platform
Companies

517 Platform
& Add on acquisitions

PROMINENT COMPANIES

Turnpoint Services
American Residential Services
Champions Group,
Apex Service Partners
SILA Services

COMMERCIAL

114 Main Platform
Companies

185 Platform
& Add on acquisitions

PROMINENT COMPANIES

CoolSys
Service Logic
Nexcore
Flow Service Partners
AirX Climate Solutions

TOP 3 US STATES WITH PE-BACKED HVAC SERVICES COMPANIES



Texas



Florida



California

HIRING FOR YOUR PORTFOLIO?



Mo Vali

Vice President

Mohammed.Vali@Raw-Selection.com

Raw Selection
DILIGENT EXECUTIVE SEARCH

PE-backed
platforms now
control
\$10–15+ billion
of an HVAC
services market
of ~\$30–40
billion



Homepros HVAC M&A Tracker

☆

File
Edit
View
Insert
Format
Data
Tools
Extensions
Help

🔍

Menus

100%

View only

A1

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Summarize this table

	A	B	C	D	E	F	G	H	I	J	K	L
1		Date	Buyer	Seller	State	Link						
99	2025	January 6	ResiXperts	Marathon Plumbing, Heating, & Air	CA	https://www.prnewswire.com/news-releases/resixperts-partners-with-marathon-plumbing-heating--air-and-tokay-heat						
100		January 6	ResiXperts	Tokay Heating & Air	CA	https://www.prnewswire.com/news-releases/resixperts-partners-with-marathon-plumbing-heating--air-and-tokay-heat						
101		January	Two Parks Capital	Fix-It Group	CO	https://www.newharborcap.com/news/new-harbor-capital-announces-sale-of-fix-it-group/						
102		January 15	Sila Services	Sullivan Super Service	PA	https://www.webull.com/news/12140228240663552						
103		January 22	Apex Service Partners	Dale's Heating & Air	TN	https://www.linkedin.com/posts/johnathan-ruiz-aa60a01a2_welcome-teamsoutheast-chattanooga-activity-728794879						
104		January 31	NearU Services	Custom Air & Plumbing	FL	https://www.linkedin.com/posts/nearu-services_welcome-newbeginnings-customair-activity-7290796520134647808-						
105		February 4	Del-Air	Gator Air Conditioning	FL	https://www.prnewswire.com/news-releases/jtw-advisors-gator-air-conditioning-acquired-by-del-air-heating-air-condit						
106		February 12	Swift Services	Appco Power Solutions	SC	https://finance.yahoo.com/news/swift-services-expands-reach-acquisition-192200860.html						
107		February 19	Del-Air	McGowan's Heating & Air Conditioning	FL	https://www.prnewswire.com/news-releases/jtw-advisors-advises-mcgowans-heating--air-conditioning-on-sale-to-del-						
108		February 21	Flint Group	Hoover Electric, Plumbing, Heating & Cooling	MI	https://www.linkedin.com/posts/flintgroup_exciting-news-from-flint-group-were-thrilled-activity-729870845271180902-						
109		February 24	Redwood Services	Hope Plumbing	IN	https://www.phcpros.com/articles/21037-redwood-services-announces-partnership-with-hope-plumbing						
110		March 5	Airtron Heating & Air Conditioning	Sierra Air Conditioning	NV	https://www.businesswire.com/news/home/20250305383679/en/Airtron-Heating-Air-Conditioning-Acquires-Sierra-Air						
111		March 5	SEER Group	Alpine Heating & Air Conditioning	OR	https://theseergroup.com/the-seer-group-alpine-heating-air-conditioning-acquisition/						
112		March 5	SEER Group	Kilowatt Heating, Air Conditioning & Electric	CA	https://theseergroup.com/the-seer-kilowatt-heating-air-conditioning-and-electric-acquisition/						
113		March 11	Leap Partners	Master Plumbers Heating and Cooling	NC	https://www.prnewswire.com/news-releases/leap-partners-continues-expansion-in-north-carolina-302395873.html						
114		March 24	Seacoast Service Partners	Quality First Air Conditioning	FL	https://www.whitewolfcapital.com/news/seacoast-service-partners-acquires-quality-first-air-conditioning/						
115		April 1	Fix-It Group	Cool Willy's Air & Plumbing	AZ	https://www.thefixitgroup.com/fix-it-group-welcomes-cool-willys-air-plumbing-to-the-family/						
116		April 3	Sila Services	Norfolk Air Heating, Cooling, Plumbing & Electrical	VA	https://silaservices.com/sila-services-expands-footprint-in-virginia-with-acquisitions-of-norfolk-air-heating-cooling-plu						
117		April 3	Sila Services	Guy Smith Heating and Cooling	VA	https://silaservices.com/sila-services-expands-footprint-in-virginia-with-acquisitions-of-norfolk-air-heating-cooling-plu						
118		April 4	Leap Partners	Mike's Service	AL	https://www.theleappartners.com/our-companies/						
119		April 7	Redwood Services	Cardinal Heating, Cooling, Plumbing & Electric	WI	https://redwoodservices.com/news/redwood-services-announces-18th-partnership-with-wisconsin-based-cardinal/						
120		April 8	Cascade Services	Harrington Air Conditioning	FL	https://www.cascadeservices.com/cascade-services-announces-the-acquisition-of-harrington-air-conditioning-in-pine						
121		April 17	Apex Service Partners	Mr. Central	SC	https://www.linkedin.com/posts/johnathan-ruiz-aa60a01a2_newpartnership-mrcentral-aikenstrong-activity-73186490-						
122		April 18	Leap Partners	Monthie Mechanical	KY	https://www.theleappartners.com/our-companies/						
123		April 28	SEER Group	Swan Electric, Plumbing, Heating & Air	TX	https://theseergroup.com/the-seer-group-swan-electric-plumbing-heating-air-acquisition/						
124		April 28	Northwinds Services Group	Horn Plumbing & Heating	PA	https://northwindsservices.com/northwinds-services-group-announces-the-addition-of-horn-plumbing-heating/						
125		May 1	Leap Partners	Henderson Heating & Air Conditioning	TN	https://www.theleappartners.com/our-companies/						
126		May 8	Altas Partners	Redwood Services	TN	https://homepros.news/redwood-services-to-land-majority-investment-in-1-1-billion-deal/						
127		May 12	HomeX Services Group	Clarkstown Heating and Air Conditioning	NY	https://www.homexservices.com/acquisitions/clarkstown-heating-and-air-conditioning-joins-homex-services-group-in-						
128		May 13	Flint Group	Raynor Services	NJ	https://www.linkedin.com/posts/flintgroup_flintgroup-raynorservices-electrical-activity-7328041360412856321-aVNT?						
129		May 13	SEER Group	S&S Mechanical	UT	https://theseergroup.com/the-seer-group-enters-utah-market-with-acquisition-of-longstanding-home-services-leader-						
130		May 15	Redwood Services	Guaranteed Service	NJ	https://redwoodservices.com/news/redwood-services-announces-19th-partnership-with-new-jersey-based-guarantee						

Tracker

HOMEPROS

HVAC.

<https://docs.google.com/spreadsheets/d/19FBDareVA3eADx2a6JsLfNUKNplyJobmabt386NLNA/edit?gid=0#gid=0>

Goldman Sachs' private equity arm to acquire Sila Services

The deal values the company at about \$1.7 billion, or ~17x its 12-month EBITDA of just under \$100 million, according to a few people familiar with the matter



Alec Stevanovski
November 6, 2024

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PE OWNED GOALS AND VULNERABILITIES



Why PE Loves HVAC

Recurring Revenue – Maintenance contracts and service calls create predictable cash flow

Essential Service – HVAC is a necessity, not a luxury, ensuring steady demand

Fragmented Market – Thousands of small, local contractors create consolidation opportunities

Margin Potential – Room to increase profitability through purchasing power, pricing, and efficiency

Growth Tailwinds – Rising energy efficiency demand, heat pump adoption, and regulatory drivers

Exit Opportunities – Ability to build scaled platforms and sell at high EBITDA multiples



Post Acquisition Economics

Category	Pre-Acquisition %	Post-Acquisition %	Change	Comments
Revenue	100%	100%	=	Growth targets drive higher sales
COGS	35%	33%	↓	Centralized purchasing reduces cost
Gross Profit	65%	67%	↑	Margin enhancement is key to PE exit
Labor	30%	27%	↓	Wage compression, higher expectations
Marketing & Advertising	5%	10–15%	↑↑	Heavier spend to dominate markets
Rent & Overhead	10%	8%	↓	Shared services cut facility costs
Exec/Management Fees	0%	3–5%	↑	Typical PE management fees added
Owner Compensation	10%	0%	↓↓↓	Owners often replaced or salaried
Net Profit (EBITDA)	10%	15–20%	↑↑	PE pushes EBITDA to increase value



Where They
May Be
Vulnerable

Vulnerability	Cause (PE Tactic)	Opportunity for Independents
Burnout & Turnover	Techs pushed harder, wage compression	Market employee care, retention, culture
Aggressive Upselling	Pressure to sell memberships & extras	Highlight honesty, no-pressure approach
Service Inconsistency	Rapid growth strains quality control	Emphasize craftsmanship, accountability
Generic Branding	Centralized, cookie-cutter marketing	Showcase local personality & roots
Customer Churn	Acquisition > retention focus	Double down on relationships & referrals
High Spend, Scattershot Marketing	Monthly performance pressure	Smart, targeted, efficient campaigns



WHAT DO CONSUMERS THINK?



Retail Customer Reactions to Private Equity Acquisitions*

Vesa Pursiainen[†] and Tereza Tykvová[‡]

October 2024

Abstract

Acquisition announcements by private equity funds are associated with significant reductions in customer visits to target firm outlets. These reductions occur in primary but not in secondary buyouts. The decrease is unlikely to be due to operational changes, as it takes place at announcement and reverses following deal completion. The decrease is larger for more salient deals and for outlets facing more competition, and smaller in areas with higher income, stock market participation, and self-employment rates. Customer and employee reviews do not become more negative. Survey results show that consumers view private equity ownership more negatively than other ownership types.

JEL classification: D12, G14, G24, G34

Keywords: private equity, buyout, customer reaction, ownership, reputation

*We appreciate the helpful comments from Nihat Aktas, Reiner Braun, Greg Brown, Fabio Bertoni, Jun Chen, Douglas Cumming, Jo Danbolt, Irem Demirci, David Feldman, Miguel Ferreira, Christian Flor, Ekaterina Gavrilova, Nataliya Gerasimova, Virginia Gianinazzi, Juanita Gonzalez-Urbe, Oleg Gredil, Alexander Groh, Abhinav Gupta, Alex Günsberg, Bob Harris, Thomas Hellmann, Nick Hirschey, Victoria Ivashina, Emiel Jerphanion, Hyeik Kim, Ji-Chai Lin, Tse-Chun Lin, Tatyana Marchuk, Felix von Meyerinck, Tamara Nefedova, Mikael Paaso, Seongjin Park, Andrew Patton, Dimitris Petmezas, Ludovic Phalippou, Stefano

"Consumers view private equity ownership more negatively than other ownership types."



Intel
from
Reddit

reddit

r/Seattle

Search in r/Seattle

r/Seattle • 1 mo. ago

dacougss

Please stop supporting Home Service companies that are owned by private equity

Rant

They do not care about you. They're based in California, New York, Utah, Canada, etc and the only thing they care about is extracting as much money as possible for their shareholders. Please look into who actually owns the company and stop supporting the worst bi-product of capitalism. They harvest online reviews to make them seem legit. They are the reason EVERYTHING has gotten so much more expensive. Here's a short list:

Brennan Heating & AC
Gene Johnson Plumbing & Heating
Black lion Heating and AC
Belred Heating and AC
MM Comfort Seatown Electric
Home Comfort Alliance
CM Heating SEER Group
Black Hills Heating
Southwest Plumbing
AAA Heating and AC

417

151

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Sort by: Best

Search Comments

Smittles • 1mo ago

This is the short list of private equity-owned companies or locally owned companies?

110

Reply

Award

Share

dacougss OP • 1mo ago

Private equity owned companies

92


Reply

Award

Share

29 more replies

1 more replv



Reddit Sentiment Analysis

“Always upselling”

“Pushing larger replacements or repair services when a much less expensive fix could solve the problem”

“Raising prices”

“Pushy, salesy”

“they train solely on selling more product”

“spitballing the ductwork and undersizing the system to win the bid”

“high interest rate plans, poor quality equipment, unethical sales guys”

“I always check the contractor license to see who owns the business, so they can’t hide the investment dollars!”

“pushing monthly warranty plans”

“They harvest online reviews to make them seem legit”



POSITIONING OPTIONS: HOW AGGRESSIVE DO YOU WANT TO BE?



Positioning Options

Aggressive	Medium	Soft
<p>"Not owned by Goldman Sachs"</p> <p>"Not controlled by Wall Street"</p> <p>"Not run for investor profits"</p>	<p>"Not owned by Private Equity"</p> <p>"Not owned by out of town investors"</p> <p>"Not beholden to remote investors"</p>	<p>"Locally owned and operated"</p> <p>"Local service. Local people. Locally owned."</p>



MARKETING TACTICS WHEN YOU'RE OUTGUNNED



Marketing Tactics

Paid Search (Google Ads) – Focus on precise, targeted keywords and long-tail searches. Compete on competitor brand terms.

Website – Strong local branding to build trust and convert visitors at a higher rate.

Social Media Presence – Highlight local ownership, community involvement, and employee stories. Humanize your company.

Customer Reviews & Reputation – Encourage mentions of local ownership.

Community Engagement – Sponsor local events, schools, or nonprofits. Reinforce local identity and relationships that PE-owned firms can't replicate.

Content Marketing – Create blogs/videos with a locally owned orientation. Feeling aggressive? "What it means to buy your heat pumps from a PE owned company."

Employee Recruiting – Lean into to locally owned messaging—culture, benefits, compensation.



END



Margin Improvement

Category	How They 'Improve'	What Gets Squeezed
Tech Labor	Push more calls/day, reduce dispatch inefficiencies	Tech burnout, service quality risk
Marketing Spend	Significantly increased	ROI pressure, brand confusion
Procurement	Leverage volume to negotiate with manufacturers	Less equipment choice, standardization
Pricing	Raise prices, enforce upselling	Customer trust suffers
Admin Costs	Shared services, automation	Local support disappears, diminished customer service
Service Contracts	Scale recurring revenue	Pushy tactics can backfire



Categories of Differentiation

1. Trust & Credibility
2. Branding & Reputation
3. Quality
4. Building Science & Innovative Technologies
5. Process
6. Community Involvement
7. Price Transparency
8. Risk Reduction (Licensing, Insurance, Guarantees)

