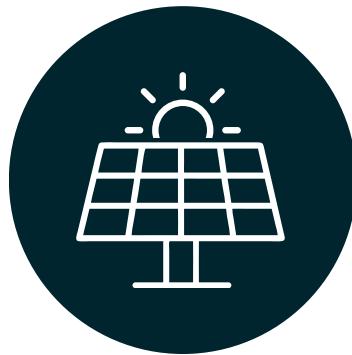


2026 GROWTH BLUEPRINT



ROOFING



SOLAR

**Why Most Home Service
Companies Will Lose Value
Before 2027 — and How the
Best Operators Are Exploiting
Growth Opportunities in 2026**

INSIGHTS FROM



M A T A D O R

Why This Matters

The home service industry is being split into two groups: expert operators, and contractors. Many expert contractors are exploiting the weakness of rolled up consolidation efforts to grow their businesses. This content will serve you in two ways: 1) understanding of where the industry sits and how we got to now, and 2) how to exploit these weaknesses to build value correctly for 2026

2020-22' Capital Wave

The home service industry has been reshaped over the last decade by heavy institutional investment, a trend that accelerated significantly in 2020 as private equity recognized the "recession-resistance" of essential residential infrastructure. This shift began in with HVAC platform creation, an industry class that is highly attractive to investors because it is non-cyclical, non-discretionary, and benefits from a massive "maintenance floor" provided by an aging U.S. housing stock—half of which is now over 40 years old. However, funds frequently overlooked two critical structural risks: the catastrophic shortage of skilled technicians (currently a 480,000 job deficit in HVAC alone) and the "owner-dependence" trap, where regional brands collapse once the original founder's local reputation is replaced by a metrics-driven corporate culture .

While HVAC has generally played out well, with valuations maintaining a stable 9.0x to 11.0x EBITDA premium, the investment into residential solar has been a systemic bust . The industry is currently reeling from the June 2025 bankruptcies of Sunnova and Mosaic, which followed the 2024 collapse of SunPower and Titan Solar . These failures were driven by a "dealer network" model that prioritized high-commission sales over installation quality, leaving these firms uniquely vulnerable when interest rates spiked and policy "whiplash"—specifically the expiration of federal tax credits and California's NEM 3.0—decimated consumer demand .

The roofing sector is now facing its own day of reckoning, highlighted by the sudden liquidation of Renovo Home Partners on November 3, 2025 . Lenders like BlackRock have been forced to write down their investments to zero after Renovo's aggressive "roll-up" strategy left it with between \$100 million and \$500 million in liabilities against less than \$100,000 in reported assets . The collapse exposes a fundamental misunderstanding by "spreadsheet experts": unlike HVAC, roofing lacks a built-in recurring revenue model, as homeowners typically replace a roof once every 15 to 25 years based on loss aversion or insurance pressure rather than a maintenance contract. By loading these fragmented regional remodelers with debt to chase pandemic-era growth rates, funds ignored the operational reality that roofing is a "boots-on-the-ground" execution business, not a high-leverage financial product.

Contents

- tell them why this is important asap why the current model is crashing out
- how getting these things right make you more valuable
- How to get it right (be easy to find, use smart systems, executive clarity)
-

What's Happening
Valuation Growth Playbook

Be Easy To Find

Use Smart
Systems
Executive
Clarity