# 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

MATADOR

# Why This Matters

The home service indsutry is being split into two groups: expert operators, and contractors. Many expert contractors are exploiting the weakness of rolled up condsialtion efforts to grow their businesses. This content will serve you in two ways: 1) understadning of where teh indstruy sits and how we got to now, and 2) how to exploit thtese 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)
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# Whats Happening

## Valuation Growth Playbook

### Be Easy To Find

### Use Smart Systems

### Executive Clarity