lvl Level

Landscape Company Financial Benchmarks

2026

Maintenance Margins, Design-Build Economics, Equipment ROI & Recurring Revenue Mix for $1M–$25M Landscape Operators

$176B
INDUSTRY

600K+
US COMPANIES

Updated
QUARTERLY

EXECUTIVE SUMMARY

The 5 Numbers That Matter

These are the financial benchmarks that separate landscape companies that compound from ones that survive year to year. Know these cold.

50–58%

labor as % of revenue — the central problem

Labor is the single largest cost in landscape operations, dwarfing materials, equipment, and overhead. Companies running above 58% are typically losing productivity to drive time, weather days, or under-priced contracts. Top operators stay between 45–50% by combining route density, properly priced maintenance routes, and disciplined crew leadership.

65–75%

recurring revenue mix is the durability metric

Recurring maintenance contracts (mowing, fertilization, snow) compound and create enterprise value. Design-build is exciting and chunky but it's lumpy revenue with thinner margins. Healthy operators aim for 65–75% recurring. Below 50% recurring, you're a project shop dressed as a landscape company — and you'll trade at a project-shop multiple when you sell.

8–18%

net margin gap between bottom and top quartile

Median landscape companies hit 5–10% net margin. Top quartile clears 12–18%. The gap is driven by route density, contract pricing, equipment utilization, and overhead absorption. On a $5M company, every margin point is $50K to the owner. Closing a 5-point gap is $250K/year — life-changing money.

$250–500K

annual revenue per crew (2–3 people)

Median crew generates $300K/year. Top quartile clears $400K+. The differentiator is route density (less drive time), crew leader discipline, and equipment uptime. Crews below $250K are either under-routed, under-priced, or carrying hidden inefficiencies (broken equipment, unaccounted callbacks, poor scheduling).

85–92%

annual commercial contract retention (top performers)

Commercial maintenance contracts at 85–92% annual retention compound. Below 80% you're on a treadmill — every win is replacing a loss. Property managers and HOAs switch on three things: missed visits, communication failures, and price hikes without conversation. Retention, not new sales, is the cheapest growth lever in landscape.

AT A GLANCE

The Median vs. Top Quartile Gap

Every gap between median and top quartile is real money. On a $3M landscape company, closing these gaps is worth $150K–$500K annually.

	BOTTOM	MEDIAN	TOP
Labor % of Revenue	>58%	50–55%	<48%

The single most important metric in landscape. Drive time, callbacks, and weather days all show up here. Route density is the #1 lever to improve it.

	BOTTOM	MEDIAN	TOP
Maintenance Gross Margin	<32%	38–45%	>48%

Pure maintenance routes (mow, edge, blow, fert) carry the highest sustainable margins. Properly priced maintenance is where the wealth is built.

	BOTTOM	MEDIAN	TOP
Design-Build Gross Margin	<15%	18–25%	>28%

Lower than maintenance because of materials and project risk. Top performers manage estimating accuracy and change orders aggressively.

	BOTTOM	MEDIAN	TOP
Recurring Revenue Mix	<45%	60–70%	>75%

Recurring drives valuation multiples. PE buyers pay 6–8x EBITDA for maintenance-heavy operators vs. 3–5x for design-build heavy.

	BOTTOM	MEDIAN	TOP
Net Profit Margin	<5%	7–10%	>14%

BrightView (public) runs ~5–6% on $2.8B revenue (scale drag). Private operators in the $3–15M range can hit 12–18% with discipline.

	BOTTOM	MEDIAN	TOP
Revenue per Crew (annual)	<$220K	$280–360K	>$420K

2–3 person crew average. Top quartile achieves it through tight routes, good equipment, and crew leaders who hit the schedule.

	BOTTOM	MEDIAN	TOP
Equipment % of Revenue	>15%	9–13%	<8%

Includes trucks, trailers, mowers, fuel, maintenance, and depreciation. High numbers signal over-capitalization or under-utilization.

	BOTTOM	MEDIAN	TOP
Commercial Annual Retention	<75%	82–88%	>92%

HOAs and property managers churn on missed visits and bad communication. Sticky operators have account managers, not just crews.

	BOTTOM	MEDIAN	TOP
Residential Annual Retention	<65%	72–82%	>88%

Residential is fickle but referral-rich. Auto-billing and pre-paid annuals are the retention stickiness.

	BOTTOM	MEDIAN	TOP
DSO (Commercial)	>60	40–55	<35

HOAs and property managers stretch payment. Top performers tighten with portal billing, late fees, and contract terms that mean something.

Sources: NALP (National Association of Landscape Professionals) State of the Industry, Aspire Software benchmarking data, Lawn & Landscape LM150, BrightView (BV) public 10-K filings, LMN (Landscape Management Network) operating data, Level engagement data. Ranges blend commercial and residential where noted.

THE CLEAR FRAMEWORK

Five Pillars of Landscape Company Financial Health

Every metric in this report maps to one of five pillars. Together they give you a complete picture of where money is made, lost, stuck, or at risk.

C **Cash** Is your cash flowing or stuck?

Landscape has a brutal cash mismatch in northern climates: revenue concentrates April–November, but payroll, insurance, and equipment financing run all 12 months. Pre-paid annual maintenance contracts and snow contracts are the two structural levers that smooth the cash curve. Track DSO by customer segment (commercial vs. residential vs. HOA) — the blended number hides the real problem.

Metrics: DSO by segment · Cash reserve months · Pre-paid annual % · Winter cash burn

L **Labor** Is your workforce generating returns?

Labor is 50–58% of revenue. Crew productivity is the lever — not crew wage rate. A $20/hr crew leader who hits 92% of scheduled hours billable is worth more than a $16/hr leader at 70% billable. Route density determines how much of every paid hour is actually billable vs. windshield time. H-2B seasonal labor is a structural advantage where it's available.

Metrics: Labor % of revenue · Billable-hour ratio · Crew leader retention · Drive-time %

E **Earnings** Are you pricing profitably?

Maintenance routes carry 38–45% gross margins when properly priced. Design-build runs 18–25% with materials drag. Snow removal varies wildly: per-push 25–35%, seasonal contracts 35–50% (with proper risk modeling). The biggest pricing mistake in landscape is rolling forward last year's prices into a contract that no longer covers fully-loaded crew costs after wage and fuel inflation.

Metrics: Maintenance margin · Design-build margin · Snow contract margin · Annual price escalators

A **Accounts** Are you retaining and growing your book?

Commercial annual retention at 85–92% is the gold standard. Residential is more volatile (72–82%) but referral-rich. Customer concentration matters: if your top 5 commercial accounts are >40% of revenue, you have account-loss risk that lenders and acquirers will discount heavily. Portfolio approach beats hero-account approach for valuation.

Metrics: Commercial retention · Residential retention · Top-5 concentration · Referral conversion %

R **Risk** Are you exposed?

Five risks structurally kill landscape companies: weather (low-snow years for snow-dependent ops), workers comp (5–10% of payroll, big jumps after claims), equipment failure during peak season (one mower down at 2,000 hours = $1,500/day in lost revenue), pesticide license violations (state-specific, can shut down operations), and customer concentration. The companies that survive plan for all five.

Metrics: Snow weather exposure · Workers comp mod · Equipment age (avg) · Insurance %

How to use CLEAR: Score yourself on each pillar. If you are below median on any two pillars, you likely have five-figure (or six-figure) upside in financial optimization. The deep dives on pages 5–6 break down the biggest levers for landscape specifically.

DEEP DIVE

Maintenance vs. Design-Build Economics

Two fundamentally different businesses sharing trucks and crews. Understanding the trade-offs drives every strategic decision in landscape.

Maintenance

Typical Margins	**38–45%**
Revenue Stability	**High (annual contracts)**
Cash Cycle	**Net-15 to Net-45**
Annual Retention	**82–92%**
Valuation Multiple	**5–8x EBITDA**

Design-Build

Typical Margins	**18–25%**
Revenue Stability	**Low (project pipeline)**
Cash Cycle	**30–50% deposit + draws**
Repeat Customer %	**20–40% (5-yr basis)**
Valuation Multiple	**3–5x EBITDA**

Side-by-Side Breakdown

Dimension	Maintenance	Design-Build	Key Insight
Gross Margin	38–45%	18–25%	Maintenance is materially more profitable per dollar of revenue. Design-build wins on absolute dollars per project but loses on margin %.
Revenue Predictability	High (annual contracts)	Low (project-based)	Maintenance routes are a forecasting dream. Design-build is a 90-day pipeline that can collapse on a bad month.
Cash Cycle	Net-15 to Net-45	30–50% deposit + draws	Design-build has worse cash unless you negotiate proper deposits and progress payments. Mid-project material costs hit hard without them.
Labor Stability	Steady April–Nov	Project-driven, irregular	Maintenance lets you keep the same 3-person crew busy all season. Design-build means staffing up and down.
Customer Acquisition Cost	$50–250 (residential), $400–1,200 (commercial)	$800–2,500	Design-build has higher CAC but bigger ticket size. ROI math depends on close rate and average project value.
Average Ticket	$2K–15K/year per account	$8K–250K per project	Design-build has higher individual project value but maintenance compounds across years.
Valuation Multiple	5–8x EBITDA	3–5x EBITDA	Recurring contracts get acquisition premium. Design-build trades like a project shop. Mix matters at exit.
Risk Profile	Low (predictable cost, predictable revenue)	High (estimating risk, weather, change orders)	One badly estimated $80K project can wipe out a quarter of profit. Maintenance can't.

The strategic question: Pure-play maintenance is a wealth-building business that compounds and trades at premium multiples. Pure-play design-build is exciting but volatile. The sweet spot for most $3–15M operators is 65–75% maintenance for the base, 25–35% design-build for the upside. Below 50% recurring at exit, you're trading at project-shop multiples regardless of how good the work is.

DEEP DIVE

Labor & Equipment Economics

Labor is 50–58% of revenue. Equipment is another 9–13%. Together they're two-thirds of every dollar — and the place where most landscape companies leak profit.

Labor Cost Breakdown

Component	% of Payroll	% of Revenue	Detail
Base Wages (Crew)	60–68%	30–39%	Crew leaders $19–28/hr, crew members $15–22/hr. H-2B labor (where available) runs 8–15% lower fully-loaded.
Payroll Taxes (FICA)	7.65%	3.8–4.4%	Employer share of Social Security and Medicare. Federal mandate.
Workers Compensation	5–10%	2.5–5.8%	Higher than cleaning due to equipment and chainsaw work. Class code matters: maintenance ~5–7%, tree work 8–12%, hardscape 6–9%.
Health, PTO, Uniforms	4–10%	2–6%	Companies offering benefits see 30–40% lower turnover but 6–10% higher total labor cost. Often pays back in productivity within 18 months.
H-2B Compliance / Visas	1–3%	0.5–1.7%	Where used: legal fees, USCIS filings, transportation, housing assistance. Typically pays back via lower turnover and consistent crew.

The fully-loaded reality: A crew member earning $18/hour actually costs $24–28/hour all-in. If you're pricing maintenance routes against a $18 number, you're losing money on every billable hour. Use fully-loaded cost per crew-hour for every contract proposal — and rebuild it annually as wages and workers comp move.

Equipment Cost Breakdown

Equipment Category	% of Revenue	Detail
Trucks & Trailers	4–6%	Replacement cycle 5–7 years at $35–55K. Lease vs. buy decision swings cash flow profile materially. Most $3–15M operators run hybrid fleet.
Mowers (Commercial)	2–4%	Zero-turn 60" $12–18K, replaced every 2,500–4,000 hrs (3–4 yrs). Top performers track hours-per-mower like airline pilots track flight hours.
Fuel	2–4%	Diesel + gas. Higher in fuel-intensive markets (lots of drive time). Fuel surcharges in commercial contracts are increasingly common.
Maintenance & Repairs	1–2%	In-house mechanics typical at $5M+. Below that, dealer service. Preventive maintenance discipline cuts unscheduled repairs 40–60%.
Hand Tools, Trimmers, Blowers	0.5–1.2%	Battery vs. gas decision affecting most operators now. Battery upfront cost is 2–3x but long-term TCO is 30–40% lower.

Route Density: The Hidden Profit Lever

Drive time is unbilled labor. A crew spending 60 minutes driving between jobs vs. 20 minutes loses 1+ billable hour per day. Over a 30-week mowing season, that's $18K–28K in lost revenue per crew. Top performers cluster accounts geographically and route to minimize windshield time. Adding one well-located account in an existing route is more profitable than two scattered new accounts.

10–15%
shift in drive time (top quartile)

25–35%
shift in drive time (bottom quartile)

$18K–28K
annual revenue lost per crew to excess drive time

Sources: NALP wage and benefits surveys, Aspire Software equipment cost analysis, LMN benchmarking, BLS Occupational Employment data, BrightView 10-K equipment disclosures.

DEEP DIVE

Snow Removal & Cash Seasonality

In northern climates, snow either subsidizes winter or wipes out the year's profit. The difference is contract structure and weather risk modeling.

Snow Contract Structures Compared

Contract Type	Gross Margin	Risk Profile	When to Use
Per-Push Contracts	25–35%	Low (pay only when work happens)	Customer-friendly but you absorb the risk of unbilled standby. Best for new client relationships.
Per-Inch Contracts	28–38%	Moderate	Tied to inches of accumulation. Aligns risk fairly. Most common in mid-sized commercial.
Seasonal (Fixed)	35–50%	High (you absorb low-snow year risk)	Most profitable when modeled correctly. Requires 3–5 years of regional snow data and a built-in low-snow buffer.
Hybrid (Fixed + Per-Push trigger)	32–42%	Balanced	Fixed base for budgeting, per-push for events above threshold. Increasingly the industry standard for large commercial.

The seasonal contract trap: A seasonal contract priced on a 10-year average snowfall feels safe — until you get a 5-year stretch of below-average snow and the contract loses money every year. Top operators price seasonal contracts off a *median* snow year (not average), build a 15–20% low-snow buffer, and require 3-year terms to spread weather risk. Or they push customers to hybrid contracts where heavy snow events trigger above-base billing.

The Cash Seasonality Curve (Northern Climate)

Q1 (Jan–Mar)	Q2 (Apr–Jun)	Q3 (Jul–Sep)	Q4 (Oct–Dec)
10–15%	**30–38%**	**30–38%**	**18–25%**
Snow + commercial pre-pays. Cash burn risk if light snow.	Spring cleanup + mowing ramp. Highest hiring cost month.	Peak mowing + hardscape installs. Best operating cash months.	Fall cleanup + early snow. Cash buildup for winter.

Pre-paid annual contracts (paid in March or April) are the structural cash management lever. Even at a 5% discount for prepay, the cash certainty is worth it. Top operators have 25–40% of annual revenue pre-paid by April 1.

SELF-ASSESSMENT

Your Landscape Company Scorecard

Fill in your numbers. Compare to benchmarks. The metrics you cannot fill in are the most important finding.

Financial Health Scorecard

Metric	Your Number	Bottom Quartile	Median	Top Quartile
Labor % of Revenue	_____	>58%	**50–55%**	<48%
Maintenance Gross Margin	_____	<32%	**38–45%**	>48%
Design-Build Gross Margin	_____	<15%	**18–25%**	>28%
Recurring Revenue Mix	_____	<45%	**60–70%**	>75%
Net Profit Margin	_____	<5%	**7–10%**	>14%
Revenue per Crew (annual)	_____	<$220K	**$280–360K**	>$420K
Equipment % of Revenue	_____	>15%	**9–13%**	<8%
Commercial Annual Retention	_____	<75%	**82–88%**	>92%
Residential Annual Retention	_____	<65%	**72–82%**	>88%
DSO (Commercial)	_____	>60 days	**40–55 days**	<35 days
Top-5 Customer Concentration	_____	>50%	**30–45%**	<25%
Workers Comp Mod Factor	_____	>1.10	**0.95–1.05**	<0.90

1

Count your reds

How many metrics fall in the bottom quartile? More than 3 means significant upside.

2

Find the blanks

Metrics you cannot fill in are your blind spots. You cannot improve what you do not measure.

3

Prioritize by dollar impact

Labor % and recurring mix have the biggest P&L impact. Start there.

Level

Where does your landscape company actually stand?

We will connect to your books, benchmark you against these industry numbers, and show you exactly where money is being left on the table. Free, no strings attached.

See Your Benchmarks
levelcfo.com/benchmarks/landscaping

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Sources: NALP (National Association of Landscape Professionals) State of the Industry Report, Aspire Software benchmarking dataset, Lawn & Landscape LM150 top-150 list, BrightView Holdings public 10-K filings, LMN (Landscape Management Network) operating data, BLS Occupational Employment and Wage Statistics, IBISWorld (Landscaping Services in the US, 2024–2025), and Level engagement data. Benchmarks reflect blended commercial and residential where noted.