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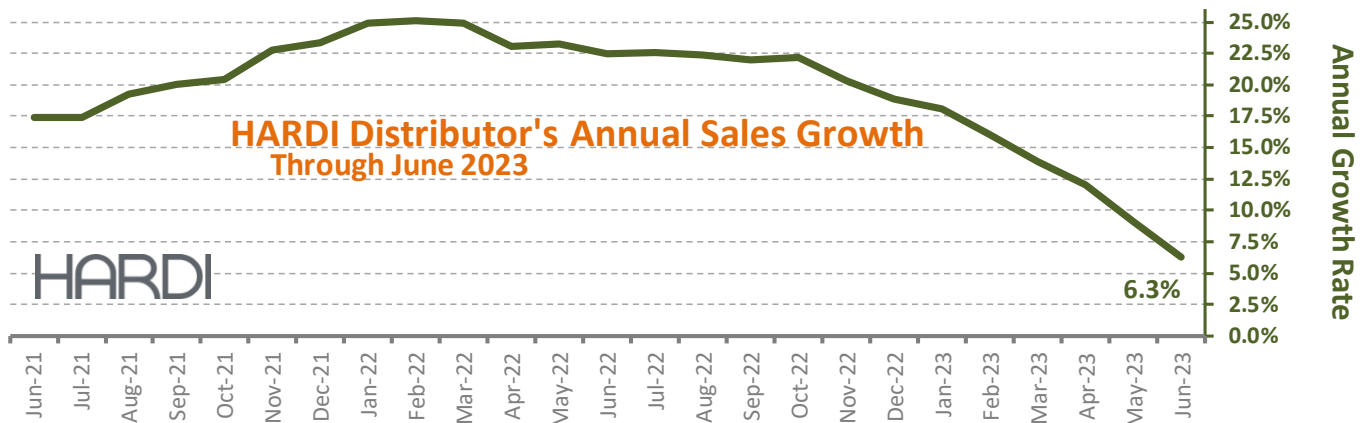
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HARDI Distributors Report -6.4% Percent Revenue Decline in June

COLUMBUS, Ohio, August 7, 2023 – Heating, Air-conditioning & Refrigeration Distributors International (HARDI) released its monthly TRENDS report, showing sales by HARDI distributors declined by -6.4 percent during June 2023.

The annual sales growth for the 12 months through June 2023 is 6.3 percent.



Source: HARDI and CoMetrics

“We have sales declines during two of the first three months of cooling season versus the boom times of 2022,” said HARDI Macroeconomic & Residential Market Analyst Brian Loftus. “The weather has not helped. Cooling degree days were off by -22% in April, by -41% in May, and then by -23% during June.”

The Days Sales Outstanding, a measure of how quickly customers pay their bills, was at 39 days during June. “Distributor sales growth is slowing but customers are not showing any strain,” said Loftus. “DSO has a seasonal pattern, so we compare it to the corresponding prior year. The DSO was 39 during June of 2021, June of 2022, and June of 2023. No warning signs here.”

“Weather is not the only headwind for distributors this year,” said Loftus. “The annual pace of existing home sales has declined for 19 consecutive months and by 25% during the twelve months through June 2023. The broken supply chains allowed the annual pace of industry price increases to surge to 26% last spring. Passing through those price increases helped boost the reported sales growth. The annual price increase being passed through right now is less than 5%. The annual sales growth of Building Materials and Supplies Dealers in the Retail Sales report has been an effective leading indicator for TRENDS. That indicates this cycle is not close to the bottom yet.

HARDI members do not receive financial compensation in exchange for their monthly sales data and can discontinue their participation without prior notice or penalty. Participation is voluntary, and the depth of market coverage varies from region to region. An independent entity collects and compiles the data that can include products not directly associated with the HVACR industry.



HEATING AIR-CONDITIONING REFRIGERATION DISTRIBUTORS INTERNATIONAL

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ABOUT HARDI

HARDI (Heating, Air-conditioning and Refrigeration Distributors International) is the single voice of wholesale distribution within the HVACR industry. HARDI members market, distribute, and support heating, air-conditioning, and refrigeration equipment, parts and supplies. HARDI Distributor members serve installation and service/replacement contractors in residential and commercial markets, as well as commercial/industrial and institutional maintenance staffs. HARDI proudly represents more than 460 distributor members representing more than 5,000 branch locations, and close to 500 supplier, manufacturer representative and service vendor members.

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