Sterling Ridge Business Advisors

MERGERS & ACQUISITIONS · DENVER, COLORADO

CONFIDENTIAL BUSINESS REVIEW

Summit Peak Mechanical

Commercial HVAC & Mechanical Services · Denver, Colorado

Prepared for qualified acquirers under executed confidentiality agreement

$7.9M	$1.7M	612	93%
TTM REVENUE	TTM ADJ. EBITDA	SERVICE AGREEMENTS	RETENTION

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July 2026

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Confidentiality and contents

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Contents

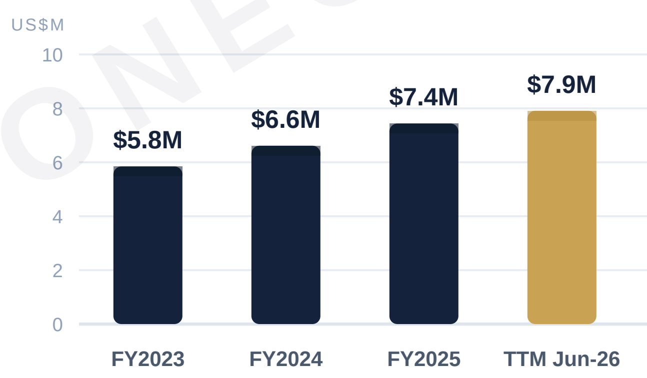
EXECUTIVE SUMMARY

A recurring-revenue mechanical services platform

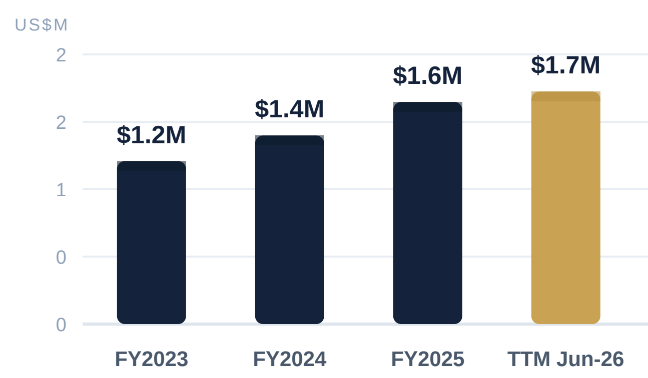
Summit Peak Mechanical, LLC (“Summit Peak” or the “Company”) is a Denver-based commercial HVAC and mechanical services company serving property managers, healthcare and education facilities, and light-industrial operators across the Front Range. Founded in 2009, the Company has grown from a two-truck service shop into a 43-person platform generating $7.9M of trailing-twelve-month revenue and $1.7M of Adjusted EBITDA at a 21.8% margin.

The business is anchored by 612 annual service and maintenance agreements that renew at 93% and generate 38% of revenue directly, while feeding the majority of the Company’s higher-ticket repair and replacement work. Field operations are run by a tenured operations manager, dispatch and pricing are systematized in a modern field-service platform, and the owner’s role has narrowed to relationships and oversight, supporting a clean transition.

$7.9M	$1.7M	13%	612	3,400+
TTM REVENUE	TTM ADJ. EBITDA	REVENUE CAGR ’23–’25	ACTIVE AGREEMENTS	ACTIVE CUSTOMERS



REVENUE (US$M)



ADJUSTED EBITDA (US$M)

REASON FOR SALE

The founder is preparing for retirement after seventeen years building the Company and is seeking a buyer who will invest in the team’s next chapter. He is flexible on transition structure and will support a 6–12 month handover.

BUSINESS OVERVIEW

Seventeen years of disciplined focus on commercial service

Summit Peak provides the full commercial HVAC lifecycle: scheduled maintenance, demand service and repair, equipment replacement and retrofit, and select new-installation work for existing customers. The Company deliberately concentrates on the commercial service and replacement segments, where relationships, response time, and technician quality drive pricing power, and avoids bid-driven new-construction work for general contractors.

Company timeline

- **2009** — **Founded** — two-technician commercial service shop in central Denver
- **2014** — **Agreement program** — formal maintenance-agreement program launched; 100th agreement signed
- **2017** — **Facility** — moved to current 12,000 sq ft shop and office; sheet-metal brought in-house
- **2020** — **Systems** — cloud field-service platform deployed across dispatch, quoting, and billing
- **2023** — **Succession** — operations manager promoted to run the day-to-day field organization
- **2025** — **Record year** — 600th agreement; record revenue and Adjusted EBITDA margin

What the Company is known for

Response time

Four-hour emergency response commitment for agreement customers, enabled by dense route geography.

Technician quality

28 field technicians; average tenure 6.2 years; NATE certification supported and paid for by the Company.

Transparent pricing

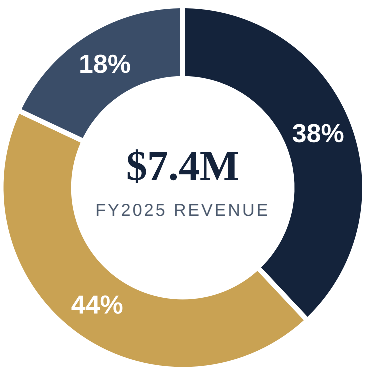
Flat-rate task pricing with photo-documented recommendations; complaint rate below 0.5% of work orders.

Owner-independent delivery

The owner sells and stewards relationships; he has not run service calls since 2021.

SERVICES & REVENUE MIX

An agreement-led revenue model



Service & maintenance agreements
38% of revenue · $2.8M FY2025

Repair & replacement
44% of revenue · $3.3M FY2025

New installation & retrofit
18% of revenue · $1.3M FY2025

ROOFTOP AND SPLIT-SYSTEM SERVICE IS THE CORE TRADE

Service lines

Service & maintenance agreements (38%). Annual contracts covering scheduled preventative maintenance on rooftop units, splits, boilers, and controls. Billed quarterly in advance; deferred revenue is tracked monthly. Agreements carry priority dispatch and preferred labor rates, and renew at 93%.

Repair & replacement (44%). Demand service, component repair, and full equipment replacement, approximately 70% of which originates from the agreement base. Replacement projects average $28K and are quoted with standardized margin floors enforced in the field-service platform.

New installation & retrofit (18%). Selective design-build and retrofit work for existing customers and their tenants, taken only at service-level margins. The Company does not pursue plan-and-spec GC work, keeping backlog quality high at $1.9M currently.

WHY THE MIX MATTERS

The agreement base is the flywheel: it generates predictable revenue directly, feeds the repair and replacement pipeline, densifies routes, and makes revenue resilient to weather and cycle. Buyers underwriting this business are buying the agreement base first.

CUSTOMERS

Diversified, institutional, and sticky

The Company serves 3,400+ active customers, concentrated in segments where equipment uptime is mission-critical and purchasing is relationship-driven. Customer concentration is low: the top ten customers represent 14.7% of FY2025 revenue and the largest single customer is 3.1%.

Meridian Property Group COMMERCIAL PROPERTY	**Front Range Health** HEALTHCARE	**Prairie Ridge Schools** EDUCATION	**Ironwood Industrial** LIGHT INDUSTRIAL
Silver Creek Senior Living SENIOR LIVING	**Boulder Commons REIT** COMMERCIAL PROPERTY	**Cascade Hospitality** HOSPITALITY	**Centennial Foods Co.** FOOD PRODUCTION

REPRESENTATIVE CUSTOMER RELATIONSHIPS BY END MARKET

Revenue by end market (FY2025)

Segment	% of revenue	Typical customers
Commercial property management	34%	Multi-tenant office, retail centers, mixed-use
Healthcare & medical office	21%	Clinics, surgery centers, senior living
Education & municipal	17%	Private schools, districts, county facilities
Light industrial & flex	16%	Distribution, food production, labs
Hospitality & other	12%	Hotels, restaurants, churches

Retention economics

Agreement customers have a measured average relationship length of 7.4 years. Net revenue retention across the agreement base was 104% in FY2025, as escalators and scope additions more than offset the small number of non-renewals. Reviews average 4.8 stars across 640+ Google reviews, and the Company’s NPS of 71 is surveyed annually by a third party.

MARKET OPPORTUNITY

A replacement-cycle market with durable tailwinds

The Company operates in the Denver–Aurora–Lakewood MSA, a market of approximately 3.0 million people with sustained in-migration and one of the country's deepest bases of 1980s–2000s commercial building stock now reaching end-of-life on original mechanical systems. Industry analysts size the U.S. commercial HVAC services market in the tens of billions of dollars, growing mid-single digits, with replacement and retrofit demand outpacing new construction.

Structural tailwinds

Aging installed base

Rooftop units installed in the 1990s–2000s boom are past design life, driving a multi-year replacement cycle independent of new construction.

Refrigerant transition

The phase-down of legacy refrigerants makes repair of older units increasingly uneconomic, accelerating replacement decisions.

Efficiency & electrification

Energy codes and utility incentives fund retrofit projects, including heat-pump conversions where the Company already holds certifications.

Technician scarcity

A national shortage of qualified technicians advantages employers of choice; the Company's tenure and training pipeline are a durable moat.

Competitive landscape

Competition consists of national mechanical firms focused on large plan-and-spec projects, a handful of PE-backed regional consolidators, and hundreds of sub-scale owner-operator shops. Summit Peak occupies the attractive middle: large enough for institutional customers and 24/7 coverage, small enough to be a strategic bolt-on or a platform for a buyer building density in the Mountain West.

OPERATIONS & TEAM

A professionalized field organization

43	28	6.2 yrs	24	12,000
EMPLOYEES	FIELD TECHNICIANS	AVG. TECH TENURE	FLEET VEHICLES	SQ FT FACILITY

Day-to-day operations are led by an operations manager with 11 years at the Company, supported by a service manager, install manager, and a five-person office team covering dispatch, billing, and agreement administration. All quoting, dispatch, time-tracking, and invoicing run through a cloud field-service platform implemented in 2020; job-level margin is visible in real time and reviewed weekly.

12,000 SQ FT SHOP, OFFICE, AND FABRICATION FACILITY WITH OWNED FLEET

JOB-LEVEL MARGIN AND EQUIPMENT CONDITION TRACKED IN THE FSM PLATFORM

Organization

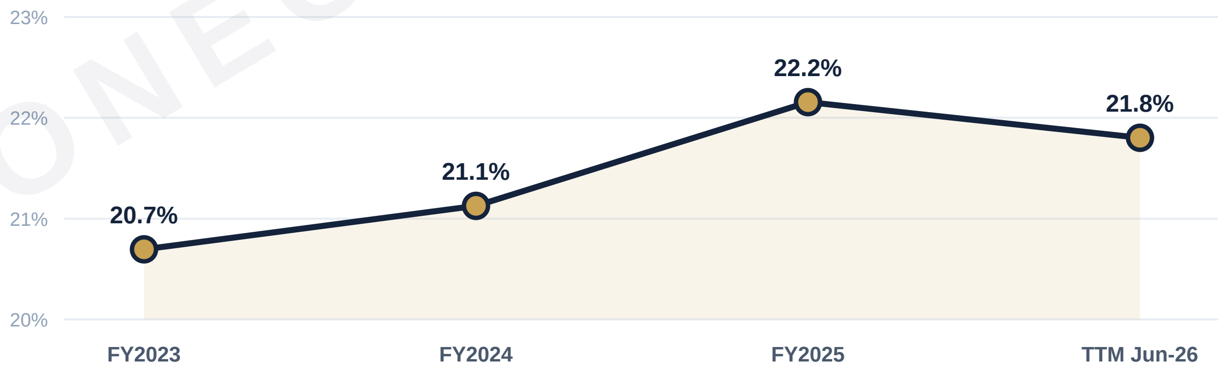
Function	Headcount	Notes
Field service technicians	20	NATE-supported; two lead techs run apprentice pipeline
Install & retrofit crews	8	Two 4-person crews incl. sheet metal
Sales & account management	4	Two agreement-focused reps; owner covers key accounts
Operations & office	9	Dispatch, billing, agreement admin, HR/safety
Ownership	2	Founder (strategy/relationships); spouse part-time bookkeeping

FINANCIAL SUMMARY

Growth with expanding, verifiable margins

US$000s	FY2023	FY2024	FY2025	TTM Jun-26
Revenue	**5,842**	**6,617**	**7,438**	**7,912**
Growth %	–	13.3%	12.4%	6.4%
Gross profit	2,460	2,845	3,288	3,529
Margin %	42.1%	43.0%	44.2%	44.6%
Reported EBITDA	1,022	1,195	1,382	1,489
Adjustments	187	203	266	236
Adjusted EBITDA	**1,209**	**1,398**	**1,648**	**1,725**
Margin %	20.7%	21.1%	22.2%	21.8%

Adjustments normalize owner compensation to a market GM salary and remove documented non-recurring and discretionary items. The complete recast package, including the full adjustment schedule with per-item documentation and an SDE bridge, accompanies this Review.



ADJUSTED EBITDA MARGIN TREND

Balance sheet and cash flow characteristics

The business carries no funded debt. Working capital is seasonal within a $250–$400K band, with agreement billings in advance partially funding the spring and fall maintenance peaks. Maintenance capital expenditure has averaged approximately 2.1% of revenue, principally fleet rotation and shop equipment.

GROWTH OPPORTUNITIES

Six levers, none reflected in current earnings

Current results reflect a deliberately focused strategy; several tested but unscaled levers are available to a buyer with growth capital or an existing platform.

1. Northern Colorado expansion

Fort Collins/Greeley corridor is served opportunistically today (4% of revenue) with no local presence; a two-truck satellite would be agreement-accretive within 12 months based on existing demand.

2. Controls & monitoring attach

Only 9% of agreement customers take building-controls monitoring. Pricing pilots in 2025 achieved 60% attach on new agreements at 70%+ incremental margins.

3. Commercial plumbing cross-sell

Customers routinely request plumbing; a tuck-in acquisition or two licensed hires would open a second trade across the same routes and relationships.

4. Agreement price optimization

Legacy agreements renew 8–12% below current rate card; a disciplined two-year catch-up program is modeled in the data room.

5. Electrification retrofits

Utility incentive programs fund heat-pump conversions; the Company is certified but has not marketed the capability.

6. Acquisition platform

Fragmented local market with retiring owners; the Company's systems and bench can absorb tuck-ins without new overhead.

NONE OF THIS IS IN THE NUMBERS

The financial presentation in this Review contains no credit for any growth initiative. Each lever is documented with supporting analysis in the data room so buyers can underwrite upside on their own assumptions.

TRANSACTION OVERVIEW

Structure, process, and next steps

The founder is seeking a full sale of the Company. He is flexible as to structure (asset or equity) and will support a 6–12 month transition, with longer consulting availability by agreement. Key employees are aware of the process at a high level and are expected to remain; the operations manager has indicated interest in expanded responsibility under new ownership.

Process

Step	Detail
1. Review & questions	Buyers review this CBR and the recast financial package; written Q&A via the Advisor
2. Management call	Video session with the founder and operations manager for qualified parties
3. Indication of interest	Requested by early Q4 2026: proposed value, structure, financing, and timeline
4. LOI & diligence	Full data room access, customer detail unmasked, site visit, QoE support
5. Close	Target close Q1 2027; Advisor coordinates lender and counsel workstreams

Structure
Asset or equity; seller financing considered in a competitive offer

Transition
6–12 months, with consulting availability thereafter

Team
Ops manager expected to remain; retention framework with buyer

Timeline
IOIs early Q4 2026; target close Q1 2027

Financing readiness

The transaction profile fits SBA 7(a) and conventional cash-flow structures. Three years of business tax returns, monthly financials, and the documented recast schedule are lender-ready in the data room, and the Advisor will coordinate directly with the buyer's lender to keep underwriting on schedule.

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