



Summit Refrigerants helps customers keep their cool

Flexible banking arrangements can help businesses take a “no-sweat” approach to industry volatility and environmental restrictions.

When Jeff Carver and Steve Trevino founded **Summit Refrigerants** in 2008, it began as a five-person operation working in 6,000 square feet. A provider and reclaimer of refrigerants that keep buildings and homes cool—and chemical plants up and running—Summit has since grown and evolved in response to customers’ needs and ongoing legislation intended to protect against ozone depletion and global warming. Along the way, **Bank of Texas** has stepped in to help with both short- and long-term financing solutions.

Summit, along with the refrigerant industry as a whole, has grown at a rapid clip. The company acquired a building plus adjacent acreage in 2015, financed by Bank of Texas. Three years earlier, Summit had found Bank of Texas by referral, and the financial services company has been Summit’s sole banker ever since.

Bank of Texas has shared Summit’s long-term view. For example, the bank supported the company’s acquisition of more real estate than immediately needed, allowing for future growth. And grown it has: Summit further expanded in 2019 by purchasing additional property and constructing a new warehouse. The company now employs more than 45 people, most of whom work from the company’s 60,000+ square-foot facility outside Houston.

“They were growing fast, like a startup, and needed additional space to handle the activity,” recalled Mike Jiang, commercial banking relationship manager with Bank of Texas.

Meet Summit Refrigerants

FOUNDED: in 2008 by Jeff Carver and Steve Trevino

WHAT THEY DO: Summit Refrigerants is a leading refrigerant reclaimer, supplier and service provider to industrial users, wholesaler distributors and large commercial service contractors. Based in the Houston area, Summit also operates in Dallas and Baton Rouge, with expansion plans starting next year.

HOW THEY'VE MADE THEIR MARK: Summit is one of only about 65 refrigerant reclaiming firms **certified by the U.S. Environmental Protection Agency**. It also has buying relationships with each of the four U.S. refrigerant manufacturers. Throughout the industry, Summit is known for its integrity, dependability, product quality and environmental consciousness.



Did you know?

The global refrigerant market totaled \$16.9 billion in 2021 and is projected to exceed \$28 billion by 2027, according to Imarc Group, a global market research firm.

AN ALLY FOR THE CHALLENGES OF A UNIQUE INDUSTRY

While every business faces challenges, Summit's are constant due to refrigerants' price volatility. "Prices are unpredictable, and don't really follow other commodities," said Summit CEO Steve Trevino. For instance, prices increased significantly in 2021 and 2022 due to the anticipation and implementation of regulations designed to move the industry to more environmentally friendly refrigerants, he explained.

Bank of Texas has helped Summit deal with this pain point by remaining flexible and recognizing that not all customer segments of the business operate in the same manner. When this occurs, the bank works to understand the challenges and offers solutions. "Every relationship comes with both hard and fun conversations," Jiang said. "Pricing volatility in industries like energy sometimes necessitates give and take or even limitations on credit lines or other tools. Severe price drops will impact revenues, collections and borrowing bases. We work through the good and the bad."

Due to this price volatility, Summit must manage its inventory carefully, while also navigating other challenges stemming from the niche nature of its business. For example, its plant technicians must all be trained and certified to work with refrigerants, and be able to handle physically demanding work. These employees are hard to find in normal conditions but especially in a tight labor market.

Amidst these challenges, Bank of Texas has helped Summit grow by learning the industry and understanding the nuances of Summit's cash flow. Today, the relationship includes not only construction lending, but also letter of credit facilities. Bank of Texas always has operated from the perspective that Summit's work is an essential service that keeps organizations running and people comfortable as they answer everyday challenges at work and home. Under Jiang's guidance, Summit's line of credit has grown to support the company's needs.

"We come in as a lender to bridge that gap between vendor and customer payment terms," he said. In addition, Summit has both buy and sell relationships with some companies, and Bank of Texas recognizes this dual relationship when evaluating the company's receivables.





GOING ABOVE AND BEYOND

While it's common for a financial services company to gauge a client's borrowing capacity on a strict formula, Bank of Texas has gone above and beyond for Summit, according to Trevino. The bank has taken a genuine interest in understanding the unique nature of the business, which has allowed for some flexibility.

And as Summit continues to evolve, so will its relationship with Bank of Texas. For example, in 2021, Summit entered into a collaboration with Gases Research Innovation & Technology, SLU (GRIT) of Barcelona, Spain. Summit will gain technical expertise intended to grow its service capabilities.

And while such a partnership could appear threatening to a typical legacy provider, that's not the case at Bank of Texas, according to Jiang. As Summit expands, it will increase its banking services usage. And when GRIT provides new-facility financing to Summit, Bank of Texas will receive and help administer those funds.

WHAT'S AHEAD

Balancing the continuing need for food safety and the growing demand for human comfort with the worldwide interest in reducing the production of high-GWP chemicals requires an increased contribution by reclaimed refrigerants. The company's relationship with Bank of Texas will surely grow in the future. Besides, says Jiang, "By helping a refrigerant company grow in southern Texas, it's literally 'cool' that we're helping people stay cool!"

“Helping the customer grow, which can lead into other relationship opportunities, gives me a sense of accomplishment, that I'm doing good for the world.”

Mike Jiang

Commercial banking relationship manager

Three things to know before buying land for business use:

1. Choose a location that's compatible with existing businesses, zoning regulations and highway or delivery route accessibility, as appropriate.
2. Anticipate business growth from both a facilities and headcount perspective in order to delay or avoid an unnecessary next move. The cost of acquiring more land now will often outweigh the expense and inconvenience of a future relocation.
3. Seek engineering or architectural expertise in advance to identify potential terrain or drainage issues that can threaten your buildout. Many are expensive to remediate.



Meet Mike Jiang, commercial banking relationship manager

JOINED BANK OF TEXAS: 2015

EDUCATION: Bachelor of Business Administration, Finance, University of Houston, C.T. Bauer College of Business

WHAT MAKES BANK OF TEXAS DIFFERENT? “It has given me opportunities to do larger deals, better understand credit, become a more well-rounded banker, and create arrangements that were good for the client and met the bank’s appetite for monitoring and risk.”

WHY DO YOU CHOOSE TO WORK AT BANK OF TEXAS? “Larger banks are more siloed. As the relationship manager, I can quarterback the entire relationship. We provide our clients with the full spectrum of services, and don’t treat them like a number. We’re not so inundated here that we don’t know our clients.”

