

- Founded in 1927, Gordon Latham Limited (Lathams) is a Vancouver based, locally owned mechanical contracting company specializing in service, maintenance and retrofit work throughout the Lower Mainland. With 57 trucks on the road and 90 staff, Lathams is one of the oldest and largest mechanical services providers in British Columbia.
- Lathams' client base includes multi-unit residential apartment buildings, industrial plants, institutional facilities and commercial office complexes.
- After running Lathams for almost 50 years, Ken Pearce was seeking to retire and transition the company to a well resourced purchaser that could fully leverage Lathams strong brand value, exceptional team and deeply entrenched customer and supplier relationships.

Process & Challenges

Process:

- A roster of over 90 potential acquirers was developed comprised of strategic purchasers, private equity groups and family offices. Of these, 36 advanced to review the Confidential Information Memorandum (CIM) resulting in a competitive process with numerous Letters of Intent.
- The successful bidder was Ainsworth. Headquartered in Toronto, Ainsworth operates across Canada and is a leading integrated multi-trade company providing services including HVAC, mechanical, electrical, data cabling and industrial automation services for institutional, commercial and industrial clients. Ainsworth is owned by GDI Integrated Facility Services – a publicly listed (TSE:GDI) one-call facility maintenance business.

Challenges - some of the challenges overcome during the transaction process included:

- Final purchase value was determined based on current year-end results which were prepared pre-closing. Gaining agreement on final EBITDA required much discussion.
- The vendors own the building from which Lathams operates – finalizing a lease which met both the vendor's and purchaser's requirements took considerable negotiations.
- Purchaser had concern on age/condition of the vehicle fleet and level of required future capital expenditure – significant work was required to achieve agreement on this issue

Outcome

- 100% of Lathams was sold to Ainsworth in an all cash transaction.
- Ken Pearce is pleased to be able to spend more time in Palm Desert playing golf and Lathams' management team (including Ken's son Todd) are excited by the opportunities the combination will bring.

Deal Team

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Contact us to set up a confidential meeting to discuss your business.