

Residential Services & Contracting Industry

Case Study

Mandate

Beacon was engaged by a residential HVAC contracting business with over 15 years of experience serving the GTA and Durham region. The business offered a diverse range of services including installations for furnaces, air-conditioning systems, gas piping, ductwork, fireplaces, solar panels and more. The business had shifted its focus from a purely installation driven company to service and maintenance, which had led to margin expansion and recurring revenue streams. The owners, at the time, were seeking an exit in order to focus their attention on a new venture. Due to Beacon's strong presence in Ontario and experience working in the engineering and construction, Beacon was chosen as the exclusive broker and provided sell-side transaction advisory services through the entire sale process.

Implementation

Beacon began by compiling a fairness opinion to determine the business' true fair market value and proceeded to compile deliverables and confidentially market the mandate to potential buyers. The business offered a full spectrum of residential HVAC installation and maintenance services. 30 years of consistent service excellence had allowed the business to establish a highly loyal book of clients. Consequently, this was an excellent turnkey opportunity for a general contractor or private buyer seeking to enter the residential space in the GTA or to increase their market share by acquiring an existing book of clients. Through our large network of buyers and industry professionals, we were able to attract several buyers for the business. Based on the seller's criteria and vision, as well as our financial acumen, we were able to pre-screen buyers and solicit offers from serious buyers.

Outcome

Beacon's team assisted our client through every step of the sale process, and successfully completed the transaction. Beacon effectively negotiated a share deal, transferring 100% ownership to a private buyer with previous experience in the residential contracting industry. As a part of the deal, our client ('the vendor') received 2/3rds of the total transaction value up front at close. The balance was paid out in six equal monthly installments post-close. Our team advised the seller through the buyer due diligence process, ensuring transparency between both parties. Beacon's involvement through the succession planning and transition phase ensured that existing client relationships were preserved through the sale process.