



Retail & Manufacturing

Vancouver's LMS enters California market through acquisition

The acquisition of a rebar fabricating company in Bakersfield by LMS Reinforcing Steel Group will not only...

By Nelson Bennett | March 17, 2016, 2:49pm



The acquisition of a rebar fabricating company in Bakersfield by LMS Reinforcing Steel Group will not only allow the Vancouver company to get in on a construction boom in the Los Angeles-San Diego area, it will also allow the smaller company it is buying to get in on some larger projects, says LMS CEO and co-founder Ron McNeil.

LMS just recently completed the acquisition of Johasee Rebar in Bakersfield, California. It is LMS's third acquisition since its founding in 1987.

LMS and Johasee are both in the fabrication and installation of rebar, which consists of steel rods used to reinforce concrete in construction.

LMS has fabrication shops in Surrey and Calgary and does most of its work in Western Canada.

It has worked on most of the largest construction projects in the Lower Mainland, including Trump Tower, and is also working on the Vancouver House highrise project.

McNeil said several Vancouver developers are involved in highrise projects in California. The acquisition not only gives LMS foothold in California, it will also help Johasee scale up to bid on some of the larger projects.

“The management is going to stay on,” McNeil said. “To date, they’ve done smaller projects – warehouse projects, schools – generally probably under the \$1 million range per project. LMS is going to allow them to build on that success.

“A lot of the B.C. developers are in the L.A., San Diego area. If you look at all the work around the Staples Center, it’s the Onni Group, it’s Amacon, it’s Bosa. Johasee, the company we’ve just bought, has not done any of that work. So that’s the work we’re at least hoping to have an opportunity to bid that work.”

McNeil said he expects Johasee’s annual revenue of \$20 million will at least double as a result of new bidding opportunities.

LMS currently employs 700 people, mostly in Western Canada. The Johasee acquisition will add about 60 people to the company’s headcount.

Founded in 1987, LMS has grown into a \$100 million company, with annual revenue that has grown from \$14 million in 1998 to \$150 million today.

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