



Oaklins

Top manufacturer of turnout gear finds growth partner in private equity firm

DEAL FLASH | PRIVATE EQUITY, OTHER INDUSTRIES | JULY 2024

DEAL SNAPSHOT

The shareholders of Innotex, a leading turnout gear manufacturer based in Canada, have sold a majority stake to Clearspring Capital Partners.

Founded in 1999, Innotex is a privately owned company that specializes in the production of fire-protective suits. It focuses on developing, manufacturing and distributing high-quality turnout gear designed for firefighters, such as coats, pants, hoods and gloves, which is durable and offers freedom of movement in challenging and demanding situations. The company serves some of the largest fire departments in the United States, Canada and various other countries. Innotex has grown to a workforce of 300 employees, and manages operations across four facilities in Canada and the United States.

Innotex's shareholders decided to partner with Clearspring to help them accelerate Innotex's expansion in the United States.

Clearspring Capital Partners is a leading Canadian mid-market private equity firm that invests in and acquires medium-sized companies through buy-outs, growth and acquisition financings, going-private transactions, industry consolidations, restructurings, recapitalizations and other types of transactions.

“We would like to sincerely thank the Oaklins team for their dedicated work throughout the sale process of Innotex, and especially in the final weeks of negotiations leading up to the closing. They ran a tight process, were able to put many interested buyers in competition, and helped us find a great partner for the next phase of growth of our company. We would certainly recommend other business founders and owners work with Oaklins when the time comes to sell their business.”

LOUIS CARPENTIER
PRESIDENT
INNOTEX
CANADA

OAKLINS' ROLE IN FACILITATING THE DEAL WAS VITAL TO ITS SUCCESS

Oaklins' team in Canada was retained as the sole sell-side financial advisor for this transaction. Oaklins Intrepid, based in Los Angeles, also played a crucial role in the transaction with its personal protective equipment expertise and established industry relationships. This allowed Oaklins to distinguish itself from other organizations during the pitch, and to run an efficient and successful process for Innotex.



MARKET TRENDS & DEAL DRIVERS

M&A activity in the North American industrial goods sector remains strong. The buyer landscape is diverse and competitive, and major national and international industry consolidators are actively pursuing expanded market share, diversification and specialized capabilities through strategic acquisitions.

Additionally, private equity firms are showing heightened interest in the sector, especially for firms with stable and growing cash flows. With North America's stable economic environment, the industrial goods industry is poised for sustained growth. We expect industry consolidators to continue increasing their market share through acquisitions in the coming years, and private equity to continue to allocate significant capital to this sector.

M&A VALUATION ASPECTS

Financial details of this transaction have not been disclosed. Valuation multiples for the industrial goods sector have been on an upward trend in the last 24 months. Innotex's strong reputation as a quality manufacturer and innovator, its position as the leader in the Canadian market, and its growing share of the US market, were all key drivers of the valuation it received.

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“The acquisition of Innotex by Clearspring exemplifies a typical Oaklins transaction, where our local team in Canada collaborated seamlessly with our industry experts in the United States. This partnership enabled us to effectively assist our client, ensuring a successful transaction. This deal highlights Oaklins' global reach and deep industry expertise, which are integral to delivering outstanding results for our clients.”

GUILLAUME POULIN
MANAGING PARTNER, OAKLINS



**OAKLINS HAS CLOSED 1,449 DEALS IN PRIVATE EQUITY
AND 1,375 IN OTHER INDUSTRIES**

United by a strong belief that we can achieve the extraordinary. Oaklins is a global team of 800+ financial advisory professionals in 40 countries providing M&A, growth equity, ECM, debt advisory and corporate finance services to support entrepreneurs, corporates and investors in reaching their goals.

Oaklins

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