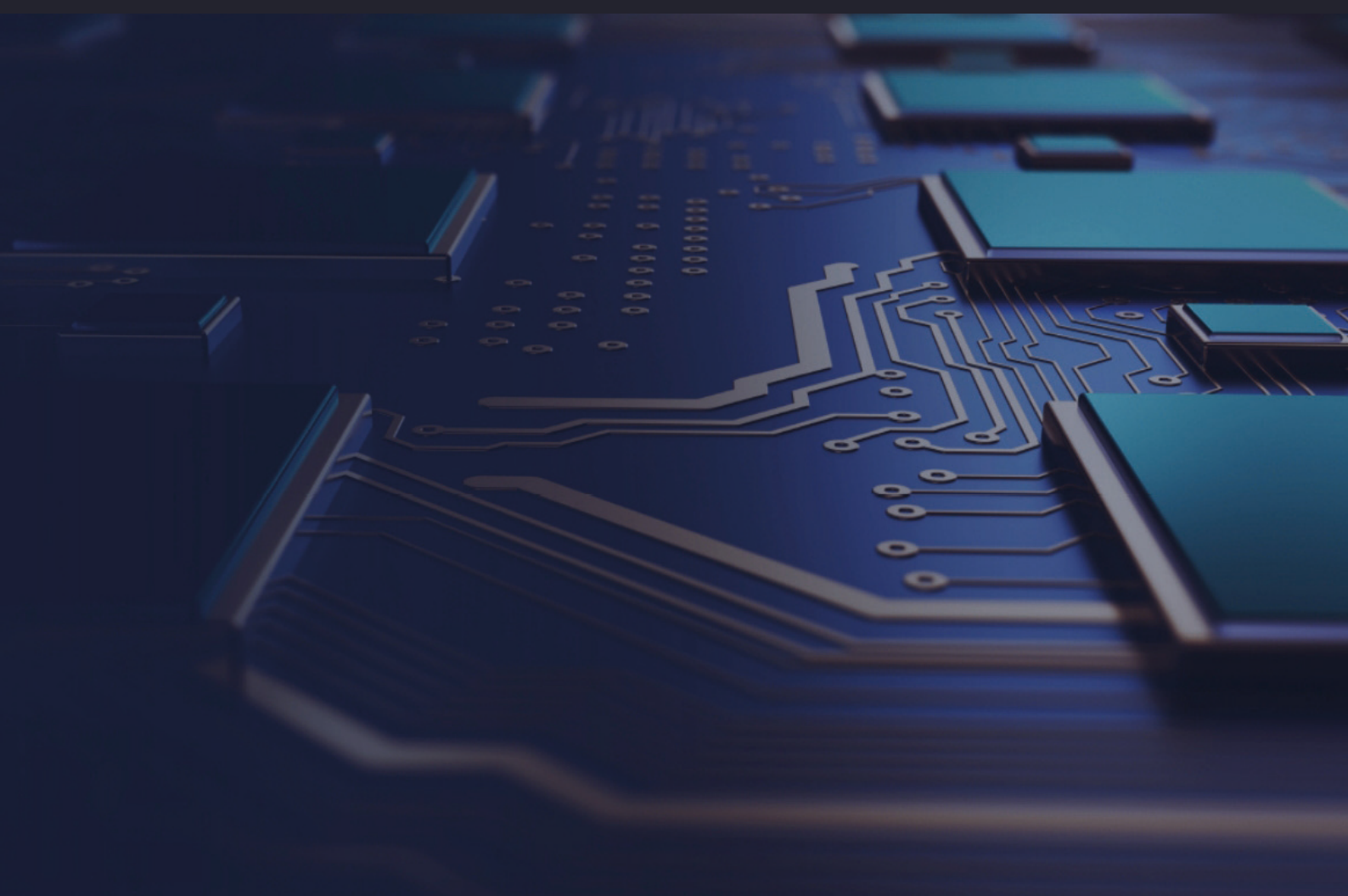

How acquisitions and rebranding grew Innovative Motion Technologies into a global industry leader



Innovative Motion Technologies (“IMT”) is a global industrial technology platform and industry-leading designer and supplier of unique interface and control solutions across a diversified set of market applications.

Before Cathay’s involvement, IMT was a small, global company with one brand, selling into the U.S., China, and Europe.



highly complementary acquisitions



revenue growth over five years



End market diversification and global expansion



Sector:	Consumer / Fashion
Country:	Canada
Fund:	North American Sino Fund – the predecessor
Status:	Current portfolio
Investment Date:	2016

Challenge

When Cathay became the majority shareholder in 2016, the company was operating as its longstanding brand Raffel Systems. The shareholders expressed their desire to expand the company’s global footprint, professionalize the management team, and pursue a buy-and-build acquisition strategy. Cathay recognized the opportunity to diversify the company’s end-markets, continue to grow in the residential furniture market, grow its Chinese customer base, and diversify its suppliers.

Solution

To vertically integrate the supply chain, the Cathay Capital team led the acquisition of China-based supplier Fortress in 2018. Fortress now produces over 25 percent of the cost of goods sold and is trending higher thanks to untapped capacity for further growth. In addition, the former general manager of Fortress is now leading the business in China, which has more than doubled in size since 2018. To diversify the company’s end markets to RV and Marine, Cathay Capital drove the acquisition of Micro-Air in December of 2021. The acquisition provided immediate channel diversification, including e-commerce and exposure to attractive aftermarkets. After the completion of the acquisition, Cathay worked with the team to rebrand as Innovative Motion Technologies or IMT and created a new website to represent the next phase in the company’s lifecycle.

In addition, the Cathay team was heavily involved in the company’s legal efforts to defend the company’s intellectual property and helped win a \$100M U.S. jury verdict in favor of Raffel.

Now, the company sells in 22 countries across the globe (up from only four when Cathay invested) and has doubled its revenue since Cathay partnered with the company in 2016. IMT’s industrial technology platform continues to be well-positioned to integrate complementary acquisitions leveraging the significant engineering, manufacturing, sales, and management resources available.

“Cathay Capital has been an incredible partner to IMT as we build on our 40-year history of developing market-leading interface and controls solutions. We appreciate the value Cathay has brought to the company as we evolve and broaden the company’s geographic and market reach while transforming into an industrial technology company. We have been able to leverage Cathay’s network to make key hires, complete two key acquisitions, protect our intellectual property, and fortify our global market position.”

PAUL STANGL
IMT EXECUTIVE CHAIRMAN