

Iconic Canadian retailer Roots files for IPO

September 15, 2017

Canadian lifestyle retailer Roots Corp said on Wednesday it filed a preliminary prospectus with the securities regulatory authorities in Canada for a proposed initial public offering of its common shares.



Roots

The company, known for its casual wear and leather goods with a distinctive beaver logo, said New York-based private equity firm Searchlight Capital Partners LP and founders Michael Budman and Don Green are selling their stake.

The retailer is seeking to raise about C\$200 million in the share sale this month and could have a market value of about C\$700 million (\$574 million) after listing, Bloomberg reported, citing people familiar with the matter.

The shares will trade on the Toronto Stock Exchange under the symbol ROOT, according to the regulatory filing.

Roots reported sales of C\$281.9 million in fiscal 2016, up 10 percent from a year earlier, according to the filing. The company's net income nearly halved to \$8.1 million in the same period.

Roots' proposed listing follows luxury jacket maker Canada Goose Holdings Inc's IPO in March. Shares of the company are up nearly 27 percent since its debut.

TD Securities Inc, Credit Suisse Securities (Canada) Inc and BMO Capital Markets are the lead underwriters.

CIBC World Markets, Canaccord Genuity Corp and National Bank Financial are serving as underwriters for the Toronto-based Roots Corp, which has 116 retail stores in Canada and an online business that ships products to 54 countries.

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