

SPOKE trousers £8.5m in new equity capital



SPOKE, the fast-growing direct to consumer menswear brand, has raised £8.5m of new equity capital. The Series B round was led by the Business Growth Fund (BGF) and supported by existing shareholders Forward Partners, Oxford Capital, and 24 Haymarket.

The new funds will be used to accelerate growth in four core areas: technology, product innovation, brand building and international expansion.

An early adopter of the direct to consumer model, Spoke has applied machine learning tools and an agile approach to inventory to create and sell 'legendary legwear'.

"We believe that fit matters most" explains founder and CEO, Ben Farren. "Mr. Average doesn't exist and you shouldn't be wearing his trousers. We cut ours in over 200 sizes and hand-finish every pair for a fit that's virtually bespoke."

The SPOKE size range is 10 times bigger than the average trouser brand, featuring 1 inch increments on the waist and leg - and for every inch of waist, there are three different 'builds' to choose from. Once you have found your fit, it is available in over 8 styles - from selvedge denim to formal wool trousers - flawlessly fitting legwear, from beach to boardroom.

SPOKE's proprietary 'Fit Finder' tool finds your perfect size in 60 seconds or less - and will receive further investment to refine and personalise predictions.

Launching initially in the UK, SPOKE piloted a US trial in 2018. With minimal investment and marketing spend, demand has been strong and growing, with international markets now generating 15% of revenues. SPOKE will invest in building out the US proposition and entering new geographies.

Commenting on the announcement, Ben Farren said:

"I am delighted to announce our largest fund raising to date and welcome new investors BGF on board. We now have the funds to power the next phase of growth.

We believe great legwear is the foundation of a great wardrobe. Get it right and you've got a spring in your step. Get it wrong, and it literally puts you off your stride. We look forward to bringing the greatest legwear on the planet to customers around the world"

Tim Rea, who led the investment for BGF said:

"There are currently seismic shifts in retail and the menswear market - and SPOKE is a clear emerging leader in the space. We were very impressed with Ben and the management team, the quality of the product and the strength of the brand that has been created in such a short period of time. This was most evident in brand loyalty, with an astonishing repeat purchase rate, and early success in the US.

"SPOKE has strong, solid foundations, trading momentum and a large market opportunity. We look forward to supporting them on the next stage of their growth."

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About Spoke

- SPOKE is a fast-growing direct to consumer menswear brand, creating and selling 'legendary legwear'.
- Sales at SPOKE have grown six fold in the last three years, as the company sold some 300,000 pairs of trousers to more than 100,000 customers.
- The brand harnesses technology and its direct to consumer (DTC) business model to offer an unrivalled 200+ sizes of trousers, and a fit that is virtually bespoke.
- Already 15% of revenues derive from international markets and there are plans for further overseas expansion. After the UK, the US is SPOKE's second largest market, with its own, localised website .
- Founded by Ben Farren in 2014, the idea was conceived when Ben was working in the US. Ben identified early the growing popularity of D2C brands and how they could be used to solve the problem of fit. Quitting his job in consulting, and moving back to the UK, he self funded an initial run of c.200 pairs of chinos, selling them on a home-built website. Ben's lucky break came when a tweet about the poor state of the menswear market went viral, and a surge in traffic to the website formed a core of highly engaged, potential customers.
- SPOKE was recently ranked 12th in the Sunday Times Tech Track survey of fast growing private companies.
- SPOKE employs a team of 36 and is based in Richmond, London.
- The Company is backed by Forward Partners, 24 Haymarket, Oxford Capital, JamJar and The Business Growth Fund.

About BGF

- BGF was set up in 2011 and has invested over £2bn in more than 290 companies, making it the most active investor in the UK and globally by number of transactions
- BGF is a minority, non-controlling equity partner with a patient outlook on investments, based on shared long-term goals with the management teams it backs
- BGF has £2.5bn to invest in UK SMEs and in Ireland, and an additional €250m to support Irish businesses. In 2018, Canada launched its equivalent – the Canadian Business Growth Fund based on BGF's funding model, and Australia is now actively exploring the approach as well.
- www.bgf.com

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