

LEATHER GOODS AND ACCESSORIES

Leather goods maker Aspinal of London hires Houlihan Lokey to find financial partner for overseas expansion

November 6, 2019



Aspinal of London's signature Midi Mayfair handbag line in its spring-summer 2020 collection. Image credit: Aspinal of London

By STAFF REPORTS

Aspinal of London has hired investment bank Houlihan Lokey to help the leather goods and accessories brand determine funding options for Asian and U.S. expansion.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

The company is already consolidating its British business and last year launched new flagship stores in London a 3,500-square-foot store on Regent Street and another one in Dubai. It is now looking for a financial partner to open flagship stores in China, United States and the Middle East.

"The new financial partner will support a worldwide online growth plan over the next five to seven years to achieve a significant next milestone in the establishment of the Aspinal of London brand worldwide," Aspinal said in a statement.

Aspinal is a maker of designer handbags and purses for women, wallets for men and leather gifts overall.

More skin in the game

The company last went to the market in 2015 for a 9.75 million investment from Santander Corporate and Commercial. That round led to more store and concession openings.

Aspinal has strengthened domestic operations with a new enterprise resource planning system and opened a bigger external distribution center in anticipation of growth.

The company expects to produce strong initial EBITDA for the year 2019-20, with current trading up 20 percent in the last six months to September, and 70 percent ahead for the month of September. A growing international customer base was the primary reason for that growth, Aspinal claimed.

In the rest of the London and United Kingdom, the retail portfolio is trading per expectation. Like-for-like sales are up 5 percent, with some stores reporting even better performances, such as newly renovated Westfield location, up 25 percent, Regent Street, up 20 percent, and the Royal Exchange location up 17 percent.

Aspinal has 10 locations in London, including concessions in department stores Selfridges and Harrods.



Aspinal of London's new range of iPhone cases with gold lion heads inspired by the doorknobs in London. Image credit: Aspinal of London

Overseas foray

The international growth strategy shows promise.

Aspinal is planning to roll out over two years an additional eight to 10 stores in the Middle East after the launch last year of its flagship store in the Dubai Mall to support an overall portfolio of four stores currently in the region.

In Europe, Aspinal opened a temporary store in Paris at Galeries Lafayette directly across from Dior and Fendi shops. The company claimed the store performed well and in line and "ahead" of other global European and U.S. brands.

Last year Aspinal launched its first collection in now-bankrupt Barneys New York's store on Madison Avenue, leading to talks with other department stores. U.S. online revenue has grown 10 percent and U.S. customer footfall in London is up 50 percent this year.

In China, Aspinal is about to launch its first store. The Shanghai outpost is located at the entrance to the new Galeries Lafayette department store within the new L+Mall in the Pudong district.

"This will support our strategy to grow revenues in the huge potential online market in China and continue to build awareness of the brand in China," the company said. "Chinese customers already account for approximately 10 percent of all retail sales in our key London stores including Selfridges and Harrods."

ECOMMERCE VIA the site at aspinaloflondon.com is a major contributor of revenue, accounting for almost 45 percent of its total sales, up 10 percent from last year.

"Currently, Aspinal's online business is almost exclusively direct to our own customers and primarily U.K. based," the company said. "The business now intends to develop distribution via the international online market platforms where thus far Aspinal has had no exposure, Farfetch being first which will launch early next year."