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# How Cathay Capital helped a family-owned and -operated wholesale fashion brand transform into a global, direct-to-consumer business



Moose Knuckles is a leading brand of luxury outerwear, sportswear, and accessories, based in Montreal, Canada. Today, Moose Knuckles' products are sold through 34 retail locations, wholesalers in over 25 countries, and through ecommerce. The brand's differentiated products are ethically sourced, highly functional, and fashion-forward, delivering streetwear, fashion, and culture. The company has offices in Montreal, New York, Milan, London, and Shanghai.

The company was family-owned and operated until 2019, when it was acquired by a Cathay-led investment group to accelerate its global expansion - particularly in China - professionalize its organization and support the transition of the company into a multi-channel fashion business with a focus on Direct to Consumer ("DTC"), with a strong ecommerce presence.



# of employees



DTC Revenue growth



# of stores



Sector:	Consumer / Fashion
Country:	Canada
Fund:	Mid Cap 2
Status:	Current portfolio
Investment Date:	June 2019

## Challenge

When Cathay became the first institutional investor in 2019, Moose Knuckles was an emerging luxury outerwear brand selling primarily through the wholesale channel, including high-end department stores. The company had 70 employees, three owned stores and limited ecommerce activity.

The business sought a partner to help support its high growth, including building a professional, stand-alone organization, as it had historically been operated as a brand inside the founders' family-owned apparel group. Moose Knuckles needed to quickly evolve its talent, systems, and processes to address its ambition of becoming a global, multi-channel fashion business with a key strategic focus on China.

## Solution

Post-acquisition, the Cathay Capital team developed a plan with Moose Knuckles' co-founders – who have remained shareholders – to build the needed infrastructure to accelerate the growth of the business. A plan was developed to bring in a new CEO to fully transition to entirely new leadership. Cathay assisted with recruiting key positions (e.g., CFO, Head of Retail, Head of China, CTO) and brought in fashion veteran and Cathay Operating Partner Daniella Vitale as an independent director to guide the founders in the first phase of the company's transformation. Thanks to Cathay's support in quickly adapting to the "new normal" of fashion retailing during the Covid shutdowns, the business continued to grow at 25%+ CAGR.

Now, with over 300 employees, the company has increased its brick-and-mortar footprint globally and made significant investments behind its ecommerce flagship, focusing on a more meaningful direct-to-consumer experience. The company's DTC sales have grown over 300% in the first three years of Cathay's investment.

In September 2021, and consistent with the original transition plan agreed upon with the company's founders, industry veteran and ex-Tapestry (Coach, Kate Spade, Stuart Weitzman) CEO Victor Luis was appointed CEO and Executive Chairman of Moose Knuckles, ushering in the next phase of the company's growth plan.



Cathay Capital's support has been transformative for the Moose Knuckles brand,» said Noah Stern, co-founder of Moose Knuckles. "The Cathay team has given us unparalleled access to their global network and helped us make key hires to scale the business, allowing us to focus full time on what we love – brand building, consumer engagement, and bringing innovative products and experiences to Moose Knuckles' fans across the world. We look forward to continuing our work together as we strive to break boundaries and create killer fashion products of the highest quality while building a billion-dollar global luxury brand."

**NOAH STERN**  
**FOUNDER AND BOARD MEMBER**