28 November 2024

Dr. Martens plc

First half results for the 26 weeks ended 29 September 2024

RESULTS IN LINE WITH EXPECTATIONS AND DELIVERING ON OUR STRATEGIC OBJECTIVES

"Our first half performance was in line with expectations and we remain confident in our ability to deliver on our plans and the targets we set for FY25. As we shared in May, this is a year of transition and we have made good progress with our four main objectives: pivot our marketing to a relentless focus on our product, turn around our USA DTC performance, reduce our operating cost base and strengthen the balance sheet. Our new marketing campaigns are showing encouraging early signs, with strong sales of new product, giving us confidence that we will return USA DTC to positive growth in the second half. We took swift action to implement cost savings and now anticipate the benefit of this in FY26 to be at the top of the previous guidance range of £20-£25m, alongside an ongoing focus on tight cost control throughout the business. We have delivered a significant reduction in both inventory and net debt, together with successfully refinancing our debt facilities. The early success of our new product ranges provides a strong foundation as we enter the important peak trading period and as I prepare to hand over the reins to Ije in the new year."

Kenny Wilson, Chief Executive Officer

£m	H1 FY25 Reported	H1 FY25 CC[2]	H1 FY24 Reported	% change Actual	% change CC[2]
Revenue	**324.6**	332.1	395.8	*-18%*	*-16%*
DTC revenue mix	**56.4%**	56.4%	49.6%	*+6.8pts*	*+6.8pts*
Adjusted EBIT[1,3]	**(4.3)**	(2.4)	39.7		
Adjusted PBT[1,3]	**(17.9)**	(16.1)	25.2		
PBT	**(28.7)**	(27.0)	25.8		
Adjusted EPS[1,3]	**(1.3)**	(1.1)	1.9		
EPS (p)	**(2.2)**	(2.0)	1.9		
Net Debt[1] (including leases)	**348.7**	N/A	478.9	*-27%*	
Dividend per share (p)	**0.85**	N/A	1.56		

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 29 to 31.
2. Constant currency applies the prior period exchange rates to current period results to remove the impact of FX. Previously, we presented this by applying current period budgeted rates to both the current and prior period.
3. In previous periods EBITDA was presented. However, this has been replaced with EBIT as it is considered a more relevant performance measure for the business. The Group has also introduced the use of adjusted performance measures which are exclusive of the impact of exceptional costs and currency gains/losses. Refer to the Glossary on pages 29 to 31 for further explanation of these changes. Prior period amounts have been updated to reflect this change and were therefore unaudited in the prior periods.

- Revenue down 18% (16% constant currency (CC)), in line with guidance for 20% decline. DTC revenue down 7% (5% CC) and Wholesale revenue down 29% (27%CC), as expected. Within DTC, Retail revenue was down 9% (7% CC) and ecommerce was down 4% (2% CC)
- All regions performed in line with our expectations, with EMEA revenue down 16% (actual and CC), Americas revenue declining 22% (20% CC) and APAC down 12% (7% CC)
- Swift action taken to implement our cost savings plan, which will now deliver £25m in FY26, at the top end of previous guidance. Tight cost control throughout the business, with non-demand generating operating costs down year-on-year
- PBT impacted by reduced revenue, as guided, together with exceptional charges of £9.2m, largely related to our cost savings plan
- Strengthened balance sheet, with significant reduction in both inventory and net debt, in line with our plan. Inventory down £69.1m year-on-year driven by reduced purchases
- Refinance completed successfully, securing a £250.0m loan together with a £126.5m RCF
- Interim dividend of 0.85p, in line with prior guidance

Current trading and guidance

Trading since the start of the AW24 season has been encouraging, with all three regions positive, albeit the peak weeks of trading remain ahead of us. Encouragingly, trading has been driven by good DTC sales of new products supported by our new product-led marketing approach.

Our guidance for FY25 remains unchanged, with results underpinned by the swift cost action taken. In addition, to aid investors' understanding of the impact of foreign exchange rates on our business, we are providing guidance on this for the first time and will continue to do so going forward. Based on currency spot rates as at 14 November 2024, we expect a currency headwind to results of c.£18m to revenue and c.£6m to PBT for FY25.

Detailed financial guidance is on page 13.

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Presentation of half year results

Kenny Wilson, CEO and Giles Wilson, CFO will be presenting the H1 FY25 results virtually at 09:00 (UK time) on 28 November 2024 with a live Q&A session for analysts and investors. This can be viewed live on the Dr. Martens plc website https://www.drmartensplc.com. A playback of the presentation will be available on our corporate website after the event, at https://www.drmartensplc.com/investors/results-centre.

About Dr. Martens

Dr. Martens is an iconic British brand founded in 1960 in Northamptonshire. Produced originally for workers looking for tough, durable boots, the brand was quickly adopted by diverse youth subcultures and associated musical movements. Dr. Martens has since transcended its working-class roots while still celebrating its proud heritage and, six decades later, "Docs" or "DM's" are worn by people around the world who use them as a symbol of empowerment and their own individual attitude. The Company listed on the main market of the London Stock Exchange on 29 January 2021 (DOCS.L) and is a constituent of the FTSE 250 index.

Cautionary statement relating to forward-looking statements

Announcements, presentations to investors, or other documents or reports filed with or furnished to the London Stock Exchange (LSE) and any other written information released, or oral statements made, to the public in the future by or on behalf of Dr. Martens plc and its group companies ("the Group"), may contain forward-looking statements.

Forward-looking statements give the Group's current expectations or forecasts of future events. An investor can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as 'aim', 'ambition', 'anticipate', 'estimate', 'expect', 'intend', 'will', 'project', 'plan', 'believe', 'target' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. In particular, these include statements relating to future actions, future performance or results of current and anticipated products, expenses, the outcome of contingencies such as legal proceedings, dividend payments and financial results. Other than in accordance with its legal or regulatory obligations (including under the Market Abuse Regulation, the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Conduct Authority), the Group undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. The reader should, however, consult any additional disclosures that the Group may make in any documents which it publishes and/or files with the LSE. All readers, wherever located, should take note of these disclosures. Accordingly, no assurance can be given that any particular expectation will be met and investors are cautioned not to place undue reliance on the forward-looking statements.

Forward-looking statements are subject to assumptions, inherent risks and uncertainties, many of which relate to factors that are beyond the Group's control or precise estimate. The Group cautions investors that a number of important factors, including those referred to in this document, could cause actual results to differ materially from those expressed or implied in any forward-looking statement. Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made and are based upon the knowledge and information available to the Directors on the date of this report.

BUSINESS REVIEW

Performance summary

FY25 is a year of transition for our business as we take action to pivot our marketing approach, improve our USA business so that it can return to positive DTC revenue growth in the second half, reduce our cost base and bring down our inventory balance through reduced purchases, thereby improving our net debt position. On all four objectives we have made good progress in the first half. All of these actions will put the business in a much stronger position, enabling us to return to growth in FY26.

The first half performance was in line with our expectations. Group revenue declined by 16% CC, compared to guidance for a c.20% decline. By channel, DTC revenue growth declined by 5% CC and wholesale revenue declined 27% CC.

Our performance by region was also in line with expectations. EMEA revenue declined by 16% CC, with DTC revenue declining by 8% CC and wholesale down 23% CC. EMEA Q1 was weaker, particularly retail, however trading improved as we progressed through Q2 and entered the Autumn/Winter (AW) season; this resulted in Q2 DTC pairs being back into positive growth. Q1 EMEA DTC was impacted by the early timing of Easter and sale, as previously disclosed. We also saw a weaker sandals performance and a promotional competitive backdrop in the half, particularly in the UK. Our newer conversion markets of Italy, Spain and the Nordics all showed good growth, whilst Germany revenues were broadly flat. The decline in EMEA wholesale revenue was again in line with expectations, being impacted by some shipment timing differences.

Revenue from our Americas region declined 20% CC, with DTC revenue down 4% CC and wholesale down 34% CC. This performance was in line with expectations and we continue to expect positive DTC growth in the second half.

APAC, our smallest region, declined 7% CC, with DTC revenue up 4% CC and wholesale down 24% CC, due to shipment timing differences. We saw a continued good performance in our Japanese business, which remains a significant growth driver.

We tightly managed both COGS and operating costs through the half. Despite inflationary pressures, gross margin declined only slightly, by 0.4%pts, to 64.0%, or by 0.2%pts CC. Operating costs were very well controlled. We invested an additional £1.8m (CC basis) in demand-generating marketing ahead of the AW24 season. Non-demand-generating operating costs declined year-on-year, by £2.3m (CC basis). We will continue to tightly manage costs and seek efficiencies through the second half, in addition to the cost action plan discussed below.

Adjusted EBIT was a £2.4m loss on a CC basis, compared to £39.7m profit in H1 FY24. Adjusted PBT of £16.1m loss on a CC basis was in line with our expectations. Including exceptional costs (which mainly relate to redundancy costs as part of the cost action plan incurred at the end of the half) and currency gains and losses, reported PBT was £27.0m loss on a CC basis.

We have made good progress strengthening our balance sheet in the first half. Reducing inventory, predominantly through reduced purchases, is a key focus of the business throughout FY25, and we are confident in our ability to deliver our target of £40m reduction year-on-year. At the end of the first half, inventory was flat versus the start of the period and down £69.1m compared to the same point last year. Net debt also improved, standing at £348.7m at the end of the half, equating to 2.3 times net debt to EBITDA (covenant calculation basis). This compares to £478.9m net debt and 2.0 times net debt to EBITDA at the end of H1 FY24. The first half of our financial year typically represents our high point for net debt ahead of the peak trading period in the second half.

We also completed a successful refinance of our debt facilities in November, ahead of our previous facilities expiring in early 2026. Our previous facilities comprised a €337.5m term loan and a £200.0m RCF. Our new facilities comprise a £250.0m term loan and a £126.5m RCF, with an initial term of three years, with the option to extend both facilities by two additional one-year terms through to November 2029, subject to lender approval.

Strategy update

Our focus through the first half has been to pivot our marketing to focus relentlessly on product, improve our USA DTC business to set it up for growth in the second half, implement a cost action plan and reduce inventory and net debt levels. On all four objectives we have made good progress.

Product focused marketing: We have pivoted our marketing away from brand storytelling focused on culture to instead focus relentlessly on product. This approach was implemented from July onwards, and as such had limited benefit to the first half, however we are encouraged by the response to date. The first three marketing campaigns since August were showcasing new product, driving strong sales-through performance. In October we launched our 'Boots like no other' campaign, emphasising the strength of our core iconic boots. This campaign will be a regular drumbeat throughout the AW season and beyond to drive sales of our icon products.

We have also restructured our marketing organisation globally to align our teams with the product organisation, created a Brand Studio to enable global creative leadership and ensure oversight and changed a number of roles and responsibilities to leverage the best of our talent globally.

USA action plan: As we detailed in our FY24 results, the USA is our number one priority across the business and we are implementing a detailed action plan to return this business to growth, with a target of positive DTC growth in H2 FY25. To support this aim we have also increased the marketing investment as a percentage of revenue in the USA. Our USA action plan is centred on three areas:

- **Marketing**. Our pivot to product-focused marketing has improved clarity of message. We have increased spend on elevating retail windows, particularly in key locations, and have also worked in partnership with wholesale customers to elevate in-store displays. We have also increased paid social to drive consideration.
- **Digital**. Focus during the half has been on improving and enhancing product detail pages (PDPs), including additional video content, virtual try on and dynamic product recommendations. We have achieved a significant, double-digit improvement in site conversion rate, as a result of both the improvements to PDPs together with

work optimising the customer journey through the site. We have also implemented order in store across the USA retail store estate.

- **Wholesale.** Given the nature of wholesale order books we will have a lag between when our USA DTC performance improves and when we see this benefit our wholesale revenues. Our expectation remains that we won't see an in-market restock driving a recovery in our USA wholesale revenues until Autumn/Winter25 at the earliest, equating to the second half of FY26. We continue to anticipate USA wholesale revenues declining double-digit percentage in FY25. We continue to focus on working in partnership with wholesale customers.

Jennifer Somer, our Americas President, resigned from and left the business in October 2024. A search for her replacement is underway and in the interim Kenny Wilson, together with the Global leadership team, are giving additional support and guidance to the experienced Americas Leadership team.

Cost action plan: We announced in our FY24 results that we would be implementing a cost action plan across the Group, led by CFO Giles Wilson and the leadership team. This targeted £20m to £25m of cost reduction to benefit FY26 onwards, with savings from organisational efficiency and design, better procurement and operational streamlining. We have taken swift action to identify and implement cost savings during the first half, without impacting demand-generating spend and now expect savings of c.£25m in FY26, at the top of the guidance range. Around two-thirds of the savings are from headcount reductions, primarily in Group support roles, with the majority of these roles leaving the business at the end of the first half. The benefit from the cost savings achieved so far underpins our FY25 performance. We have incurred a one-off exceptional cash cost in relation to these headcount reductions; further detail is provided in the Finance Review. The remainder of the cost savings will be from better procurement, where we are making good progress to date.

Our product strategy is 'icons and innovation', meaning that we aim to grow revenue over the medium-term of our iconic continuity products through constant innovation around this core, to drive brand heat and newness. We aim to grow all three categories of boots, shoes and sandals simultaneously. As expected in the first half, pairs declined by 20% year-on-year, with significant decline in wholesale and DTC pairs declining slightly by 3%. By category, we saw good growth in shoes, with DTC pairs up 7% and a weaker sandals performance, with DTC pairs flat, driven by a softer Spring/Summer season, particularly in EMEA. The sandals performance also comes after several years of strong growth. Boots pairs declined by 12% DTC, which was in line with expectations given that the changes to our marketing to drive boots demand are focused on the Autumn Winter season.

Collaborations act as an incubator for future product success and scale, whilst at the same time driving brand heat and consumer excitement. Collaborations released in the half include Supreme on a pack of rub-off 1461 shoes, continuing our long-standing partnership with this iconic skate brand and with the seminal rock band Nine Inch Nails, with a three-product collection including a 1460 boot. Recently we launched a capsule collection with hit Netflix series Wednesday, incorporating four footwear silhouettes, a backpack and knee-high socks. Included in this range are new models of the Corran Loafer and Ramsey Creeper, with consumer reaction very positive.

We continue to invest in and improve our systems, to enable growth and drive efficiency, and are reaching the final period of implementing crucial core systems for the Group. The two key system projects are the Customer Data Platform (CDP) and the Supply and Demand Planning System. We have made good progress with CDP, which gives a single customer view across both DTC channels, enabling targeted marketing and personalised consumer journeys. CDP is now live across EMEA and Americas, with the benefits from the new system building in the seasons ahead as we capture and utilise increasing amounts of data. The Supply and Demand Planning System is a modern and agile planning system, which will enable us to generate working capital savings and further improve availability. This project is expected to go live by the end of H1 FY26, with benefits building over time.

We continue to make good progress with our sustainability agenda. Our UK Repair service, in partnership with the Boot Repair Company, has now been operational for a year with very positive consumer feedback. We are looking to expand this service offering to continental Europe in 2025. Our USA resale offering, Rewair, has now traded for six months, with encouraging performance to date, albeit this is relatively small in revenue terms. A significant proportion of consumers buying second hand footwear through our site are new consumers. Our intention over the medium-term is to expand a resale offering to other major markets, building on the learnings from the USA site.

Researching and developing more sustainable materials continues to be an area of focus for our teams, as part of our long-term target of 100% of footwear made from sustainable materials by 2040. After the successful introduction of reclaimed leather Genix Nappa last year we have expanded the range, with further expansion planned for coming seasons. We are also continuing to research and test a range of lower impact materials, in both early stage and at a larger scale.

FINANCE REVIEW

Total revenue declined 18.0% (16.1% CC), driven largely by a 29.0% reduction in wholesale revenues (27.4% CC), together with a decline in DTC revenue of 6.8% (4.6% CC), all in line with our expectations. Adjusted loss before tax was £17.9m (H1 FY24: £25.2m profit) and £16.1m loss on a CC basis. The decline was driven by the revenue reduction with COGS and opex tightly managed. Adjusted earnings per share was a loss of 1.3p (1.1p loss on a CC basis), compared to earnings of 1.9p in H1 FY24.

To aid investors' understanding of our performance, we have introduced further disclosure in constant currency (CC). In previous years we referred only to % changes in revenue in CC terms. We now show absolute and % change in CC terms across the P&L. We will adopt this approach going forward.

Results – at a glance

£m		**H1 FY25 Reported**	**H1 FY25 CC[1,2]**	H1 FY24 Reported	*% change Reported*	*% change CC[1,2]*
Revenue	Ecommerce	**87.7**	**89.5**	91.7	*-4.4%*	*-2.4%*
	Retail	**95.3**	**97.8**	104.7	*-9.0%*	*-6.6%*
	DTC	**183.0**	**187.3**	196.4	*-6.8%*	*-4.6%*
	Wholesale[3]	**141.6**	**144.8**	199.4	*-29.0%*	*-27.4%*
		324.6	**332.1**	395.8	*-18.0%*	*-16.1%*
Gross margin		**207.7**	**213.1**	254.9	*-18.5%*	*-16.4%*
Opex		**(174.1)**	**(176.8)**	(177.3)	*-1.8%*	*-0.3%*
Adjusted EBIT[1,5]		**(4.3)**	**(2.4)**	39.7		
Currency (losses)/gains		**(1.6)**	**(1.6)**	0.6		
Exceptional costs[1]		**(9.2)**	**(9.3)**	-		
EBIT[1,5]		**(15.1)**	**(13.3)**	40.3		
Adjusted (loss)/profit before tax[1,5]		**(17.9)**	**(16.1)**	25.2		
(Loss)/profit before tax		**(28.7)**	**(27.0)**	25.8		
(Loss)/profit after tax		**(20.8)**		19.0		
Adjusted basic (loss)/earnings per share (p)[1,5]		**(1.3)**	**(1.1)**	1.9		
Basic (loss)/earnings per share (p)		**(2.2)**		1.9		
Dividend per share (p)		**0.85**		1.56	*-45.5%*	
Key metrics	*Pairs sold (m)*	***4.6***		*5.7*	*-19.7%*	
	No. of stores[4]	***238***		*225*	*5.8%*	
	DTC mix %	***56.4%***	***56.4%***	*49.6%*	*+6.8pts*	*+6.8 pts*
	Gross margin %	***64.0%***	***64.2%***	*64.4%*	*-0.4pts*	*-0.2 pts*
	EBIT margin %[1]	***-4.7%***	***-4.0%***	*10.2%*	*-14.9pts*	*-14.2 pts*

[1] Alternative Performance Measure (APM) as defined in the Glossary on pages 29 to 31.
[2] Constant currency applies the prior period exchange rates to current period results to remove the impact of FX. Previously, we presented this by applying current period budgeted rates to both the current and prior period.
[3] Wholesale revenue including distributor customers.
[4] Own stores on streets and malls operated under arm's length leasehold arrangements.
[5] In previous periods EBITDA was presented. However, this has been replaced with EBIT as it is considered a more relevant performance measure for the business. The Group has also introduced the use of adjusted performance measures which are exclusive of the impact of exceptional costs and currency gains/losses. Refer to the Glossary on pages 29 to 31 for further explanation of these changes. Prior period amounts have been updated to reflect this change.

PERFORMANCE BY CHANNEL

Revenue decreased by 18.0% or 16.1% on a CC basis. DTC revenue declined by 6.8% or 4.6% on a CC basis, representing 56.4% of revenue mix. Wholesale revenues declined by 29.0% or 27.4% on a CC basis, in line with expectations and driven principally by USA wholesale. Volume, represented by pairs sold, declined 19.7% to 4.6m pairs with the reduction largely occurring in wholesale, down 29.9%. Given the lag in wholesale performance in our business, the more meaningful metric is DTC pairs which declined 3.1%.

Ecommerce revenue was down 4.4% or 2.4% on a CC basis to represent 27.0% of revenue mix (H1 FY24: 23.2%). Double-digit growth in APAC was offset by weaker trading in EMEA. In EMEA we saw an improved ecommerce performance in Q2, driving Group ecommerce Q2 revenue growth of 1.6% on a CC basis. In Americas across the first half, ecommerce revenue was marginally positive on a CC basis. Ecommerce conversion improved in both EMEA and Americas. Following the successful implementation last year of an order management system ('OMS'), enabling a full omnichannel offer across all UK stores, we have now expanded this capability to the majority of our EMEA stores with the remainder to go live by the end of FY25.

Retail revenue fell 9.0% or 6.6% on a CC basis. Retail was challenging in all regions, particularly in Q1, driven by weak footfall, however we saw an improvement in the latter part of Q2. During the half year we opened 10 new stores and closed 11 stores to end the period with 238 own stores. Of the 11 stores closed during the half, four were as a result of site relocations. The remainder were spread across multiple markets and were the result of normal store portfolio management.

Wholesale revenue was down 29.0% or 27.4% on a CC basis. This was driven by the USA where, as previously disclosed, there has been widespread caution amongst wholesale customers, resulting in a significantly weaker order book year-on-year. We continue to expect that it will be H2 FY26 at the earliest, corresponding to AW25, before we see a positive performance in USA wholesale. EMEA wholesale declined by 23.0% CC, predominantly impacted by shipment timing differences.

PERFORMANCE BY REGION

We have changed our segmental reporting from EBITDA to EBIT. We believe that EBIT represents a more relevant underlying earnings indicator given it includes depreciation and amortisation, including IFRS 16 lease depreciation. Regional EBIT therefore shows the results of core operations excluding only income or charges related to capital and tax costs. For comparative purposes, historical regional EBIT is disclosed on page 13.

				% change	*% change*
£m		**H1 FY25**	H1 FY24	*Actual*	*CC*[1]
Revenue:	EMEA	**162.4**	194.2	*-16.4%*	*-15.5%*
	Americas	**114.7**	147.7	*-22.3%*	*-20.2%*
	APAC	**47.5**	53.9	*-11.9%*	*-6.9%*
		324.6	395.8	*-18.0%*	*-16.1%*
EBIT[1,3]:	EMEA	**22.4**	40.0	*-44.0%*	
	Americas	**(7.7)**	17.3	*-144.5%*	
	APAC	**2.3**	7.7	*-70.1%*	
	Support costs[2]	**(32.1)**	(24.7)	*30.0%*	
		(15.1)	40.3	*-137.5%*	
Adjusted EBIT[1,3]:	EMEA	**23.1**	40.0	*-42.3%*	
	Americas	**(6.6)**	17.3	*-138.2%*	
	APAC	**2.7**	7.7	*-64.9%*	
	Support costs[2]	**(23.5)**	(25.3)	*-7.1%*	
		(4.3)	39.7	*-110.8%*	
EBIT[1,3] margin by region:	EMEA	***13.8%***	*20.6%*	*-6.8pts*	
	Americas	***-6.7%***	*11.7%*	*-18.4pts*	
	APAC	***4.8%***	*14.3%*	*-9.5pts*	
	Total	***-4.7%***	*10.2%*	*-14.9pts*	
Adjusted EBIT[1,3] margin by region:	EMEA	***14.2%***	*20.6%*	*-6.4pts*	
	Americas	***-5.8%***	*11.7%*	*-17.5pts*	
	APAC	***5.7%***	*14.3%*	*-8.6pts*	
	Total	***-1.3%***	*10.0%*	*-11.3pts*	

[1] Alternative Performance Measure (APM) as defined in the Glossary on pages 29 to 31.

[2] Support costs represent group related support costs not directly attributable to each region's operations and including Group Finance, Legal, Group HR, Global Brand and Design, Directors, Global Supply Chain and other group only related costs and expenses.

[3] In previous periods EBITDA was presented. However, this has been replaced with EBIT as it is considered a more relevant performance measure for the business. The Group has also introduced the use of adjusted performance measures which are exclusive of the impact of exceptional costs and currency gains/losses. Refer to the Glossary on pages 29 to 31 for further explanation of these changes. Prior period amounts have been updated to reflect this change.

EMEA Revenue declined 16.4% to £162.4m, or 15.5% on a CC basis. DTC declined by 8.6% (7.8% CC) with retail and ecommerce down 8.1% and 9.3% respectively (7.1% and 8.6% CC). EMEA DTC was impacted by the early timing of Easter and sale (which both impacted Q1), together with a weaker sandals performance and a highly promotional competitive backdrop, particularly in the UK. We saw good growth in the newer conversion markets of Italy, Spain and the Nordics, whilst Germany revenue was broadly flat in H1. EMEA wholesale revenue declined by 23.9% as expected, being impacted by some shipment timing differences. EMEA DTC mix grew by 4.5pts to 53.6%.

During the half year we opened four new stores: one store in each of France, Austria, Sweden and the Netherlands. We closed five stores, with four of these being relocations.

EMEA adjusted EBIT was £23.1m (H1 FY24: £40.0m) driven by the revenue decline, with costs tightly managed.

Americas Revenue declined 22.3% to £114.7m, or 20.2% CC. DTC revenue declined by 6.3% (4.4% CC), with broadly flat ecommerce revenues (down 1.7% reported or up 0.6% CC) offset by retail decline of 11.4% (9.9% CC) driven by weaker footfall. Americas wholesale revenue declined 34.0% on a CC basis in line with our expectations, as previously disclosed, due to the order book reflecting caution from wholesale customers.

During the year we opened one new store in LA and closed two underperforming stores where traffic had permanently changed post covid.

Americas adjusted EBIT was a loss of £6.6m (H1 FY24: £17.3m profit) due to the decline in revenue combined with increased marketing investment.

APAC Revenue declined by 11.9% to £47.5m or 6.9% CC. This was driven predominantly by a wholesale reduction of 25.8% (23.5% CC), as expected, with wholesale revenue declines in Japan (due to shipment timing) and Korea. DTC revenues fell 2.8% but grew 4.0% CC. DTC mix increased by 6.3pts to 66.7%, as a result of the decrease in wholesale revenue. Retail declined 7.4% (flat CC), whilst ecommerce revenue was up 4.8% (10.5% CC). The retail decline was driven by weak traffic across the region, with the largest impact seen in China and Hong Kong. Ecommerce growth was driven by a good performance in Japan.

During the half year we opened five new stores, with three in Japan and two in China. In Japan, in addition to the owned store openings, we opened two new franchise stores, with a healthy pipeline of both DTC and franchise stores in this market. We closed four own stores and seven franchise stores in APAC as part of normal store portfolio management.

APAC adjusted EBIT was £2.7m (H1 FY24: £7.7m) due to deleverage as a result of the revenue decline.

Adjusted group support costs were tightly managed, declining 7.1% to £23.5m.

RETAIL STORE ESTATE

During the half year, we opened 10 (H1 FY24: 25) new own retail stores (via arm's length leasehold arrangements) and closed 11 stores (H1 FY24: 4) as follows below. Four of the closures were the result of relocations.

		1 April 2024	**Opened**	**Closed**	**29 September 2024**
EMEA:	UK	35	-	(1)	**34**
	Germany	19	-	(1)	**18**
	France	17	1	-	**18**
	Italy	12	-	-	**12**
	Spain	6	-	-	**6**
	Other	13	3	(3)	**13**
		102	4	(5)	**101**
Americas:		61	1	(2)	**60**
APAC:	Japan	43	3	(2)	**44**
	China	9	2	(1)	**10**
	South Korea	17	-	(1)	**16**
	Hong Kong	7	-	-	**7**
		76	5	(4)	**77**
Total		239	10	(11)	**238**

The Group also trades from 21 (FY24: 22) concession counters in department stores in South Korea and a further 76 (FY24: 77) mono-branded franchise stores around the world with no stores in China (FY24: none) due to the end of the distributor contract in H2 FY24, 19 in Japan (FY24: 19), 23 across Australia and New Zealand (FY24: 24), 34 across other South East Asia countries, the Nordics and Canada (FY24: 34).

ANALYSIS OF PERFORMANCE BY QUARTER

Our DTC performance was in line with expectations. Q1 was impacted by the earlier timing of Easter and sale, which fell in Q4 FY24 (as opposed to Q1 as is typically the case). DTC Revenue in Q2 showed an improvement from Q1 driven by ecommerce performance, which grew 1.6% CC in Q2, compared to a 7.1% CC decline in Q1. Retail also showed an improving trend, albeit still negative in both quarters.

Wholesale also performed in line with expectations, with a weak order book in Americas, as previously guided, together with some shipment timing differences in EMEA.

		Q1		**Q2**	
		Actual	**CC**	**Actual**	**CC**
Total Revenue		-17.6%	-15.8%	-18.2%	-16.3%
Revenue:	Ecommerce	-8.8%	-7.1%	-0.6%	1.6%
	Retail	-9.7%	-7.3%	-8.3%	-6.2%
	DTC	-9.3%	-7.2%	-4.6%	-2.4%
	Wholesale[1]	-35.0%	-33.9%	-27.3%	-25.6%
Region:	EMEA	-13.8%	-13.1%	-17.5%	-16.7%
	Americas	-26.2%	-25.8%	-20.2%	-17.2%
	APAC	-7.7%	-0.5%	-15.0%	-12.0%

PROFITABILITY ANALYSIS

Gross margin declined by 0.4pts to 64.0% or by 0.2pts on a CC basis. **Opex** (excluding exceptional items) declined by 1.8%, or £3.2m, to £174.1m on an actual currency basis. Within this, demand generating opex increased slightly due to investment into marketing and digital, particularly in the USA, whilst opex not linked to demand generation was very tightly controlled across the business and declined year-on-year.

EBITDA[1] decreased by 68.6% to £24.4m (H1 FY24: £77.6m), due to the operational deleverage from reduced revenues, despite tight cost control.

EBIT[1] decreased by 137.5% to a loss of £15.1m as a result of the decline in EBITDA together with £1.3m impairment (H1 FY24: £nil) and currency losses of £1.6m (H1 FY24: £0.6m gain).

(Loss)/profit after tax is analysed in the following table from EBITDA:

£m	**H1 FY25**	H1 FY24
EBITDA[1]	**24.4**	77.6
Depreciation and amortisation	**(36.8)**	(37.9)
Impairment	**(1.3)**	-
Other gains	**0.2**	-
Currency (losses)/gains	**(1.6)**	0.6
EBIT[1]	**(15.1)**	40.3
Add back: exceptional costs[1] and currency losses/gains	**10.8**	(0.6)
Adjusted EBIT[1]	**(4.3)**	39.7
Net interest cost on bank debt	**(9.3)**	(9.1)
Amortisation of loan issue costs/interest on lease liabilities	**(4.3)**	(5.4)
(Loss)/profit before tax	**(28.7)**	25.8
Add back: exceptional costs[1] and currency losses/gains	**10.8**	(0.6)
Adjusted (loss)/profit before tax[1]	**(17.9)**	25.2
Tax	**7.9**	(6.8)
(Loss)/profit after tax	**(20.8)**	19.0

[1] Alternative Performance Measure (APM) as defined in the Glossary on pages 29 to 31.

Depreciation and amortisation charged in the period was £36.8m, (H1 FY24 £37.9m), driven by intangible asset movement and retail software coming to the end of its useful economic life during the period partially offset by additions replacing these assets, and is analysed as follows:

£m	**H1 FY25**	**H1 FY24**
Amortisation of intangibles[1]	**3.0**	**4.6**
Depreciation of property, plant and equipment[2]	**7.6**	**7.9**
	10.6	**12.5**
Depreciation of right-of-use assets[3]	**26.2**	**25.4**
Total	**36.8**	**37.9**

[1] Mainly represented by IT related spend with the average useful term of 5 to 15 years.
[2] Mainly represented by office and store fit out costs with a useful term of 3 to 15 years.
[3] Mainly represented by depreciation of IFRS 16 capitalised leases with the average useful term remaining of 3.4 years and 261 properties (H1 FY24: 4.3 years and 301 properties).

Foreign currency

Dr. Martens is a global brand selling to consumers across the world in many different currencies, with the Financial Statements reported in GBP. Foreign currency amounts in the profit or loss account are prepared on an average actual currency rate basis for the half year. These exchange rates are calculated monthly and applied to revenue and costs generated in that month, such that the actual performance translated across the year is dependent on monthly trading profiles as well as movement in currency exchange rates. To aid comparability of underlying performance, we have also calculated constant currency movements across the P&L, which is calculated by applying the prior period exchange rates to current period results to remove the impact of FX. Previously, we presented this by applying current period budgeted rates to both the current and prior period, but believe the new methodology provides a more relevant view of performance versus actual prior period results.

[1] Alternative Performance Measure (APM) as defined in the Glossary on pages 29 to 31.

Exchange rates mainly impacting the Group are GBP/USD, GBP/EUR and GBP/JPY. The following table summarises average exchange rates used in the half year:

	GBP/USD			GBP/EUR			GBP/JPY		
	FY25	FY24	%	**FY25**	FY24	%	**FY25**	FY24	%
H1	**1.28**	1.26	*2%*	**1.18**	1.16	*2%*	**195**	178	*10%*
H2	**-**	1.26	-	**-**	1.16	-	**-**	186	-
FY	**1.28**	1.26	*2%*	**1.18**	1.16	*2%*	**195**	182	*7%*

The Group takes a holistic approach to exchange rate risk, monitoring exposures on a Group-wide, net cashflow basis, seeking to maximise natural offsets wherever possible. While COGS purchases for the Group are predominantly denominated in USD, currency risk is partially offset from USD revenues earned in Americas and from distributor revenues, which are also largely USD denominated. Where a net foreign currency exposure is considered material, the Group seeks to reduce volatility from exchange movements by using derivative financial instruments. During the period, a £1.2m gain (H1 FY24: £0.3m gain) was recorded in revenues related to derivatives partially hedging the net EUR inflows.

Retranslation of foreign currency denominated monetary assets and liabilities in the half year resulted in a currency loss of £1.6m (H1 FY24: gain of £0.6m). This was predominantly due to the revaluation of receivable balances following the appreciation of GBP against EUR and USD.

Interest

The Group's exposure to changes in interest rates relates primarily to cash investments, borrowings, and IFRS 16 lease liabilities. Total Group net interest costs for the period were £13.6m, lower than the prior period (H1 FY24: £14.5m) primarily due to lower interest on lease liabilities. We saw increased interest amounts related to a higher floating EURIBOR rate on the Group's Term Loan, which were offset by an absence of RCF drawing costs compared to the prior period.

Exceptional costs[1]

In May 2024, the Group announced it would be undertaking a cost action plan with benefits of savings from FY26. This plan targeted savings of £20-25m on a full year basis. We have taken swift action to identify and implement savings in the first half and now expect annualised savings of c.£25m in FY26.

In H1 FY25, the Group incurred exceptional costs[1] of £9.2m (H1 FY24: £nil), of which £6.1m related to the cost action plan, primarily headcount reduction costs. The balance relates to one-off director joining costs relating to the new CFO and incoming CEO.

£m	**H1 FY25**	H1 FY24
Included in operating expenses		
Director joining costs	**3.1**	-
Cost action plan related costs	**6.1**	-
	9.2	-
Adjustments to EBIT	**9.2**	-
Adjustments to profit before tax	**9.2**	-

[1] Alternative Performance Measure (APM) as defined in the Glossary on pages 29 to 31.

Tax was a credit of £7.9m (H1 FY24: £6.8m charge) with an effective tax rate of 27.5% (H1 FY24: 26.4%) which is slightly higher than the UK corporate tax rate of 25.0%, due mainly to overseas tax rates and deferred tax on temporary differences.

Loss per share (basic) was 2.2p (H1 FY24: 1.9p earnings), or 1.3p loss on an adjusted basis. EPS and diluted EPS for the prior period are similar numbers due to the minimal dilutive impact of share options on the total diluted share number. There continues to be a minimal dilutive impact of share options for the current period, however EPS and diluted EPS are the same for the current period due a loss in the first half. The following table summarises these EPS figures:

		H1 FY25 pence Reported	**H1 FY25 pence CC[1]**	H1 FY24 pence
(Loss)/earnings per share	Adjusted basic[1]	**(1.3)**	(1.1)	1.9
	Basic	**(2.2)**	(2.0)	1.9
	Diluted	**(2.2)**	(2.0)	1.9

[1] Alternative Performance Measure (APM) as defined in the Glossary on pages 29 to 31.

CASH FLOWS

£m	H1 FY25	H1 FY24
EBITDA[1]	**24.4**	77.6
Decrease/(increase) in inventories	**0.4**	(55.5)
Increase in debtors	**(22.1)**	(28.5)
Increase/(decrease) in creditors	**32.2**	(3.6)
Total change in net working capital	**10.5**	(87.6)
Share-based payments	**3.5**	1.9
Capex	**(11.0)**	(16.3)
Operating cash flow[1]	**27.4**	(24.4)
Operating cash flow conversion[1,2]	***112.3%***	*-31.4%*
Net interest paid	**(9.6)**	(7.3)
Payment of lease liabilities	**(28.4)**	(25.3)
Taxation paid	**(3.2)**	(15.4)
Repurchase of shares	**-**	(20.4)
Derivatives settlement	**0.1**	-
Net revolving credit facility drawdown	**-**	25.0
Dividends paid	**-**	(42.8)
Net cash outflow	**(13.7)**	(110.6)
Opening cash	**111.1**	157.5
Net cash exchange translation	**(2.5)**	(1.2)
Closing cash	**94.9**	45.7

[1] Alternative Performance Measure (APM) as defined in the Glossary on pages 29 to 31.
[2] Adjusted operating cash flow conversion[1] is 90.8% (H1 FY24: -31.4%).

Operating cash flow[1] generated an inflow of £27.4m (H1 FY24: outflow of £24.4m), impacted by positive working capital cash inflows of £10.5m (H1 FY24: outflow of £87.6m). Inventory levels have declined by £0.4m during the period (H1 FY24: £55.5m increase) due to reduced purchases in line with the target to reduce inventory in FY25. Compared to the end H1 FY24 balance sheet position, inventory levels have declined by £69.1m.

Debtors have increased by £22.1m (H1 FY24: £28.5m increase), predominantly driven by wholesale customer order fulfilment ahead of peak in line with the Group's ordinary trading cycle. Creditors have increased by £32.2m (H1 FY24: £3.6m decrease) due to timing of payments over the reporting date, and accruals recognised relating to the cost action plan.

Trade debtor days reduced to 49 days (H1 FY24: 53 days), largely due to a decline in the Americas region, where debtor days decreased from 65 to 54. This marks a return to normalised debtor days, following a period of inflated debtor days in the previous year.

Capex was £11.0m (H1 FY24: £16.3m) and represented 3.4% of revenue (H1 FY24: 4.1%). The breakdown in capex by category is as follows:

£m	H1 FY25	H1 FY24
Retail stores	**3.2**	8.8
Supply Chain	**0.9**	0.1
IT/Tech	**6.9**	7.4
	11.0	16.3

Interest paid was £11.2m, (H1 FY24: £9.1m) higher than H1 FY24 by £2.1m due to higher interest rates. **Interest received** remained broadly flat, representing interest on short term deposits.

Payment of lease liabilities was £28.4m (H1 FY24: £25.3m) higher than H1 FY24 by £3.1m primarily due to annualisation of additions in the previous year.

Funding and Leverage

The Group is funded by cash, bank debt and equity. Further details on the capital structure and debt are given in note 9 of the Financial Statements. At 29 September 2024, the Group's bank loan was denominated in EUR and valued at £281.7m (€337.5m) excluding unamortised bank fees (H1 FY24: £292.5m). Attached to this was a revolving credit facility (RCF) of £200.0m. Included in this facility was a committed line of £3.4m (H1 FY24: £3.3m) used for guarantee arrangements, primarily in relation to landlord rent guarantees. This loan was originally due for repayment in February 2026, but has since been refinanced; see more information below.

The Group financing arrangements are subject to a total net leverage covenant test every six months. The total net leverage test is calculated with a full 12 months of EBITDA (covenant calculation basis) and net debt being inclusive of IFRS 16 lease liabilities at the balance sheet date. As at 29 September 2024, the Group had total net leverage of 2.3 times (FY24 H1: 2.0 times).

Refinancing

Since the half year end the Group has successfully negotiated with existing and new lenders to refinance its debt facilities, with the new facilities drawn on 19 November 2024. The new debt facilities are entirely GBP denominated and consist of a £250.0m term loan and £126.5m RCF for an initial term of three years, with the option to extend both facilities by two additional one-year terms through to November 2029, subject to lender approval. The facilities are subject to a Net Debt/EBITDA leverage covenant of <3x.

BALANCE SHEET

£m	**29 September 2024**	30 September 2023	31 March 2024
Freehold property	**6.7**	7.4	7.0
Right-of-use assets	**153.4**	195.0	173.5
Other fixed assets	**79.3**	81.8	81.7
Inventory	**245.4**	314.5	254.6
Debtors	**92.5**	119.8	70.4
Creditors[1]	**(144.5)**	(132.8)	(100.7)
Working capital	**193.4**	301.5	224.3
Other[2]	**7.8**	13.2	(1.5)
Operating net assets	**440.6**	598.9	485.0
Goodwill	**240.7**	240.7	240.7
Cash	**94.9**	45.7	111.1
Bank debt	**(281.7)**	(317.5)[3]	(288.6)
Unamortised bank fees	**1.9**	2.9	2.3
Lease liabilities	**(161.9)**	(207.1)	(182.3)
Net assets/equity	**334.5**	363.6	368.2

[1] Includes bank interest of £8.0m (H1 FY24: £8.0m, FY24: £8.4m).
[2] Other includes investments, deferred tax assets, income tax assets, income tax payables, deferred tax liabilities, and provisions.
[3] Includes drawdown on RCF facility at 30 September 2023 of £25.0m.

Inventory

As previously disclosed, inventory levels were elevated in FY24 and reducing inventory by £40m is a key target for FY25. We made good progress on this objective in H1 FY25, with inventory broadly flat compared to the 31 March 2024 position (if FX rates are adjusted for), and down £69.1m year-on-year.

£m	**29 September 2024**	30 September 2023	31 March 2024
Inventory (£m)	**245.4**	314.5	254.6
Turn (x)[1]	**1.2x**	1.2x	1.2x
Weeks cover[2]	**42**	45	44

[1] Calculated as historic LTM COGS divided by average LTM inventory.
[2] Calculated as 52 weeks divided by inventory turn.

Net Debt

Another focus through FY25 is a reduction in our net debt, and we again made good progress in the first half, particularly given that the net debt position at the half year point typically marks the high point through our annual cash cycle, with overall net debt reducing year on year by £130.2m.

£m	**29 September 2024**	30 September 2023	31 March 2024
Bank loans (excluding unamortised bank fees)	**(281.7)**	(317.5)[2]	(288.6)[3]
Cash	**94.9**	45.7	111.1
Net bank loans	**(186.8)**	(271.8)	(177.5)
Lease liabilities	**(161.9)**	(207.1)	(182.3)
Net Debt[1]	**(348.7)**	(478.9)	(359.8)

[1] Alternative Performance Measure (APM) as defined in the Glossary on pages 29 to 31.
[2] Includes drawdown on RCF facility at 30 September 2023 of £25.0m.
[3] Previously reported net of unamortised bank fees of £2.3m.

Lease liabilities
New lease commitments and remeasurements during the period were £9.9m, largely relating to £5.9m additions. This was offset by £28.4m of lease repayments. Average lease length is relatively low, at 2.8 years to break, with the average lease length we expect to utilise being 3.3 years reflected on the balance sheet.

£m	**29 September 2024**	31 March 2024	Average lease length to break (years)
Stores	**115.0**	123.3	3.0
Offices, warehouses and other	**46.9**	59.0	2.0
Lease liabilities	**161.9**	182.3	2.8

Equity of £334.5m can be analysed as follows:

£m	**29 September 2024**	31 March 2024
Share capital	**9.6**	9.6
Hedging reserve	**1.8**	0.9
Capital redemption reserve	**0.4**	0.4
Merger reserve	**(1,400.0)**	(1,400.0)
Non-UK translation reserve	**2.6**	9.7
Retained earnings	**1,720.1**	1,747.6
Equity	**334.5**	368.2

RETURNS TO SHAREHOLDERS

Our capital allocation philosophy guides our view of returns to shareholders and usage of excess cash. The first priority is to use excess cash for business priorities and we will continue to invest in a targeted manner to support long-term growth and resilience of the Group. Beyond this, our priority is to return excess cash to shareholders through a regular dividend and, when possible, further returns.

Dividends
At the FY24 results in May, the Board shared the intention to hold the FY25 dividend flat to FY24 in absolute terms, at 2.55p, before returning to an earnings payout in line with our dividend policy (of 25% to 35% payout) in FY26 onwards. We also shared that going forward we would adopt a consistent approach to setting the interim dividend, with this dividend set at one-third of the previous year's total dividend. Finally, we announced changes to the dividend payment dates to better reflect the trading cash profile of the Group.

In line with this guidance, the Board declares an interim dividend of 0.85p, being one-third of the FY24 total dividend of 2.55p. This will be paid to shareholders on the register as at 7 March 2025 with payment on 8 April 2025.

£m	**H1 FY25**	H1 FY24	FY24
Dividends paid during the period/year:			
Prior period/year final dividend paid	-[1]	42.8	42.8
Interim dividend paid	-	-	15.0[2]
Total dividends paid during the period/year	-	42.8	57.8
(Loss)/profit for the period/year	**(20.8)**	19.0	69.2
Dividend in respect of the period/year:			
Interim dividend: 0.85p (Sep 23: 1.56p, Mar 24: 1.56p)	**8.2**	15.4[2]	15.0[2]
Final dividend: nil (Sep 23: nil, Mar 24: 0.99p)	-	-	9.5
Total dividend in respect of the period/year	**8.2**	15.4	24.5
Payout ratio %	**(39%)**	81%	35%

[1] The dividend in relation to the year ended 31 March 2024 of £9.5m was paid on 1 October 2024.
[2] The FY24 interim dividend was originally expected to be £15.4m when disclosed for the six months ended 30 September 2023. During H2 FY24 there was a reduction in the number of shares outstanding between the date the dividend was declared and the date for shareholders to be on the register to receive payment. This resulted in a £15.0m dividend payment.

HISTORICAL EBIT ANALYSIS

As the Group has moved from EBITDA to EBIT disclosure for segmental reporting, historical data on this basis has been provided below alongside revenue for comparability across periods.

		H1 FY25	FY24	H1 FY24	FY23	H1 FY23	*% change Actual*	*% change CC*
£m Revenue (Reported):	EMEA	**162.4**	431.8	194.2	443.0	179.0	*-16.4%*	*-15.5%*
	Americas	**114.7**	325.8	147.7	428.2	179.7	*-22.3%*	*-20.2%*
	APAC	**47.5**	119.5	53.9	129.1	59.9	*-11.9%*	*-6.9%*
£m EBIT:	EMEA	**22.4**	109.7	40.0	120.7	41.3	*-44.0%*	
	Americas	**(7.7)**	41.7	17.3	80.7	34.6	*-144.5%*	
	APAC	**2.3**	22.1	7.7	25.5	9.3	*-70.1%*	
% EBIT Margin:	EMEA	**13.8%**	25.4%	20.6%	27.2%	23.1%	*-6.8pts*	
	Americas	**-6.7%**	12.8%	11.7%	18.8%	19.3%	*-18.4pts*	
	APAC	**4.8%**	18.5%	14.3%	19.8%	15.5%	*-9.5pts*	

FY25 GUIDANCE

Our key targets for FY25 are unchanged:

- Positive USA DTC growth in the second half
- Inventory declining by c.£40m
- Net debt declining to £310m to £330m (including lease liabilities)

Alongside this, our guidance for FY25 is:

- USA wholesale revenue declining double-digit percentage in FY25
- New own store openings of around 15 (previous guidance of 25 to 30)
- Depreciation and Amortisation of £75m to £80m
- Net finance costs of £27m to £30m
- Blended tax rate of c.27%
- Capex of around £30m, compared to previous guidance for around £40m, with the reduction driven by reduced new store openings planned
- Exceptional costs of around £15m

In addition to the introduction of constant currency reporting, we are also providing guidance on the potential FX impact for FY25, in order to aid investor understanding of the business. Based on currency spot rates as at 14 November 2024, we expect a currency headwind to results of c.£18m to revenue and c.£6m to PBT for FY25. FX revenue sensitivities are as follows: for every 1%pt movement in US dollar c.£3.5m; Japanese Yen c.£0.5m and Euro c.£2.5m.

PRINCIPAL RISKS

The Board considers that the principal risks and uncertainties which could impact the Group over the remaining half of the financial year are unchanged from the risks presented in the 2024 Annual Report. The principal risks are summarised as: brand and product; social and environmental; people, culture and change; supply chain; information and cyber security; financial; legal and compliance; and macroeconomic uncertainty. These are detailed on pages 38 to 43 of the 2024 Annual Report, a copy of which is available on the Company's website at www.drmartensplc.com.

Condensed Consolidated Statement of Profit or Loss
For the 26 weeks ended 29 September 2024

	Note	**Unaudited 26 weeks ended 29 September 2024 £m**	Unaudited six months ended 30 September 2023 £m	Audited year ended 31 March 2024 £m
Revenue	3	**324.6**	395.8	877.1
Cost of sales		**(116.9)**	(140.9)	(301.9)
Gross margin		**207.7**	254.9	575.2
Selling and administrative expenses		**(222.8)**	(214.6)	(453.0)
Finance income		**1.7**	1.7	3.0
Finance expense	5	**(15.3)**	(16.2)	(32.2)
(Loss)/profit before tax		**(28.7)**	25.8	93.0
EBIT[1,2]	3	**(15.1)**	40.3	122.2
Net finance expense		**(13.6)**	(14.5)	(29.2)
(Loss)/profit before tax		**(28.7)**	25.8	93.0
Tax credit/(expense)	6	**7.9**	(6.8)	(23.8)
(Loss)/profit after tax for the period		**(20.8)**	19.0	69.2

[1] Alternative Performance Measure (APM) as defined in the Glossary on pages 29 to 31.
[2] In previous periods EBITDA was presented. However, this has been replaced with EBIT as it is considered a more relevant performance measure for the business. Refer to the Glossary on pages 29 to 31 for further explanation of the change. Prior period amounts have been updated to reflect this change and were therefore unaudited in the prior periods.

Reconciliation of adjusted EBIT[1]:	Note	**Unaudited 26 weeks ended 29 September 2024 £m**	Unaudited six months ended 30 September 2023 £m	Audited year ended 31 March 2024 £m
EBIT[1,2]	3	**(15.1)**	40.3	122.2
Exceptional costs[1]	4	**9.2**	-	-
Currency losses/(gains)		**1.6**	(0.6)	4.2
Adjusted EBIT[1] – non-GAAP measure		**(4.3)**	39.7	126.4

Reconciliation of adjusted (loss)/profit before tax[1]:	**Note**			
(Loss)/profit before tax		**(28.7)**	25.8	93.0
Exceptional costs[1]	4	**9.2**	-	-
Currency losses/(gains)		**1.6**	(0.6)	4.2
Adjusted (loss)/profit before tax[1] – non-GAAP measure		**(17.9)**	25.2	97.2

(Loss)/earnings per share	**Unaudited 26 weeks ended 29 September 2024**	Unaudited six months ended 30 September 2023	Audited year ended 31 March 2024
Basic (loss)/earnings per share	**(2.2p)**	1.9p	7.0p
Diluted (loss)/earnings per share	**(2.2p)**	1.9p	7.0p
Adjusted (loss)/earnings per share[1] – non-GAAP measure			
Adjusted basic (loss)/earnings per share[1]	**(1.3p)**	1.9p	7.4p
Adjusted diluted (loss)/earnings per share[1]	**(1.3p)**	1.9p	7.3p

The results for the periods presented above are derived from continuing operations and are entirely attributable to the owners of the Parent Company.

The notes on pages 19 to 27 form part of these Condensed Consolidated Financial Statements.

Condensed Consolidated Statement of Comprehensive Income
For the 26 weeks ended 29 September 2024

	Unaudited 26 weeks ended 29 September 2024	Unaudited six months ended 30 September 2023	Audited year ended 31 March 2024
	£m	£m	£m
(Loss)/profit after tax for the period	**(20.8)**	19.0	69.2
Other comprehensive (expense)/income			
Items that may subsequently be reclassified to profit or loss			
Foreign currency translation differences	**(7.1)**	1.2	(2.8)
Cash flow hedges: Fair value movements in equity	**(1.5)**	(0.7)	(1.8)
Cash flow hedges: Reclassified and reported in profit or loss	**2.9**	2.3	3.9
Tax in relation to share schemes	**(0.7)**	(0.1)	0.5
Tax in relation to cash flow hedges	**(0.5)**	(0.3)	(0.7)
	(6.9)	2.4	(0.9)
Total comprehensive (expense)/income for the period	**(27.7)**	21.4	68.3

The notes on pages 19 to 27 form part of these Condensed Consolidated Financial Statements.

Condensed Consolidated Balance Sheet
As at 29 September 2024

	Note	**Unaudited 29 September 2024 £m**	Unaudited 30 September 2023 £m	Audited 31 March 2024 £m
ASSETS				
Non-current assets				
Intangible assets		**273.8**	265.5	270.0
Property, plant and equipment	8	**52.9**	64.4	59.4
Right-of-use assets	8	**153.4**	195.0	173.5
Investments		**1.0**	1.0	1.0
Derivative financial assets		**0.2**	-	0.1
Deferred tax assets		**15.1**	11.0	11.2
		496.4	536.9	515.2
Current assets				
Inventories		**245.4**	314.5	254.6
Trade and other receivables		**89.8**	121.6	68.8
Income tax assets		**3.4**	8.7	1.2
Derivative financial assets		**2.5**	1.0	1.5
Cash and cash equivalents		**94.9**	45.7	111.1
		436.0	491.5	437.2
Total assets		**932.4**	1,028.4	952.4
LIABILITIES				
Current liabilities				
Trade and other payables		**(132.5)**	(124.8)	(92.2)
Borrowings	9	**(8.0)**	(33.0)	(8.4)
Lease liabilities		**(43.8)**	(40.0)	(47.0)
Derivative financial liabilities		**(4.0)**	(2.8)	(0.1)
Income tax payable		**(4.5)**	(0.8)	(5.8)
		(192.8)	(201.4)	(153.5)
Non-current liabilities				
Borrowings	9	**(279.8)**	(289.6)	(286.3)
Lease liabilities		**(118.1)**	(167.1)	(135.3)
Provisions		**(7.2)**	(4.9)	(6.3)
Derivative financial liabilities		**-**	-	-
Deferred tax liabilities		**-**	(1.8)	(2.8)
		(405.1)	(463.4)	(430.7)
Total liabilities		**(597.9)**	(664.8)	(584.2)
Net assets		**334.5**	363.6	368.2
EQUITY				
Equity attributable to the owners of the Parent				
Ordinary share capital	12	**9.6**	9.9	9.6
Treasury shares	13	**-**	(2.0)	-
Hedging reserve		**1.8**	0.8	0.9
Capital redemption reserve		**0.4**	0.1	0.4
Merger reserve		**(1,400.0)**	(1,400.0)	(1,400.0)
Foreign currency translation reserve		**2.6**	13.7	9.7
Retained earnings		**1,720.1**	1,741.1	1,747.6
Total equity		**334.5**	363.6	368.2

The notes on pages 19 to 27 form part of these Condensed Consolidated Financial Statements.

Condensed Consolidated Statement of Changes in Equity
For the 26 weeks ended 29 September 2024

	Note(s)	Ordinary share capital £m	Treasury shares £m	Hedging reserve £m	Capital redemption reserve £m	Merger reserve £m	Foreign currency translation reserve £m	Retained earnings £m	Total equity £m
At 1 April 2023		**10.0**	**-**	**(0.5)**	**-**	**(1,400.0)**	**12.5**	**1,782.2**	**404.2**
Profit after tax for the period		-	-	-	-	-	-	19.0	19.0
Other comprehensive income/(expense)		-	-	1.3	-	-	1.2	(0.1)	2.4
Total comprehensive income for the period		-	-	1.3	-	-	1.2	18.9	**21.4**
Dividends paid	7	-	-	-	-	-	-	(42.8)	(42.8)
Shares issued	12	-	-	-	-	-	-	-	-
Share-based payments		-	-	-	-	-	-	1.9	1.9
Repurchase of ordinary share capital	13	-	(20.9)	-	-	-	-	(0.2)	(21.1)
Cancellation of repurchased ordinary share capital	12, 13	(0.1)	18.9	-	0.1	-	-	(18.9)	-
At 30 September 2023		**9.9**	**(2.0)**	**0.8**	**0.1**	**(1,400.0)**	**13.7**	**1,741.1**	**363.6**
Profit after tax for the period		-	-	-	-	-	-	50.2	50.2
Other comprehensive income/(expense)		-	-	0.1	-	-	(4.0)	0.6	(3.3)
Total comprehensive income/(expense) for the period		-	-	0.1	-	-	(4.0)	50.8	46.9
Dividends paid	7	-	-	-	-	-	-	(15.0)	(15.0)
Shares issued	12	-	-	-	-	-	-	-	-
Share-based payments		-	-	-	-	-	-	2.1	2.1
Repurchase of ordinary share capital	13	-	(29.1)	-	-	-	-	(0.3)	(29.4)
Cancellation of repurchased ordinary share capital	12, 13	(0.3)	31.1	-	0.3	-	-	(31.1)	**-**
At 31 March 2024		**9.6**	**-**	**0.9**	**0.4**	**(1,400.0)**	**9.7**	**1,747.6**	**368.2**
Loss after tax for the period		-	-	-	-	-	-	(20.8)	(20.8)
Other comprehensive income/(expense)		-	-	0.9	-	-	(7.1)	(0.7)	(6.9)
Total comprehensive income/(expense) for the period		-	-	0.9	-	-	(7.1)	(21.5)	(27.7)
Dividends payable	7	-	-	-	-	-	-	(9.5)	(9.5)
Shares issued	12	-	-	-	-	-	-	-	-
Share-based payments		-	-	-	-	-	-	3.5	3.5
At 29 September 2024		**9.6**	**-**	**1.8**	**0.4**	**(1,400.0)**	**2.6**	**1,720.1**	**334.5**

The notes on pages 19 to 27 form part of these Condensed Consolidated Financial Statements.

Condensed Consolidated Statement of Cash flows
For the 26 weeks ended 29 September 2024

	Note	**Unaudited 26 weeks ended 29 September 2024**	Unaudited six months ended 30 September 2023
		£m	£m
(Loss)/profit after tax for the period		**(20.8)**	19.0
Add back/(deduct):			
income tax (credit)/charge	6	**(7.9)**	6.8
finance income		**(1.7)**	(1.7)
finance expense	5	**15.3**	16.2
depreciation, amortisation and impairment		**38.1**	37.9
other gains		**(0.2)**	-
currency losses/(gains)		**1.6**	(0.6)
gain realised on matured derivatives[1]		**(1.2)**	(0.3)
share-based payments charge		**3.5**	1.9
Decrease/(increase) in inventories		**0.4**	(55.5)
Increase in trade and other receivables		**(22.1)**	(28.5)
Increase/(decrease) in trade and other payables		**32.2**	(3.6)
Change in net working capital		**10.5**	(87.6)
Cash flows from operating activities			
Cash generated from/(used in) operations[1]		**37.2**	(8.4)
Taxation paid		**(3.2)**	(15.4)
Settlement of matured derivatives[1]		**1.3**	0.3
Net cash inflow/(outflow) from operating activities		**35.3**	(23.5)
Cash flows from investing activities			
Additions to intangible assets		**(6.8)**	(4.5)
Additions to property, plant and equipment	8	**(4.2)**	(11.8)
Finance income received		**1.6**	1.8
Net cash outflow from investing activities		**(9.4)**	(14.5)
Cash flows from financing activities			
Finance expense paid		**(11.2)**	(9.1)
Payment of lease interest		**(3.6)**	(4.6)
Payment of lease liabilities		**(24.8)**	(20.7)
Repurchase of shares		**-**	(20.4)
Revolving credit facility drawdown		**-**	30.0
Revolving credit facility repayment		**-**	(5.0)
Dividends paid	7	**-**	(42.8)
Net cash outflow from financing activities		**(39.6)**	(72.6)
Net decrease in cash and cash equivalents		**(13.7)**	(110.6)
Cash and cash equivalents at beginning of the period		**111.1**	157.5
Effect of foreign exchange on cash held		**(2.5)**	(1.2)
Cash and cash equivalents at end of the period		**94.9**	45.7

[1] Comparative information has been represented to disclose the gain realised on matured derivatives and settlement of matured derivatives separately.

The notes on pages 19 to 27 form part of these Condensed Consolidated Financial Statements.

Notes to the Condensed Consolidated Financial Statements
For the 26 weeks ended 29 September 2024

1. General information

Dr. Martens plc (the 'Company') is a public company limited by shares incorporated in the United Kingdom, and registered and domiciled in England and Wales, whose shares are traded on the London Stock Exchange. The Company's registered office is: 28 Jamestown Road, Camden, London NW1 7BY. The principal activity of the Company and its subsidiaries (together referred to as the 'Group') is the design, development, procurement, marketing, selling and distribution of footwear, under the Dr. Martens brand.

2. Accounting policies

The principal accounting policies adopted in the preparation of the Condensed Consolidated Interim Financial Statements ('Financial Statements') are the same as those set out in the Group's Annual Financial Statements for the year ended 31 March 2024 other than for the areas noted below. The interim financial information is presented in GBP and to the nearest million pounds (to one decimal place) unless otherwise noted.

Taxation

As per the requirements of IAS 34 (Interim Financial Reporting) paragraph 30(c), the estimated effective tax rate for the full year has been applied to half year results.

Alternative Performance Measures (APMs): Exceptional costs

For the 26 weeks ended 29 September 2024, the Group has utilised the term 'exceptional costs' which are used within adjusted performance measures as defined in the Glossary on pages 29 to 31. Exceptional costs are considered significant in nature and/or quantum, and/or are considered unusual or non-recurring, such that they are not considered part of the core operations of the business. Adjusted results are presented to provide a clearer view of the Group's ongoing operational performance, reflecting how the business is managed and measured on a day-to-day basis, and to aid comparability between periods. The following items were included as exceptional costs for the 26 weeks ended 29 September 2024, refer to note 4 for further detail:

- Director joining costs relating to sign-on packages that are not considered to be part of the normal operating costs of the business.
- Cost action plan related costs arising from operational changes as part of a cost action plan that are not considered to be part of the normal and ongoing operating costs of the business.

Basis of preparation

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority, and with UK-adopted International Accounting Standard (IAS) 34 'Interim Financial Reporting'.

The interim results for the 26 weeks ended 29 September 2024 and the comparatives for the six months ended 30 September 2023 are unaudited but have been reviewed by the auditors. A copy of their review report has been included at the end of this report.

The financial information for the year ended 31 March 2024 has been extracted from the Group Financial Statements for that period and does not constitute statutory accounts as defined in section 434 of the Companies Act. These published Financial Statements were reported on by the auditors without qualification or an emphasis of matter reference and did not include a statement under section 498(2) or (3) of the Companies Act 2006 and have been delivered to the Registrar of Companies.

The Condensed Consolidated Interim Financial Statements have been prepared under the historical cost convention, except for equity investments, derivative financial instruments, money market funds, share-based payments and pension scheme assets that have been measured at fair value.

In preparing the Condensed Consolidated Interim Financial Statements management has considered the impact of climate change, particularly in the context of the Financial Statements as a whole, in addition to disclosures included in the Strategic Report of the Group Financial Statements for the year ended 31 March 2024. Climate change remains as an emerging risk and is not expected to have a significant impact on the Group's going concern assessment to 29 December 2025.

Financial calendar

During FY24, the Group amended the basis of preparation of the Consolidated Financial Statements to align with the operational trading of the business; by moving from a calendar year to a retail calendar basis. The retail calendar will report a 52-week year, split into monthly 5-4-4 Monday to Sunday week formats. A 53-week year will be reported approximately every six years to avoid the retail calendar deviating by more than seven days from the calendar year and the accounting reference date of 31 March. The FY25 period began on 1 April 2024 and the Consolidated Interim Financial Statements report the 26 weeks ended 29 September 2024 to conform to the retail calendar. The comparative period is the six months to 30 September 2023.

Significant judgements and sources of estimation uncertainty

The Group's significant judgements and key sources of estimation uncertainty are consistent with those disclosed in the Group's latest audited Financial Statements.

Other areas of judgement and accounting estimates

The other areas of judgement and accounting estimates are consistent with those disclosed in the Group's latest audited Financial Statements, with the exception of the following new area of judgement for the Group, as noted above in relation to exceptional costs.

Exceptional costs

The classification of exceptional costs requires management judgement after considering the nature and intentions of a transaction. The Group's definitions of exceptional costs are outlined within both the Group accounting policies and the Glossary. Note 4 provides further details on current period exceptional costs and their adherence to Group policy.

2. Accounting policies (continued)
Basis of preparation (continued)

Going concern

The interim consolidated financial information has been prepared on the going concern basis. The going concern assessment covers at least the 12-month period from the date of the signing of the Financial Statements, and the going concern basis is dependent on the Group maintaining adequate levels of resources to operate during the period. To support this assessment, detailed trading and cash flow forecasts, including forecast liquidity and covenant compliance, were prepared for the 15-month period to 29 December 2025.

The key stages of the assessment process are summarised as follows:

- The Group planning process forms the basis of the Going Concern review, starting from the DOCS strategy and producing outputs for long, medium and short-term financial plans, based on key assumptions which are agreed with the Global Leadership Team (GLT) and the Board.
- The trading outlook over the long, medium and short-term is evaluated, contextualising our assessments within the broader macroeconomic environment.
- Micro and macro central planning assumptions are identified and incorporated into the assessments.
- The Directors of the Group have considered the future position based on current trading and a number of potential downside scenarios which may occur, including the impact of relevant principal risks crystallising.
- Further details on the potential downside scenarios relevant to the going concern assessment period have been included below.

The Directors also considered the Group's funding arrangements at 29 September 2024 with cash of £94.9m, available undrawn facilities of £196.6m and bullet debt repayment of £281.7m not due until 2 February 2026. The debt facilities were successfully refinanced following the half year. The new facilities comprise a £250.0m term loan and a £126.5m RCF, with an initial term of three years, with the option to extend both facilities by to additional one-year terms through to November 2029, subject to lender approval.

Management have modelled, and the Directors have reviewed 'top-down' sensitivity and stress test, including a review of the cash flow projections and covenant compliance under a severe but plausible scenario in relation to two main risks occurring simultaneously:

- the impact of a factory closure in one key production geographic area due to climate change (flooding).
- weaker consumer sentiment and lower demand than currently assumed in financial plans.

In the unlikely event of the above two scenarios occurring together, the Group can withstand material revenue decline and maintain headroom above covenant requirements. The Group continues to have satisfactory liquidity and covenant headroom throughout the period under review.

In modelling our severe but plausible downside we have incorporated the impact of a c.10%pt decrease in revenue growth from the base plan for the 12-months to December 2025. Under this scenario, certain mitigations are available or are intrinsically linked to the forecast, including some cost and cash savings that materialise immediately if the Group's performance is below budget and other planned and standard cost reductions. A more extreme downside scenario is not considered plausible.

A reverse stress test has also been modelled to determine the reduction in revenue required for a cash balance (not including drawdown of the RCF facility) of -£50m to be reached at the end of the going concern period, at which point special cash monitoring measures would be triggered. It is concluded that the business could weather extreme growth reductions without mitigation versus the base plan. The business would have to experience a reduction in revenue growth of c.70%pts relative to the base plan in the going concern period to reach -£50m cash in December 2025.

In addition, a reverse stress test has also been modelled to determine what could break covenant compliance estimates and liquidity before mitigating actions at the end of H1 FY26 (Sep 25). Under the covenant breach test it is concluded that the business could weather extreme growth reductions without mitigation, c.10%pts reduction in revenue growth in the 12 months to September 2025 relative to the growth plan before covenants are breached. Under both reverse stress tests, there were no mitigating actions modelled. The Directors have assessed the likelihood of occurrence to be remote.

We have also assessed the qualitative and quantitative impact of climate-related risks, as noted in our TCFD scenario analysis as disclosed in the FY24 Annual Report, on asset recoverable amounts and concluded that there would not be a material impact on the business and cash flows in the going concern period.

We will continue to monitor the impact of the macroeconomic backdrop and geopolitical events on the Group in the countries where we operate, and we plan to maintain flexibility to react as appropriate.

Based on the going concern assessment, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of these Financial Statements. For this reason, they continue to adopt the going concern basis in preparing these Financial Statements.

Adoption of new and revised standards

A number of new or amended standards became applicable for the current reporting period. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods:

- Amendments to IAS 1 – Presentation of Financial Statements: non-current liabilities with covenants
- Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements
- Amendments to IFRS 16 – Leases on sale and leaseback

New standards and interpretations not yet applied

The following new or amended IFRS accounting standards, amendments and interpretations are not yet adopted, and it is expected that where applicable, these standards and amendments will be adopted on each respective effective date:

- Amendments to IAS 21 – Lack of exchangeability

These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods.

Notes to the Condensed Consolidated Financial Statements (continued)
For the 26 weeks ended 29 September 2024

3. Segmental analysis

IFRS 8 'Operating Segments' requires operating segments to be determined by the Group's internal reporting to the Chief Operating Decision Maker (CODM). The CODM has been determined to be both the CEO and CFO, who receive information on the basis of the Group's revenue in key geographical regions based on the Group's management and internal reporting structure. The CODM assesses the performance of geographical segments based on a measure of revenue and EBIT[3]. To increase transparency the Group also includes additional voluntary disclosure analysis of global revenue within different operating channels. Included within EMEA is revenue attributable to Airwair International Limited and Airwair Wholesale Limited, the principal UK trading subsidiaries of Dr. Martens plc, with revenue from retail stores in Continental Europe and wholesale and export customers. Americas revenue is fully attributable to the USA and Canada, and APAC revenue is mainly attributable to Japan, Australia, China, Hong Kong and South Korea. The types of products from which each reportable segment derives its revenue are consistent across all segments. The Group typically generates approximately 60% of total revenue in the second half reflecting the peak Q3 DTC trading period and, as a result of the stronger gross margin structure of DTC compared to wholesale, EBIT margins are higher in the second half of the year.

	Unaudited 26 weeks ended 29 September 2024 £m	Unaudited six months ended 30 September 2023 £m	Audited year ended 31 March 2024 £m
Revenue by geographical market[1]			
EMEA[2]	**162.4**	194.2	431.8
Americas	**114.7**	147.7	325.8
APAC	**47.5**	53.9	119.5
Total revenue	**324.6**	395.8	877.1

[1] Revenue by geographical market represents revenue from external customers; there is no inter-segment revenue.
[2] Included in EMEA revenue is £56.3m (Sep 23: £72.2m, Mar 24: £168.5m) in relation to trading in the UK.

	Unaudited 26 weeks ended 29 September 2024 £m	Unaudited six months ended 30 September 2023 £m	Unaudited year ended 31 March 2024 £m
EBIT[3,4] by geographical market			
EMEA	**22.4**	40.0	109.7
Americas	**(7.7)**	17.3	41.7
APAC	**2.3**	7.7	22.1
Support costs[5]	**(32.1)**	(24.7)	(51.3)
EBIT[3,4]	**(15.1)**	40.3	122.2
Exceptional costs[3]	**9.2**	-	-
Currency losses/(gains)	**1.6**	(0.6)	4.2
Adjusted EBIT[3]	**(4.3)**	39.7	126.4
Net finance income and expense	**(13.6)**	(14.5)	(29.2)
(Loss)/profit before tax	**(28.7)**	25.8	93.0
Exceptional costs[3]	**9.2**	-	-
Currency losses/(gains)	**1.6**	(0.6)	4.2
Adjusted (loss)/profit before tax[3]	**(17.9)**	25.2	97.2

[3] Alternative Performance Measure 'APM' as defined in the Glossary on pages 29 to 31.
[4] In previous periods EBITDA was presented. However, this has been replaced with EBIT as it is considered a more relevant performance measure for the business. Refer to the Glossary on pages 29 to 31 for further explanation of the change. Prior period amounts have been updated to reflect this change.
[5] All currency gains/losses are included in support costs. Currency gains/losses are generally a product of how trading is managed by legal entity on a global basis. Inclusion in support costs allows performance for each region to be evaluated exclusive of the currency impact of global operations. EMEA trading entities incurred a £6.5m currency loss (Sep 23: £1.4m gain, Mar 24: £4.6m loss). Americas trading entities incurred a £0.9m currency gain (Sep 23: £0.2m loss, Mar 24: £0.3m gain). APAC trading entities incurred a £0.5m currency gain (Sep 23: £2.0m loss, Mar 24: £2.3m loss).

Additional revenue analysis

The Group derives its revenue in geographical markets from the following sources:

	Unaudited 26 weeks ended 29 September 2024 £m	Unaudited six months ended 30 September 2023 £m	Audited year ended 31 March 2024 £m
Revenue by channel			
Ecommerce	**87.7**	91.7	276.3
Retail	**95.3**	104.7	256.8
Total DTC revenue	**183.0**	196.4	533.1
Wholesale	**141.6**	199.4	344.0
Total revenue	**324.6**	395.8	877.1

3. Segmental analysis (continued)

	Unaudited 29 September 2024	Unaudited 30 September 2023	Audited 31 March 2024
	£m	£m	£m
Non-current assets			
EMEA[6]	**147.4**	163.2	153.4
Americas	**77.8**	105.4	92.2
APAC	**15.4**	16.6	17.7
Goodwill	**240.7**	240.7	240.7
Deferred tax	**15.1**	11.0	11.2
Total non-current assets	**496.4**	536.9	515.2

[6] Included in EMEA non-current assets is £82.3m (Sep 23: £83.8m, Mar 24 £83.9m) in relation to UK legal entities.

4. Exceptional costs

The total exceptional costs reported for the 26 weeks ended 29 September 2024 is a net charge of £9.2m (Sep 23: £nil, Mar 24: £nil). Adjusted results are presented to provide a clearer view of the Group's ongoing operational performance, reflecting how the business is managed and measured on a day-to-day basis, and to aid comparability between periods.

The adjustments made to reported EBIT and profit before tax are:

	Unaudited 26 weeks ended 29 September 2024	Unaudited six months ended 30 September 2023	Audited year ended 31 March 2024
	£m	£m	£m
Included in operating expenses			
Director joining costs	**3.1**	-	-
Cost action plan related costs	**6.1**	-	-
	9.2	-	-
Tax impact of exceptional costs:			
Director joining costs	**(0.8)**	-	-
Cost action plan related costs	**(1.5)**	-	-
	(2.3)	-	-
(Loss)/profit after tax for the period	**(20.8)**	**19.0**	**69.2**
Add/(Less)			
Exceptional costs	**9.2**	**-**	**-**
Tax on exceptional costs[1]	**(2.3)**	**-**	**-**
Currency losses/(gains)	**1.6**	**(0.6)**	**4.2**
Tax impact of currency losses/(gains)[2]	**(0.4)**	**0.1**	**(1.1)**
Adjusted (loss)/profit after tax for the period[3]	**(12.7)**	**18.5**	**72.3**

[1] The tax impact of exceptional costs has been calculated by applying the statutory tax rate for the entities where these costs have been incurred.
[2] The tax impact of currency losses/(gains) has been calculated by applying the Group's effective tax rate.
[3] Alternative Performance Measure 'APM' as defined in the Glossary on pages 29 to 31.

Director joining costs

The Group recognises significant costs associated with the appointment of the new CFO, and incoming CEO as exceptional costs due to their quantum, and nature as sign-on packages related to their specific appointment, rather than being a standard practice for the Group. These costs relate only to discretionary compensation for the new Directors relating to the share scheme value they lost because of leaving previous employment, outside of the Group's LTIP scheme. The change in Directors has resulted in the initiation of broader changes within the Group, which are outlined below (refer to cost action plan related costs) and considered exceptional costs.

During the period, the Group recognised costs associated with the appointment of the Directors of £3.1m (Sep 23: £nil, Mar 24: £nil). £1.6m relates to cash-settled compensation for a portion of their share scheme values lost and associated payroll taxes. £0.4m relates to other professional fees related to the recruitment of the Directors. All £2.0m of this has been paid in cash. An additional £1.0m of the cost incurred relates to share-based payment expenses recognised in the period relating to the equity-settled compensation for their share scheme values lost, which is non-cash. A further £0.1m of expense relates to payroll taxes on the share-based payment expense which will be paid in cash when the schemes vest. A further £2.3m of share-based payment expense is expected to be incurred.

Cost action plan related costs

In May 2024, the Group announced it would be undertaking a cost action plan in FY25. The programme will create savings from operational efficiency and design, better procurement and operational streamlining. Costs in relation to this scheme were incurred with respect to severance payments of £5.4m, and other related costs of £0.7m. This corresponds to a cash outflow during the period of £1.1m. These costs are reported as exceptional costs due to their size, and due to the unusual and non-recurring nature of such a programme.

Notes to the Condensed Consolidated Financial Statements (continued) For the 26 weeks ended 29 September 2024

5. Finance expense

	Unaudited 26 weeks ended 29 September 2024	Unaudited six months ended 30 September 2023	Audited year ended 31 March 2024
	£m	£m	£m
Bank debt and other charges	**11.0**	11.0	22.3
Interest on lease liabilities	**3.6**	4.6	8.6
Discount unwind of dilapidation provision	**0.1**	-	-
Amortisation of bank loan issue costs	**0.6**	0.6	1.2
Other interest charges	**-**	-	0.1
Total financing expense	**15.3**	16.2	32.2

6. Income tax

The Group calculates the tax credit/(expense) for the period using the tax rate that would be applicable to the expected total annual earnings. The estimated average annual tax rate used for the 26 weeks to 29 September 2024 is 27.5%, compared to 26.4% for the six months ended 30 September 2023 and 25.6% for the year ended 31 March 2024.

Factors that may affect future tax charges
On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15% for large groups for financial years beginning on or after 31 December 2023.

Based on an initial analysis, all territories in which the Group operates are expected to qualify for one of the safe harbour exemptions such that top-up taxes should not apply. To the extent that this is not the case there is the potential for Pillar Two taxes to apply, but these are not expected to be material.

7. Dividends

	Unaudited 26 weeks ended 29 September 2024	Unaudited six months ended 30 September 2023	Audited year ended 31 March 2024
	£m	£m	£m
Dividends paid during the period/year:			
Prior period/year final dividend paid	**-**[1]	42.8	42.8
Interim dividend paid	**-**	-	15.0[2]
Total dividends paid during the period/year	**-**	42.8	57.8
Profit for the period/year	**(20.8)**	19.0	69.2
Dividend in respect of the period/year:			
Interim dividend: 0.85p (Sep 23: 1.56p, Mar 24: 1.56p)	**8.2**	15.4[2]	15.0[2]
Final dividend: nil (Sep 23: nil, Mar 24: 0.99p)	**-**	-	9.5
Total dividend in respect of the period/year	**8.2**	15.4	24.5
Payout ratio %	**(39%)**	81%	35%

1. The dividend in relation to the year ended 31 March 2024 of £9.5m was paid on 1 October 2024.
2. The FY24 interim dividend was originally expected to be £15.4m when disclosed for the six months ended 30 September 2023. During H2 FY24 there was a reduction in the number of shares outstanding between the date the dividend was declared and the date for shareholders to be on the register to receive payment. This resulted in a £15.0m dividend payment.

The Board has approved and the Company has declared an interim dividend of 0.85 pence per share (Sep 23: 1.56 pence). The Dr. Martens plc International Share Incentive Plan Trust has waived all dividends payable by the Company in respect of the ordinary shares it holds. The interim dividend will be paid to shareholders on the register as at 6 March 2025 with payment on 8 April 2025.

8. **Property, plant and equipment**

Movements in property, plant and equipment since 31 March 2024 predominantly relate to additions of £3.6m and depreciation charged of £7.6m.

	Unaudited 29 September 2024 £m	Unaudited 30 September 2023 £m	Audited 31 March 2024 £m
Net book value:			
Freehold property and improvements	**6.7**	7.4	7.0
Leasehold improvements and fixtures and fittings	**33.5**	41.5	38.1
Plant, machinery, fixtures and fittings	**10.7**	12.0	11.8
Office and computer equipment	**2.0**	3.5	2.5
	52.9	64.4	59.4

Movements in right-of-use assets since 31 March 2024 predominantly relate to additions of £8.2m, remeasurements of £3.6m, impairment of £0.8m and depreciation charged of £26.2m. Additions include £0.6m of direct costs and £1.7m in relation to costs of removal and restoring.

	Unaudited 29 September 2024 £m	Unaudited 30 September 2023 £m	Audited 31 March 2024 £m
Net book value:			
Right-of-use assets	**153.4**	195.0	173.5
	153.4	195.0	173.5

9. **Borrowings**

	Unaudited 29 September 2024 £m	Unaudited 30 September 2023 £m	Audited 31 March 2024 £m
Current			
Revolving credit facility drawdown	**-**	25.0	-
Bank interest	**8.0**	8.0	8.4
Borrowings	**8.0**	33.0	8.4
Lease liabilities	**43.8**	40.0	47.0
Total current	**51.8**	73.0	55.4
Non-current			
Bank loans (net of unamortised bank fees)	**279.8**	289.6	286.3
Lease liabilities	**118.1**	167.1	135.3
Total non-current	**397.9**	456.7	421.6
Total borrowings[1]	**449.7**	529.7	477.0
Analysis of bank loan:			
Non-current bank loans (net of unamortised bank fees)	**279.8**	289.6	286.3
Add back unamortised fees	**1.9**	2.9	2.3
Total gross bank loan	**281.7**	292.5	288.6

[1] From total borrowings, only bank loans (excluding unamortised bank fees) and lease liabilities are defined as debt for covenant purposes.

On 29 January 2021, the Group entered into a Senior Facilities Agreement, comprising a Facility B term loan of €337.5m (equivalent to £300.0m at inception) and a multi-currency revolving credit facility of £200.0m. A proportion of the RCF commitment is earmarked for ancillary commitments of which £3.4m (Sep 23: £3.3m, Mar 24: £3.4m) has been utilised for landlord rent guarantees.

The carrying value of the term loan as at 29 September 2024 (excluding unamortised bank fees and accrued interest) of £281.7m (Sep 23: £292.5m, Mar 24: £288.6m) is £18.3m lower (Sep 23: £7.5m lower, Mar 24: £11.4m lower) than the amount borrowed on 29 January 2021 due to an appreciation of the GBP/EUR foreign exchange rate movement.

These facilities were due to mature on 2 February 2026, however in November 2024 the Group successfully negotiated with existing and new lenders to refinance its existing debt facilities, comprising the term loan of €337.5m and RCF of £200.0m. The new debt facilities are entirely denominated in GBP and comprise a term loan of £250.0m and RCF of £126.5m for an initial term of three years, with two one-year extension options, subject to lender approval.

Notes to the Condensed Consolidated Financial Statements (continued)
For the 26 weeks ended 29 September 2024

10. Financial instruments

IFRS 13 requires the classification of financial instruments measured at fair value to be determined by reference to the source of inputs used to derive fair value. The fair values of all financial instruments, except for leases, in all periods are materially equal to their carrying values. All financial instruments are measured at amortised cost with the exception of derivatives, cash amounts held within Money Market Funds, and investments in equity instruments which are measured at fair value. Derivatives and Money Market Funds are classified as Level 2 under the fair value hierarchy, and investments in equity instruments as Level 3, which is consistent with that defined in note 2.16 of the Consolidated Financial Statements for the year ended 31 March 2024.

	Unaudited 29 September 2024			
	Assets at amortised cost £m	**Fair value through other comprehensive income £m**	**Fair value through profit or loss £m**	**Total £m**
Assets as per Balance Sheet				
Investments	**-**	**1.0**	**-**	**1.0**
Trade and other receivables excluding prepayments and accrued income	**78.3**	**-**	**-**	**78.3**
Derivative financial assets – Current	**-**	**2.5**	**-**	**2.5**
Derivative financial assets – Non-current	**-**	**0.2**	**-**	**0.2**
Cash and cash equivalents	**41.8**	**-**	**53.1**[1]	**94.9**
	120.1	**3.7**	**53.1**	**176.9**

[1] A proportion of our cash is invested in high-quality overnight money market funds to mitigate concentration and counterparty risk.

	Liabilities at amortised cost £m	**Fair value through other comprehensive income £m**	**Fair value through profit or loss £m**	**Total £m**
Liabilities as per Balance Sheet				
Bank debt (excluding unamortised bank fees)	**281.7**	**-**	**-**	**281.7**
Borrowings – Current	**8.0**	**-**	**-**	**8.0**
Lease liabilities – Current	**43.8**	**-**	**-**	**43.8**
Lease liabilities – Non-current	**118.1**	**-**	**-**	**118.1**
Derivative financial instruments – Current	**-**	**4.0**	**-**	**4.0**
Trade and other payables excluding non-financial liabilities	**117.0**	**-**	**-**	**117.0**
	568.6	**4.0**	**-**	**572.6**

	Unaudited 30 September 2023			
	Assets at amortised cost £m	Fair value through other comprehensive income £m	Fair value through profit or loss £m	**Total £m**
Assets as per Balance Sheet				
Investments	-	1.0	-	**1.0**
Trade and other receivables excluding prepayments and accrued income	110.5	-	-	**110.5**
Derivative financial assets – Current	-	1.0	-	**1.0**
Derivative financial assets – Non-current	-	-	-	**-**
Cash and cash equivalents	32.1	-	13.6[1]	**45.7**
	142.6	2.0	13.6	**158.2**

[1] A proportion of our cash is invested in high-quality overnight money market funds to mitigate concentration and counterparty risk.

	Liabilities at amortised cost £m	Fair value through other comprehensive income £m	Fair value through profit or loss £m	**Total £m**
Liabilities as per Balance Sheet				
Bank debt (excluding unamortised bank fees)	292.5	-	-	**292.5**
Borrowings – Current	33.0	-	-	**33.0**
Lease liabilities – Current	40.0	-	-	**40.0**
Lease liabilities – Non-current	167.1	-	-	**167.1**
Derivative financial instruments – Current	-	2.8	-	**2.8**
Trade and other payables excluding non-financial liabilities	110.5	-	-	**110.5**
	643.1	2.8	-	**645.9**

10. Financial instruments (continued)

	Audited 31 March 2024			
	Assets at amortised cost £m	Fair value through other comprehensive income £m	Fair value through profit or loss £m	**Total £m**
Assets as per Balance Sheet				
Investments	-	1.0	-	**1.0**
Trade and other receivables excluding prepayments and accrued income	62.0	-	-	**62.0**
Derivative financial assets – Current	-	1.5	-	**1.5**
Derivative financial assets – Non-current	-	0.1	-	**0.1**
Cash and cash equivalents	52.2	-	58.9[1]	**111.1**
	114.2	2.6	58.9	**175.7**

[1] A proportion of our cash is invested in high-quality overnight money market funds to mitigate concentration and counterparty risk.

	Liabilities at amortised cost £m	Fair value through other comprehensive income £m	Fair value through profit or loss £m	**Total £m**
Liabilities as per Balance Sheet				
Bank debt (excluding unamortised bank fees)	288.6	-	-	**288.6**
Borrowings – Current	8.4	-	-	**8.4**
Lease liabilities – Current	47.0	-	-	**47.0**
Lease liabilities – Non-current	135.3	-	-	**135.3**
Derivative financial instruments – Current	-	0.1	-	**0.1**
Trade and other payables excluding non-financial liabilities	77.5	-	-	**77.5**
	556.8	0.1	-	**556.9**

11. Pensions

The Group does not recognise the defined benefit plan surplus on the grounds that Airwair International Limited is unlikely to derive any future economic benefits from the surplus. As such, an asset ceiling has been applied to the Balance Sheet, and the net surplus of £9.3m (Sep 23: £8.5m, Mar 24: £9.1m) has not been recognised on the Balance Sheet. The net surplus has been restricted to £nil (Sep 23: £nil, Mar 24: £nil).

The Group's Annual Report and Accounts for the year ended 31 March 2024 disclosed considerable uncertainty of whether a judgement in the High Court case of Virgin Media vs NTL Trustees will stand following appeal. The appeal to this judgement was dismissed on 25 July 2024. The judge ruled that where benefit changes were made without a valid 'section 37' certificate from the Scheme Actuary, those changes could be considered void. This judgement could have material consequences for some defined benefit schemes, which includes the Group's defined benefit plan ('the Plan'), which previously contracted-out of the state pension system. In the absence of further information at this time, disclosures have been calculated assuming this ruling will not affect the Plan's benefits.

12. Ordinary share capital

	Unaudited 29 September 2024		Unaudited 30 September 2023		Audited 31 March 2024	
	No.	**£m**	No.	£m	No.	£m
Authorised, called up and fully paid						
Ordinary shares of £0.01 each	**962,197,384**	**9.6**	988,567,950	9.9	961,878,608	9.6

Notes to the Condensed Consolidated Financial Statements (continued)
For the 26 weeks ended 29 September 2024

12. Ordinary share capital (continued)

The movements in ordinary share capital during the relevant periods were as follows:

	Unaudited 29 September 2024	
	No.	**£m**
As at 1 April 2024	961,878,608	9.6
Shares issued	318,776	-
As at 29 September 2024	**962,197,384**	**9.6**

	Unaudited 30 September 2023	
	No.	**£m**
As at 1 April 2023	1,000,793,898	10.0
Shares issued	250,751	-
Repurchase and cancellation of ordinary share capital	(12,476,699)	(0.1)
As at 30 September 2023	**988,567,950**	**9.9**

	Audited 31 March 2024	
	No.	**£m**
As at 1 April 2023	1,000,793,898	10.0
Shares issued	953,845	-
Repurchase and cancellation of ordinary share capital	(39,869,135)	(0.4)
As at 31 March 2024	**961,878,608**	**9.6**

During the year ended 31 March 2024 Dr. Martens plc repurchased 39.9 million ordinary shares, as part of a share repurchase programme announced on 1 July 2023. The number of shares in issue is reduced where shares are repurchased. All shares purchased were for cancellation. The repurchased shares represented 4.1% of ordinary share capital. The programme concluded on 19 December 2023.

13. Treasury shares

The movements in treasury shares held by the Company during the relevant periods were as follows:

	Unaudited 29 September 2024	
	No.	**£m**
As at 1 April 2024	394,923	-
Shares issued for share schemes held in trust	219,494	-
Shares vested from share schemes held in trust	(74,284)	-
As at 29 September 2024	**540,133**	**-**

	Unaudited 30 September 2023	
	No.	**£m**
As at 1 April 2023	110,153	-
Repurchase of shares for cancellation	13,880,002	20.9
Cancellation of shares	(12,476,699)	(18.9)
As at 30 September 2023	**1,513,456**	**2.0**

	Audited 31 March 2024	
	No.	**£m**
As at 1 April 2023	110,153	-
Repurchase of shares for cancellation	39,869,135	50.0
Cancellation	(39,869,135)	(50.0)
Shares issued for share schemes held in trust	284,770	-
As at 31 March 2024	**394,923**	**-**

On 14 July 2023 Dr. Martens plc announced a share buyback programme. Treasury shares existed during FY24 as a result of the timing delay between the repurchase of shares under this programme and the subsequent cancellation of these shares. The programme concluded on 19 December 2023.

14. Related party transactions

The Group's related party transactions are with key management personnel and other related parties as disclosed in the Group's Annual Report and Accounts for the year to 31 March 2024. There have been no material changes to the Group's related party transactions during the 26 weeks to 29 September 2024.

15. Post balance sheet events

In November 2024, the Group completed a successful refinance of our debt facilities, ahead of the previous facilities expiring on 2 February 2026. The previous facilities comprised a €337.5m term loan with a £200.0m RCF. Our new facilities comprise a £250.0m term loan and a £126.5m RCF, with an initial term of three years, with the option to extend both facilities by two additional one-year terms through to November 2029, subject to lender approval.

First half/second half analysis (unaudited)
For the 26 weeks ended 29 September 2024

	H1			H2	FY
	Unaudited	Unaudited		Unaudited	Audited
	FY25	FY24	Variance	FY24	FY24
	£m	£m	%	£m	£m
Revenue by channel:					
Ecommerce	87.7	91.7	*-4.4%*	184.6	276.3
Retail	95.3	104.7	*-9.0%*	152.1	256.8
DTC	183.0	196.4	*-6.8%*	336.7	533.1
Wholesale[4]	141.6	199.4	*-29.0%*	144.6	344.0
	324.6	**395.8**	***-18.0%***	**481.3**	**877.1**
Gross margin	207.7	254.9	*-18.5%*	320.3	575.2
EBIT[1]	**(15.1)**	**40.3**	***-137.5%***	**81.9**	**122.2**
Adjusted EBIT[1]	**(4.3)**	**39.7**	***-110.8%***	**86.7**	**126.4**
(Loss)/profit before tax[2]	**(28.7)**	**25.8**	***-211.2%***	**67.2**	**93.0**
Adjusted (loss)/profit before tax[1]	**(17.9)**	**25.2**	***-171.0%***	**72.0**	**97.2**
Tax credit/(expense)	7.9	(6.8)	*-216.2%*	(17.0)	(23.8)
(Loss)/profit after tax for period	**(20.8)**	**19.0**	***-209.5%***	**50.2**	**69.2**
(Loss)/earnings per share					
Basic	(2.2p)	1.9p	*-215.8%*	5.1p	7.0p
Diluted	(2.2p)	1.9p	*-215.8%*	5.1p	7.0p
Adjusted (loss)/earnings per share[1]					
Basic	(1.3p)	1.9p	*-168.4%*	5.5p	7.4p
Diluted	(1.3p)	1.9p	*-168.4%*	5.5p	7.3p
Key metrics:					
Pairs sold (m)	4.6	5.7	*-19.7%*	5.8	11.5
No. of stores[3]	238	225	*5.8%*	239	239
DTC mix %	56.4%	49.6%	*+6.8pts*	70.0%	60.8%
Gross margin %[1]	64.0%	64.4%	*-0.4pts*	66.5%	65.6%
EBIT %[1]	-4.7%	10.2%	*-14.9pts*	17.0%	13.9%
Revenue by region:					
EMEA	162.4	194.2	*-16.4%*	237.6	431.8
America	114.7	147.7	*-22.3%*	178.1	325.8
APAC	47.5	53.9	*-11.9%*	65.6	119.5
	324.6	**395.8**	***-18.0%***	**481.3**	**877.1**
Revenue mix:					
EMEA %	*50.0%*	*49.1%*	*+0.9pts*	*49.4%*	*49.2%*
America %	*35.3%*	*37.3%*	*-2.0pts*	*37.0%*	*37.1%*
APAC %	*14.7%*	*13.6%*	*+1.1pts*	*13.6%*	*13.7%*
EBIT[1] by region:					
EMEA	22.4	40.0	*-44.0%*	69.7	109.7
America	(7.7)	17.3	*-144.5%*	24.4	41.7
APAC	2.3	7.7	*-70.1%*	14.4	22.1
Support costs	(32.1)	(24.7)	*30.0%*	(26.6)	(51.3)
	(15.1)	**40.3**	***-137.5%***	**81.9**	**122.2**
EBIT %[1]:					
EMEA	*13.8%*	*20.6%*	*-6.8pts*	*29.3%*	*25.4%*
America	*-6.7%*	*11.7%*	*-18.4pts*	*13.7%*	*12.8%*
APAC	*4.8%*	*14.3%*	*-9.5pts*	*22.0%*	*18.5%*
Total	*-4.7%*	*10.2%*	*-14.9pts*	*17.0%*	*13.9%*

1. Alternative Performance Measure 'APM' as defined in the Glossary on pages 29 to 31.
2. Post exceptional costs and currency gains/losses
3. Own stores on streets and malls operated under arm's length leasehold arrangements
4. Wholesale revenue including distributor customers

Glossary and Alternative Performance Measures (APMs)

The Group tracks a number of key performance indicators (KPIs) including Alternative Performance Measures (APMs) in managing its business, which are not defined or specified under the requirements of IFRS because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measures calculated and presented in accordance with IFRS or are calculated using financial measures that are not calculated in accordance with IFRS.

The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business. These APMs are consistent with how the business performance is planned and reported within the internal management reporting to the Board.

The Group is no longer presenting EBITDA-derived metrics for segmental and total reporting analysis. EBITDA will primarily be disclosed for bank covenant and LTIP performance condition purposes only. The Group believes that EBIT represents a more relevant underlying earnings indicator, allowing management to assess the full operating performance of the business by including the impact of items such as depreciation. As such the Group has introduced this, and EBIT-derived metrics, in the current period.

The Group has also introduced new 'adjusted' APMs, denoted by a '*' in the table below. Adjusted APMs are presented to provide a clearer view of the Group's ongoing operational performance by excluding specific significant adjustments, and to aid comparability. These measures are consistent with how business performance is measured internally by the Board and Executive Committee.

The Group is no longer presenting profit before tax (before FX charge), this has been replaced with a variation of this measure, being adjusted profit before tax. Adjusted profit before tax provides more relevant information to evaluate operational performance as includes adjustment for both currency gains/losses and exceptional costs.

These APMs should be viewed as supplemental to, but not as a substitute for, measures presented in the Consolidated Financial Statements relating to the Group, which are prepared in accordance with IFRS. The Group believes that these APMs are useful indicators of its performance. However, they may not be comparable with similarly titled measures reported by other companies due to differences in the way they are calculated.

The Audit Committee has reviewed the overall presentation of APMs to ensure they have not been given undue prominence, and that reconciliations are sufficiently clear. Further to this they have evaluated all revisions to APMs and types and classifications of exceptional costs.

Metric	Definition	Rationale	APM	KPI
Revenue	Revenue per Financial Statements.	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies.	No	Yes
Revenue by geographical market Revenue: EMEA Revenue: Americas Revenue: APAC	Revenue per the Group's geographical segments.	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies.	No	Yes
Revenue by channel		Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies.	No	Yes
Revenue: ecommerce	Revenue from the Group's ecommerce platforms.			
Revenue: retail	Revenue from the Group's own stores (including concessions).			
Revenue: DTC	Revenue from the Group's direct-to-consumer (DTC) channel (= ecommerce plus retail revenue).			
Revenue: wholesale	Revenue from the Group's business-to-business channel, revenue to wholesale customers, distributors and franchisees.			
Constant currency basis	Constant currency applies the prior period exchange rates to current period results to remove the impact of FX.	Presenting results of the Group excluding foreign exchange volatility.	No	No
Gross margin	Revenue less cost of sales (raw materials and consumables). Cost of sales is disclosed in the Consolidated Statement of Profit or Loss.	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies.	No	No
Gross margin %	Gross margin divided by revenue.	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies.	Yes	No
Exceptional costs	Costs or incomes considered significant in nature and/or quantum, and/or relate to activities which are outside the ordinary course of business, and are not reflective of operational performance, including items such as: - Director joining costs - Organisational restructuring costs	Excluding these items from profit metrics provides readers with helpful information on the underlying performance of the business because it aids consistency across periods and is consistent with how the business performance is planned by, and reported to, the Board.	Yes	No
Opex	Selling and administrative expenses less depreciation, amortisation, impairment, other gains/losses, exceptional costs and currency gains/losses.	Opex is used to reconcile between gross margin and EBIT.	Yes	No

Glossary and Alternative Performance Measures (APMs) (continued)

Metric	Definition	Rationale	APM	KPI
EBITDA	Profit/loss for the year/period before income tax expense, finance expense, currency gains/losses, depreciation of right-of-use assets, depreciation and amortisation.	EBITDA was used as a key profit measure because it shows the results of normal, core operations exclusive of income or charges that are not considered to represent the underlying operational performance. EBIT is now considered a more relevant measure, but EBITDA continues to be reported for bank covenant purposes.	Yes	No
EBITDA %	EBITDA divided by revenue.	Was used to evaluate growth trends, establish budgets and assess operational performance and efficiencies.	Yes	No
EBIT	Profit/loss for the year/period before net finance expense and income tax expense.	EBIT is used as a key profit measure because it shows the results of normal, core operations exclusive of only income or charges that relate to capital and tax burdens.	Yes	Yes
EBIT %	EBIT divided by revenue.	Used to evaluate growth trends, establish budgets and assess operational performance and efficiencies.	Yes	Yes
*Adjusted EBIT	EBIT before exceptional costs and currency gains/losses.	Used as a key profit measure because it shows the results of normal, core operations exclusive of income or charges that relate to capital and tax burdens, exceptional costs, and currency gains/losses. This improves comparability between periods by eliminating the effect of non-recurring costs and large currency gains/losses.	Yes	Yes
*Adjusted EBIT margin	Adjusted EBIT divided by revenue.	Used to evaluate growth trends, establish budgets and assess operational performance and efficiencies.	Yes	Yes
Operating cash flow	EBITDA less change in net working capital, share-based payment expense and capital expenditure.	Operating cash flow is used as a trading cash generation measure because it shows the results of normal, core operations exclusive of income or charges that are not considered to represent the underlying operational performance.	Yes	Yes
Operating cash flow conversion	Operating cash flow divided by EBITDA.	Used to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditure and working capital requirements.	Yes	Yes
*Adjusted operating cash flow conversion	Operating cashflow conversion excluding the impact of exceptional costs on EBITDA and working capital.	Used to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditure and working capital requirements, exclusive of the impact of exceptional costs.	Yes	Yes
Net debt	Net debt is calculated by subtracting cash and cash equivalents from bank loans (excluding unamortised bank fees) and lease liabilities.	To aid the understanding of the reader of the Financial Statements in respect of liabilities owed.	Yes	No
*Adjusted profit before tax	Profit/loss before tax and before exceptional costs and currency gains/losses.	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies on an underlying basis exclusive of exceptional costs and currency gains/losses.	Yes	No
*Adjusted profit after tax	Profit/loss after tax and before exceptional costs and currency gains/losses.	Adjusted profit after tax is the denominator for the calculation of adjusted basic and diluted earnings per share.	Yes	No
Earnings per share	IFRS measure.	This indicates how much money a company makes for each share of its stock and is a widely used metric to estimate company value.	No	Yes
Basic earnings per share	The calculation of earnings per ordinary share is based on earnings/loss after tax and the weighted average number of ordinary shares in issue during the year/period.	A higher EPS indicates greater value because investors will pay more for a company's shares if they think the company has higher profits relative to its share price.	No	Yes
Diluted earnings per share	Calculated by dividing the profit/loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the year/period plus the weighted average number of ordinary shares that would have been issued on the conversion of all dilutive potential ordinary shares into ordinary shares.	Used to gauge the quality of EPS if all convertible securities were exercised.	No	No
*Adjusted basic earnings per share	The calculation of adjusted earnings per ordinary share is based on profit/loss after tax excluding exceptional costs and currency gains/losses and the weighted average number of ordinary shares in issue during the year/period.	Helps evaluate basic earnings per share exclusive of exceptional costs and currency gains/losses that are not considered to represent the underlying operational performance.	Yes	No
*Adjusted diluted earnings per share	Calculated by dividing the profit/loss after tax attributable to ordinary equity holders of the parent excluding exceptional costs and currency gains/losses by the weighted average number of ordinary shares in issue during the year/period plus the weighted average number of ordinary shares that would have been issued on the conversion of all dilutive potential ordinary shares into ordinary shares.	Helps evaluate diluted earnings per share exclusive of exceptional costs and currency gains/losses that are not considered to represent the underlying operational performance	Yes	No

Glossary and Alternative Performance Measures (APMs) (continued)

Metric	Definition	Rationale	APM	KPI
Ecommerce mix %	Ecommerce revenue as a percentage of total revenue.	Helps evaluate progress towards strategic objectives.	No	Yes
DTC mix %	DTC revenue as a percentage of total revenue.	Helps evaluate progress towards strategic objectives.	No	Yes
No. of stores	Number of 'own' stores open in the Group.	Helps evaluate progress towards strategic objectives.	No	Yes
Pairs	Pairs of footwear sold during a period.	Used to show volumes and growths in the Group.	No	Yes

Company Information

Shareholders' enquiries
Any shareholder with enquiries relating to their shareholding should, in the first instance, contact our registrar, Equiniti, using the telephone number or address on this page.

Electronic shareholder communications
Shareholders can elect to receive communications by email each time the Company distributes documents, instead of receiving paper copies. This can be done by registering via Shareview at no extra cost, at www.shareview.co.uk. In the event that you change your mind or require a paper version of any document in the future, please contact the registrar.

Access to Shareview allows shareholders to view details about their holdings, submit a proxy vote for shareholder meetings and notify a change of address. In addition to this, shareholders have the opportunity to complete dividend mandates online which facilitates the payment of dividends directly into a nominated account.

Registered office
28 Jamestown Road
Camden
London
NW1 7BY

Investor relations
investor.relations@drmartens.com

Registrar
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Tel: 0371 384 2030 (from the UK)
Tel: +44 121 4157047 (from overseas)

Independent Auditor
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Tel: +44 (0) 20 7583 5000

Statement of directors’ responsibilities

The directors confirm that these condensed interim Financial Statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the 26 weeks ended 29 September 2024 and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for remainder of the financial year; and
- material related-party transactions in the 26 weeks ended 29 September 2024 and any material changes in the related-party transactions described in the last annual report.

The directors of Dr. Martens plc are listed in the Dr. Martens plc annual report for 31 March 2024, with the exception of the following changes in the period: Giles Wilson was appointed on 13 May 2024. A list of current directors is maintained on the Dr. Martens plc website: www.drmartensplc.com.

By order of the board

Giles Wilson, CFO
27 November 2024

Independent review report to Dr. Martens plc
Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Dr. Martens plc's condensed consolidated interim financial statements (the "interim financial statements") in the First half results of Dr. Martens plc for the 26 week period ended 29 September 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Consolidated Balance Sheet as at 29 September 2024;
- the Condensed Consolidated Statement of Profit or Loss and the Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended;
- the Condensed Consolidated Statement of Cash Flows for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the First half results of Dr. Martens plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the First half results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The First half results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the First half results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the First half results, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the First half results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
27 November 2024