



DR. MARTENS PLC

FY24 RESULTS

30 MAY 2024

OVERVIEW

Kenny Wilson, CEO

FINANCIAL RESULTS

Giles Wilson, CFO

BUSINESS UPDATE

Kenny Wilson, CEO

AGENDA





Kenny Wilson, CEO

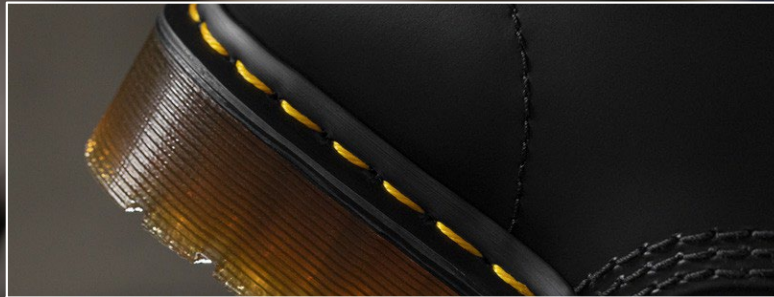
OVERVIEW

OVERVIEW



FY24

USA PERFORMANCE
DISAPPOINTING



FY25

TAKING ACTION IN A
YEAR OF TRANSITION



FY26

BACK INTO GROWTH

A close-up, low-angle shot of a black sneaker. The shoe features a textured black upper with yellow accents along the side panels. The sole is a dark, textured material. The background is dark and out of focus.

Giles Wilson, CFO

FINANCIAL RESULTS

FIRST IMPRESSIONS

PRODUCT

Iconic brand and product

Incredible heritage

Democratic appeal

OPPORTUNITY

Headroom in key markets

Headroom in product range

Further long-term growth opportunities

FINANCIALS

Strong gross margin

Highly cash generative

Operational (de)leverage

Cost efficiencies opportunity

SUMMARY FINANCIALS

| £m | FY24 | FY23 | % change | |
|-------------------------------|--------------|----------------|---------------|-------------------|
| | | | Actual | Constant currency |
| Pairs (m) | 11.5 | 13.8 | -16.7% | |
| Revenue | 877.1 | 1,000.3 | -12.3% | -9.8% |
| Gross Margin | 575.2 | 618.1 | -7% | |
| Gross Margin % | 65.6% | 61.8% | +3.8%pts | |
| Opex | (377.7) | (373.1) | -1% | |
| EBITDA | 197.5 | 245.0 | -19% | |
| EBITDA Margin % | 22.5% | 24.5% | -2.0%pts | |
| EBIT | 122.2 | 176.2 | -31% | |
| EBIT Margin % | 13.9% | 17.6% | -3.7%pts | |
| Net finance expense | (29.2) | (16.8) | -74% | |
| PBT (before FX charge) | 97.2 | 170.1 | -43% | |
| EPS | 7.0 | 12.9 | -46% | |

DEPRECIATION AND AMORTISATION

| £m | FY24 | FY23 | FY22 | FY21 |
|----------------------|-------------|-------------|-------------|-------------|
| Amortisation | 5.8 | 8.4 | 4.7 | 4.4 |
| Depreciation | 15.2 | 13.6 | 9.5 | 9.0 |
| | 21.0 | 22.0 | 14.2 | 13.4 |
| IFRS 16 Depreciation | 51.3 | 32.2 | 22.5 | 21.5 |
| Total D&A | 72.3 | 54.2 | 36.7 | 34.9 |

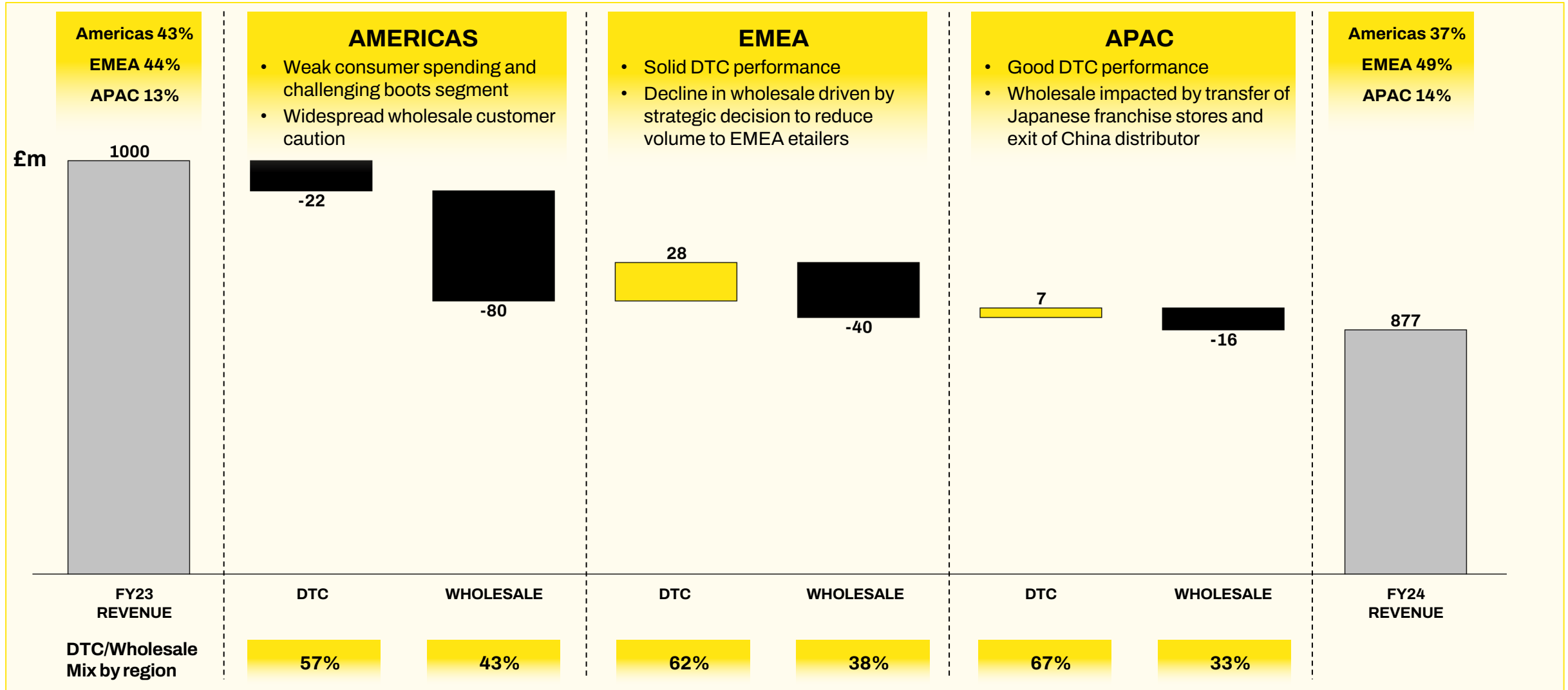
- Amortisation – predominantly IT projects
- Depreciation – fixtures and fittings predominantly in stores
- IFRS 16 depreciation – stores c.55%, DCs c.35% and other c.10%

REVENUE BY CHANNEL

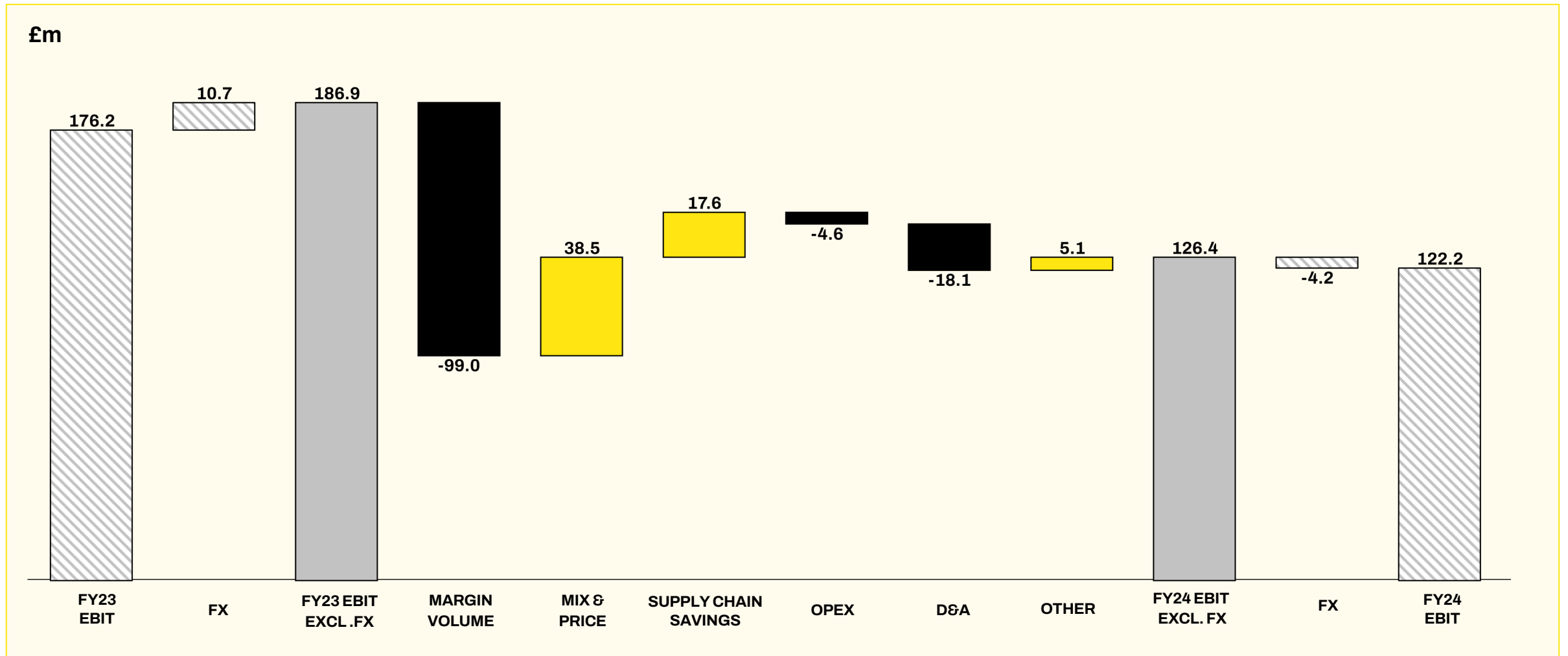
| Revenue £m | FY24 | FY23 | % change | |
|-------------------------------|--------------|----------------|-------------|-------------------|
| | | | Actual | Constant currency |
| Ecommerce | 276.3 | 279.0 | -1% | 1% |
| Retail | 256.8 | 241.7 | 6% | 10% |
| DTC | 533.1 | 520.7 | 2% | 5% |
| Wholesale ¹ | 344.0 | 479.6 | -28% | -26% |
| Total | 877.1 | 1,000.3 | -12% | -10% |
| DTC Mix | 61% | 52% | +9%pts | |
| Owned stores | 239 | 204 | | |
| Wholesale accounts (k) | 1.6 | 1.9 | | |

¹ Includes distributors

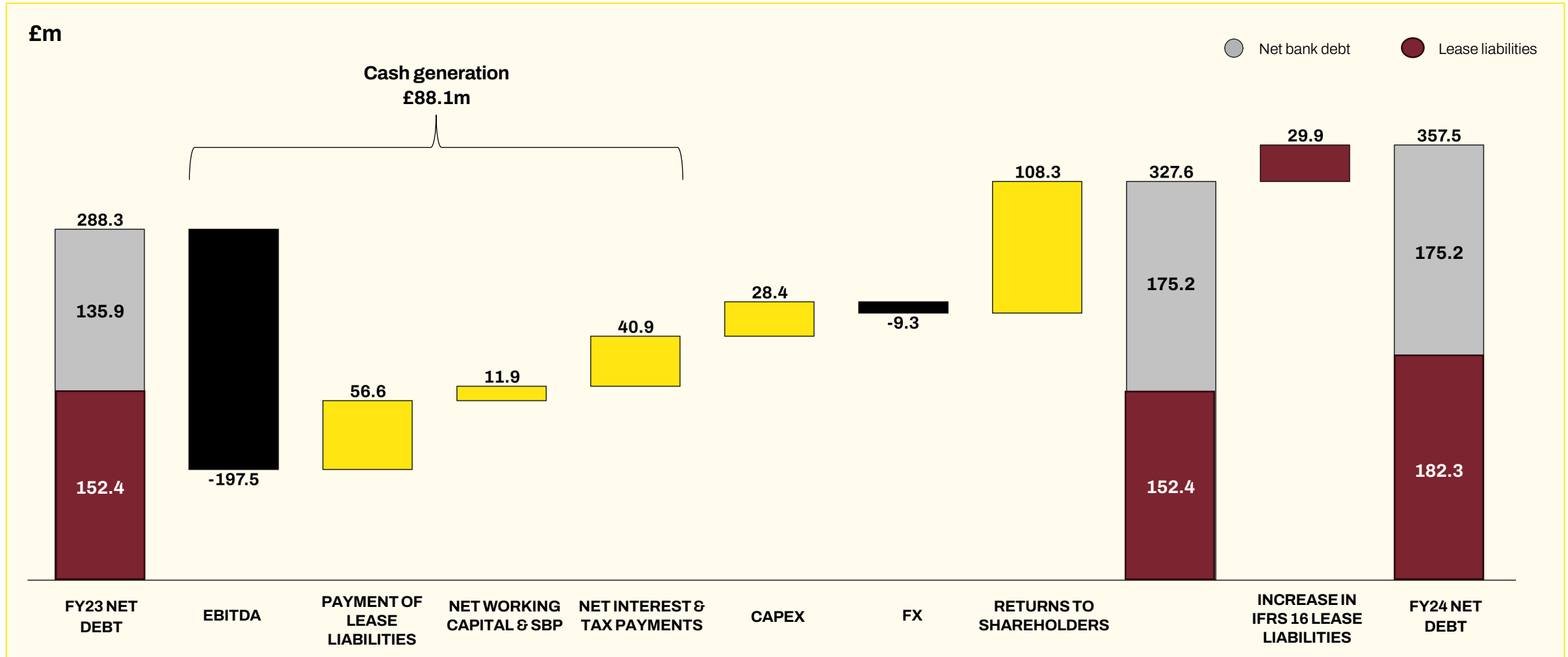
REVENUE BRIDGE



EBIT BRIDGE

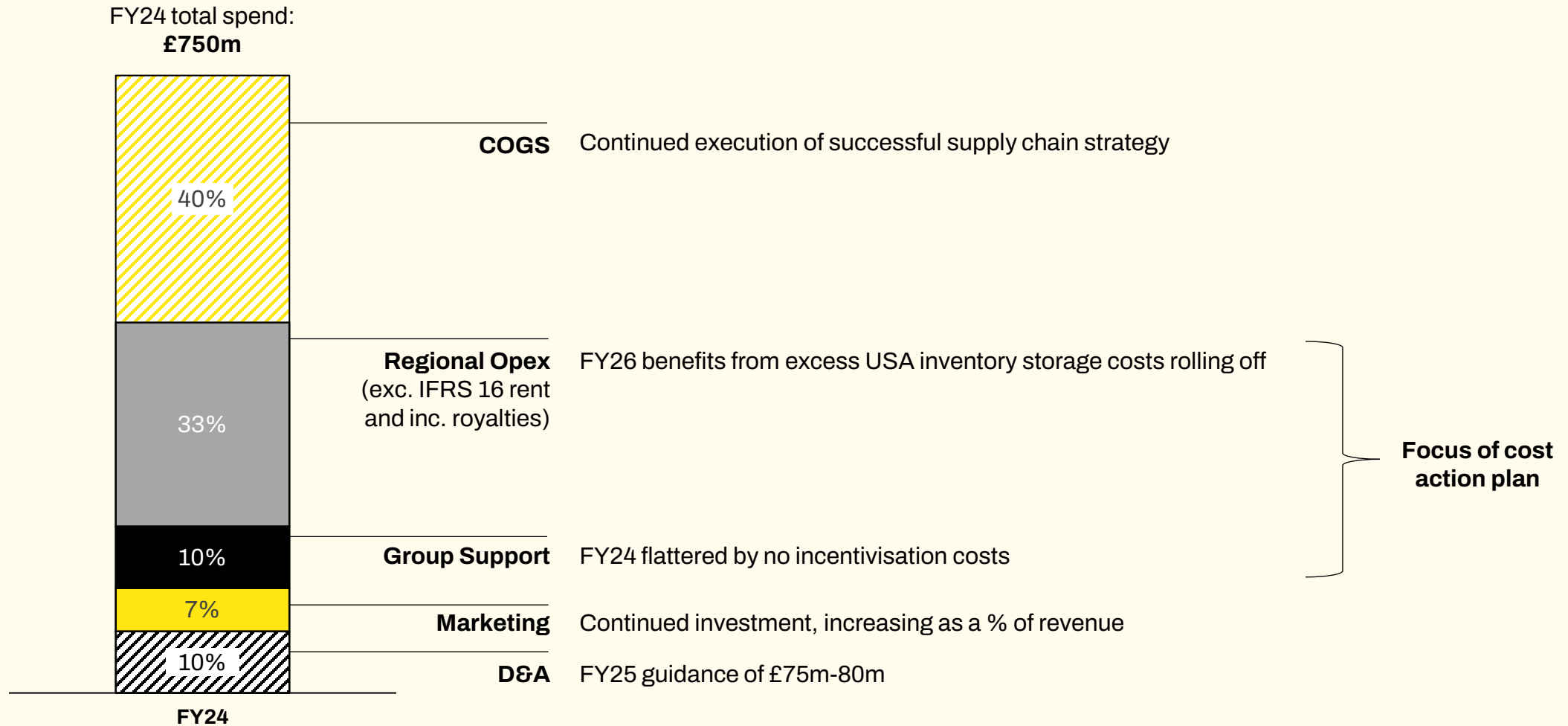


CASH FLOW BRIDGE



FY23 net bank debt: Cash £157.5m, Debt £293.4m
 FY24 net bank debt: Cash £111.1m, Debt £286.3m

COST BASE



COST ACTION PLAN

Targeting £20-25m on a full year basis - organisational efficiency and design, better procurement and operational streamlining

Full benefit in FY26
FY25 net benefit likely to be immaterial

Further details and progress update provided at H1 results in November

OUTLOOK

KEY FY25 TARGETS

Positive USA DTC growth in H2

Inventory declines by c.£40m

Net debt declines to £310m to
£330m

H1 FY25 GUIDANCE

Group revenue decline of
around 20%

Wholesale revenue decline of
around a third

Significant impact of operational
de-leverage

FY25 FINANCIAL GUIDANCE

New own store openings 25 to 30

Depreciation & Amortisation
£75m to £80m

Net finance costs £27m to £30m

Blended tax rate c.27%

Capex around £40m

DIVIDEND

| FY24 | FUTURE INTENTIONS |
|--|---|
| <p data-bbox="588 639 1054 686">Final dividend of 0.99p</p> <p data-bbox="486 786 1161 891">Total FY24 dividend of 2.55p equating to 35% earnings payout</p> | <p data-bbox="1352 554 2094 825">The Board's intention is to hold the FY25 dividend flat in absolute terms, before returning to an earnings payout in-line with policy (25% to 35%) from FY26 onwards.</p> <p data-bbox="1421 853 2033 953">Formulaic approach to interim dividend (1/3rd)</p> |



Kenny Wilson, CEO

BUSINESS UPDATE

SUMMARY



FY24

USA performance
disappointing



FY25 – year of transition

- USA wholesale decline
- Focus on product marketing
- USA DTC action plan
- Cost action plan
- Reduction in inventory



FY26 – back to growth

- Boots in growth
- USA in growth
- Lower cost base
- IT systems start to deliver results

STRONG BRAND AND PRODUCT

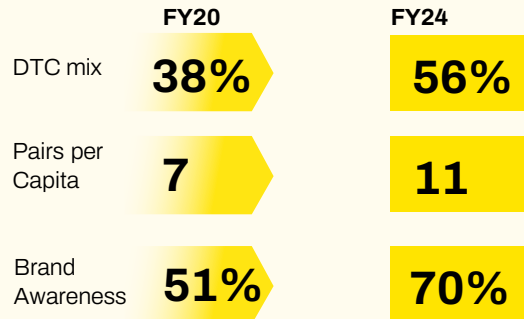
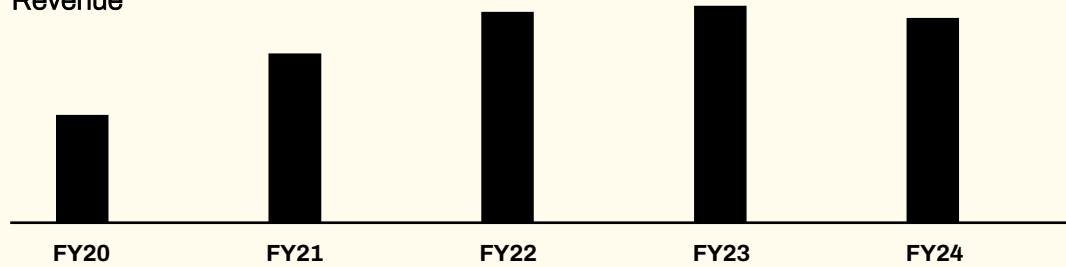
CONTINUED GROWTH IN EMEA CONVERSION MARKETS

GERMANY

17%
Revenue CAGR

>10%
EBITDA CAGR

Revenue

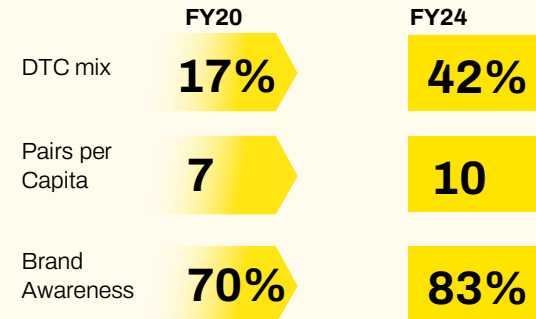


ITALY

29%
Revenue CAGR

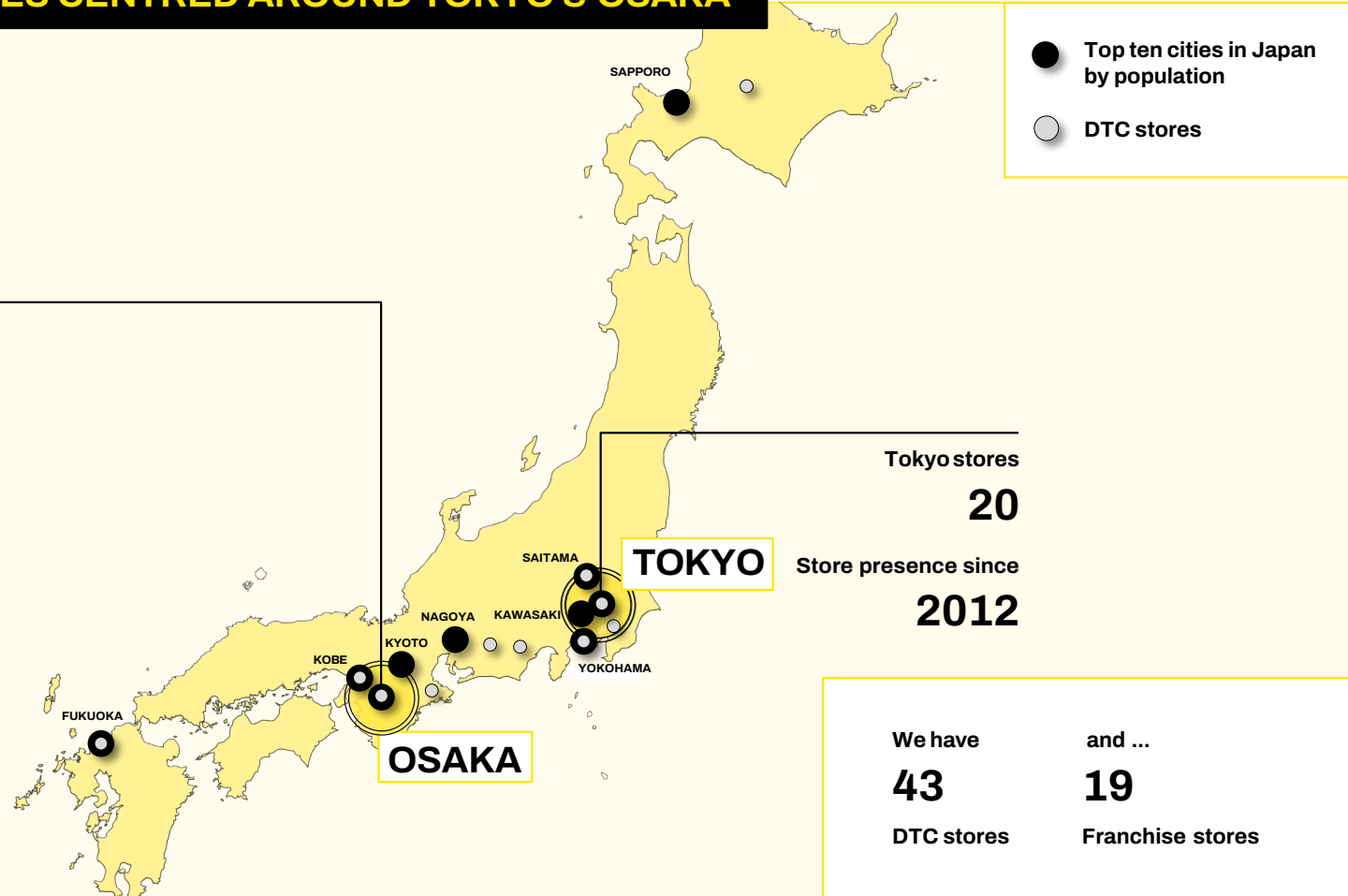
>20%
EBITDA CAGR

Revenue



JAPAN: SIGNIFICANT GROWTH RUNWAY AHEAD

JAPAN STORES CENTRED AROUND TOKYO & OSAKA



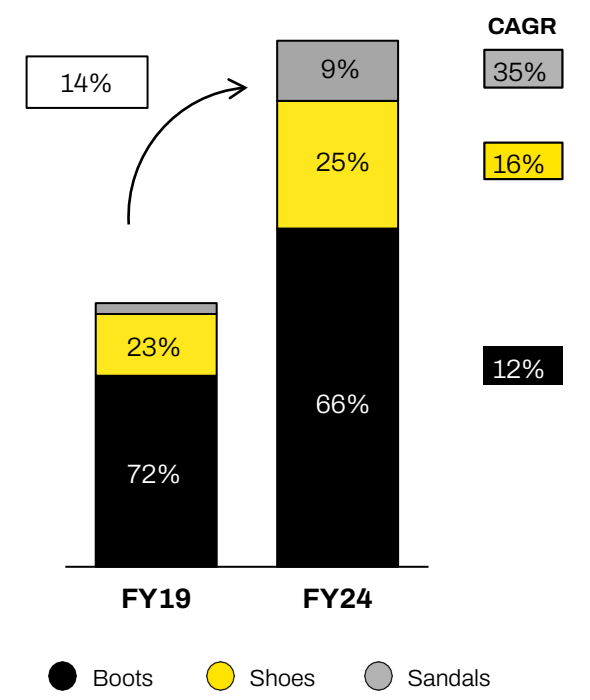
| | CAGR | |
|---------|-----------|------------|
| | 5 YEAR | 2 YEAR |
| Revenue | 7% | 14% |
| EBITDA | 5% | 11% |

| | |
|------------------------------|------------|
| DTC MIX | |
| FY20 | FY24 |
| 37% | 75% |
| PAIRS PER CAPITA | |
| FY20 | FY24 |
| 4 | 4 |
| BRAND AWARENESS JAPAN | |
| FY20 | FY24 |
| 47% | 53% |

BOOTS, SHOES AND SANDALS

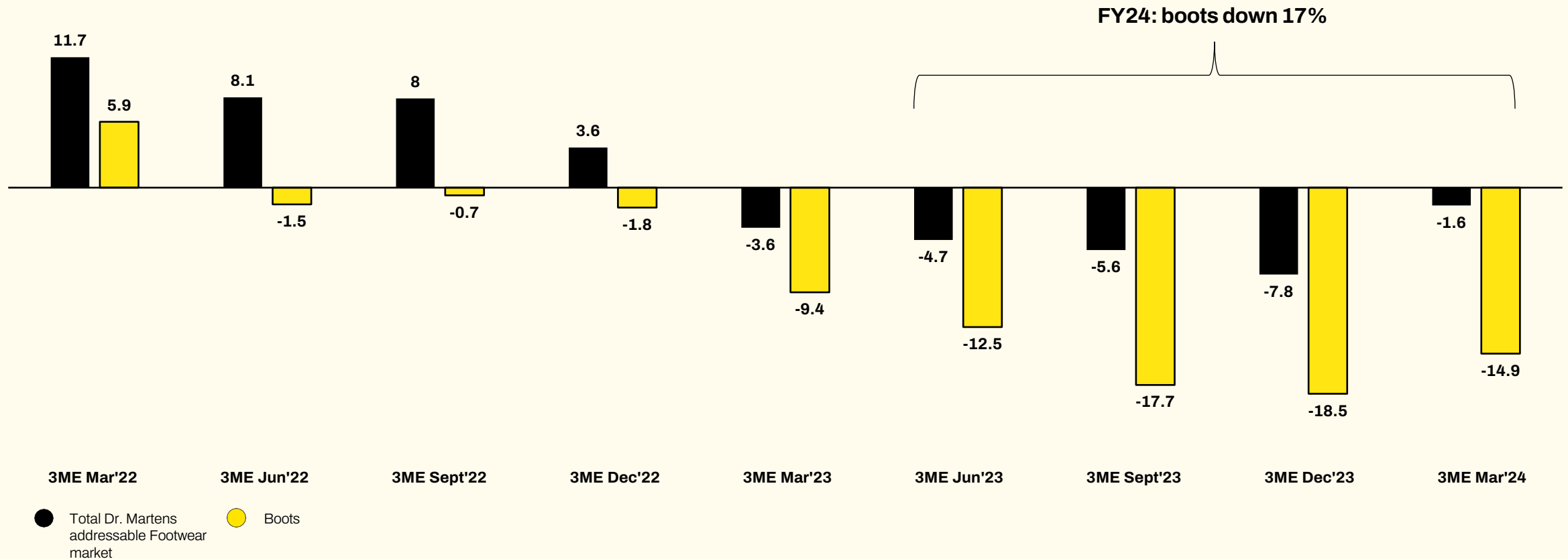


GROUP REVENUE



FY24: USA BOOTS MARKET CHALLENGING

USA Footwear YoY Quarterly Category Trends



USA BRAND: FOCUS ON CONSIDERATION



**AWARENESS
AND FAMILIARITY**

FLAT YoY

**NET CONSIDERATION
FOR LAST 24 MONTHS
PURCHASERS**

+5%

**NET CONSIDERATION
FOR THOSE FAMILIAR
BUT NOT PURCHASED**

-8%

WHAT WILL BE DIFFERENT – ALL MARKETS – IN FY25

- A shift from brand storytelling focused on culture to product marketing
- With the product as hero, we will lead AW24 marketing with boots
- We will focus on broadening consumer appeal
- We will lead with our icons and support innovation



FY25: USA ACTION PLAN TO DRIVE DESIRE & DEMAND FOR OUR BOOTS

MARKETING

- Double-down on product marketing
 - Icons and 4 key concepts
- All season focus on icons
- Focus on mid to lower funnel to drive consideration
- Focus on social media to drive relevancy in USA

DIGITAL

- Improve the quality of our PDPs (product detail pages)
- Drive more qualified traffic
- Maximise conversion – focus on checkout
- Implement order in store

WHOLESALE

- Focus actions on driving boots sell-through in store



AW24 MARKETING CALENDAR

ICONS

ALWAYS ON

CORE ICON FOCUS



SEASONAL

SOFT LEATHER



JUL

RIGGER



AUG

SQUARE TOE



SEP

WINTERISED



NOV

SUMMARY



FY24

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disappointing



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FY26 – back to growth

- Boots in growth
- USA in growth
- Lower cost base
- IT systems start to deliver results

STRONG BRAND AND PRODUCT

A close-up, black and white photograph of a shoe sole, showing the intricate tread pattern. The image is dark and moody, with the sole's texture being the primary focus. Overlaid on this background is the text 'Q&A' in a large, bold, yellow font. The 'Q' and 'A' are solid yellow, while the ampersand is a yellow outline.

Q&A

- 
- A close-up, low-angle shot of a black leather boot, likely a riding boot, with prominent yellow stitching along the top edge. The boot is set against a dark, almost black background, which makes the texture of the leather and the bright yellow thread stand out. The lighting is dramatic, highlighting the contours of the boot and the individual stitches.
- IR contact details
 - DOCS strategy
 - Sustainability
 - Quarterly revenue
 - Regional performance
 - Earnings
 - Balance Sheet
 - FX
 - Cautionary statement

APPENDIX

INVESTOR RELATIONS CONTACT DETAILS



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OUR DOCS STRATEGY



DTC FIRST

Build brand equity and
drive margin expansion



ORGANISATIONAL AND OPERATIONAL EXCELLENCE

Enable growth and
unlock value



CONSUMER CONNECTION

Acquire new customers
and drive loyalty



SUPPORT BRAND EXPANSION WITH B2B

Manage B2B holistically
and purposefully

MAKING STRIDES IN SUSTAINABILITY



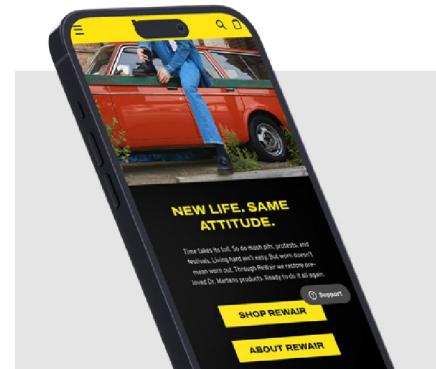
AUTHORISED REPAIR

Successful launch of Authorised Repair in the UK, in partnership with The Boot Repair Company who repair and restore boots, shoes and leather goods using the same machinery that make our products

THE
BOOT REPAIR CO.

REWAIR

Launched ReWair in the USA which allows consumers to buy second-hand, restored Dr. Martens footwear and bags



GENIX NAPPA

Sold our first products made from reclaimed leather following our partnership with Gen Phoenix



QUARTERLY REVENUE BY CHANNEL & REGION

| YoY Change | Q124 | | Q224 | | H124 | | Q324 | | Q424 | | H224 | |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Actual | CC | Actual | CC | Actual | CC | Actual | CC | Actual | CC | Actual | CC |
| Total Revenue | -11.0% | -11.2% | -2.2% | 1.3% | -5.4% | -3.5% | -20.5% | -17.9% | -12.9% | -9.8% | -17.3% | -14.5% |
| Revenue by channel | | | | | | | | | | | | |
| Ecommerce | 7.3% | 6.8% | 0.1% | 3.8% | 3.3% | 5.1% | -9.3% | -7.6% | 9.5% | 11.8% | -2.9% | -1.0% |
| Retail | 27.4% | 27.2% | 5.6% | 9.5% | 15.1% | 17.4% | -0.1% | 2.9% | 2.6% | 7.4% | 0.9% | 4.6% |
| DTC | 17.4% | 17.1% | 2.9% | 6.7% | 9.2% | 11.3% | -5.4% | -3.2% | 6.2% | 9.7% | -1.2% | 1.5% |
| Wholesale ¹ | -41.1% | -41.0% | -5.3% | -2.1% | -16.5% | -14.7% | -48.6% | -46.1% | -31.7% | -29.3% | -40.0% | -37.4% |
| Revenue by region | | | | | | | | | | | | |
| EMEA | -1.4% | -2.7% | 13.8% | 13.1% | 8.5% | 7.5% | -14.5% | -14.9% | -3.0% | -2.6% | -10.0% | -10.1% |
| America | -26.3% | -26.5% | -12.3% | -6.3% | -17.8% | -14.6% | -30.8% | -26.3% | -25.2% | -21.9% | -28.3% | -24.3% |
| APAC | 12.2% | 16.1% | -21.7% | -13.9% | 10.0% | -3.3% | -8.0% | -1.1% | -1.9% | 9.0% | -5.2% | 3.6% |

¹ Includes distributors

REGIONAL PERFORMANCE

| Revenue | | % change | | |
|----------------------|-------------|----------|----------|-------------------|
| £m | FY24 | FY23 | Actual | Constant currency |
| EMEA | 431.8 | 443.0 | -3% | -3% |
| Americas | 325.8 | 428.2 | -24% | -20% |
| APAC | 119.5 | 129.1 | -7% | 1% |
| EBITDA | | % change | | |
| £m | FY24 | FY23 | Actual | |
| EMEA | 140.8 | 146.1 | -4% | |
| Americas | 64.4 | 100.1 | -36% | |
| APAC | 31.7 | 33.8 | -6% | |
| EBITDA Margin | | % change | | |
| % | FY24 | FY23 | Actual | |
| EMEA | 32.6% | 33.0% | -0.4%pts | |
| Americas | 19.8% | 23.4% | -3.6%pts | |
| APAC | 26.5% | 26.2% | +0.3%pts | |

EARNINGS

| £m | FY24 | FY23 | % change |
|-------------------------------|--------------|--------------|-------------|
| EBITDA | 197.5 | 245.0 | -19% |
| Depreciation & amortisation | (72.3) | (54.2) | -33% |
| Impairment | - | (3.9) | -100% |
| Other gains | 1.2 | - | 100% |
| FX gains/ (losses) | (4.2) | (10.7) | 61% |
| EBIT | 122.2 | 176.2 | -31% |
| Net finance expense | (29.2) | (16.8) | -74% |
| Profit before tax | 93.0 | 159.4 | -42% |
| Tax expense | (23.8) | (30.5) | 22% |
| Profit after tax | 69.2 | 128.9 | -46% |
| Basic EPS (p) | 7.0 | 12.9 | -46% |
| Dividend Per Share (p) | 2.55 | 5.84 | -56% |

BALANCE SHEET

| | 31 March 2024 | 31 March 2023 |
|------------------------------|---------------|---------------|
| Freeholds | 7.0 | 7.4 |
| Right-of-use assets | 173.5 | 144.1 |
| Other fixed assets | 81.7 | 78.8 |
| Working capital ² | 224.2 | 216.3 |
| Other ¹ | (1.4) | 5.2 |
| Operating net assets | 485.0 | 451.8 |
| Goodwill | 240.7 | 240.7 |
| Cash | 111.1 | 157.5 |
| Bank Debt | (288.6) | (296.8) |
| Unamortised bank fees | 2.3 | 3.4 |
| Lease Liabilities | (182.3) | (152.4) |
| Net Assets | 368.2 | 404.2 |

¹Other includes investments, deferred tax assets, income tax assets, and provisions.

²Includes bank interest of £8.4m (Mar23: £6.0m).

FX TRANSLATION RATES

| | £/\$ | | | £/€ | | | £/¥ | | |
|-----------|------|------|----------|------|------|----------|------|------|----------|
| | FY24 | FY23 | % change | FY24 | FY23 | % change | FY24 | FY23 | % change |
| H1 | 1.26 | 1.22 | 3% | 1.16 | 1.17 | -1% | 178 | 163 | 9% |
| H2 | 1.26 | 1.19 | 6% | 1.16 | 1.14 | 2% | 186 | 163 | 14% |
| FY | 1.26 | 1.21 | 4% | 1.16 | 1.16 | 0% | 182 | 163 | 12% |

CAUTIONARY STATEMENT

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.



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