30 May 2024

Dr. Martens plc

Preliminary results for the year ended 31 March 2024

"Our FY24 results were as expected and reflect continued weak USA consumer demand. This particularly impacted our USA wholesale business and offset our Group DTC performance, where pairs grew by 7%. We have achieved robust performances in EMEA and APAC, and our supply chain strategy continues to deliver good savings. We are clear that we need to drive demand in the USA to return to growth in FY26 onwards and are executing a detailed plan to achieve this, with refocused and increased USA marketing investment in the year ahead. We are also announcing a cost action plan across the Group, targeting savings of £20m to £25m. I am confident that the actions we are taking as we enter this year of transition will put us in good shape for the years ahead."

Kenny Wilson, Chief Executive Officer

£m	FY24	FY23	% change Actual	% change CC[2]
Revenue	**877.1**	1,000.3	*-12.3%*	*-9.8%*
DTC revenue mix	**61%**	52%	*+9pts*	
EBITDA[1]	**197.5**	245.0	*-19.4%*	
EBITDA margin	**22.5%**	24.5%	*-2.0pts*	
EBIT	**122.2**	176.2	*-30.6%*	
Profit Before Tax (before FX)[1]	**97.2**	170.1	*-42.9%*	
Profit After Tax	**69.2**	128.9	*-46.3%*	
Basic EPS (p)	**7.0**	12.9	*-45.7%*	
Net Debt[1]	**357.5**	288.3		
Dividend per share (p)	**2.55**	5.84		

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 66 and 67.
2. Constant currency applies the same exchange rate to the FY23 and FY24 results, based on FY23 budgeted rates

- Revenue down 12% (10% constant currency (CC)), with DTC revenue up 2% (5% CC) offset by Wholesale revenue down 28% (26%CC) primarily driven by USA wholesale
- Within DTC, Retail revenue was up 6% (10% CC) and ecommerce was broadly flat (down 1% or up 1% CC)
- By region:
    - EMEA revenue was down 3% (actual and CC), with 12% growth in DTC offset by wholesale decline, driven predominantly by the planned strategic decision to reduce volumes into EMEA etailers
    - Americas revenue declined 24% (20% CC) driven by wholesale
    - APAC revenue was broadly flat (down 7% or up 1% CC) driven by good growth in Japan
- Strong performance in shoes and sandals, with DTC pairs in both categories growing over 20% year-on-year, showing the continued strength of the brand
- Opened 35 net new own stores globally, with the majority of these being in continental Europe and APAC
- Successful supply chain strategy delivered continued savings, supporting gross margins which increased 3.8%pts to 65.6%
- Continued investment into IT systems including the Customer Data Platform and Supply and Demand Planning Systems, which will generate benefits FY26 onwards
- Profit before tax (before FX losses) of £97.2m, down 43% driven by the decline in EBITDA together with increased Depreciation & Amortisation
- Further strides made in Sustainability with the launch of UK Authorised Repair, USA ReWair and our first products made from reclaimed leather
- Net Debt increased to £357.5m (FY23: £288.3m) due to returns to shareholders, lower profits and increased lease liabilities. Inventory was flat year-on-year, in line with expectations
- The Board proposes a final dividend of 0.99p, taking the total dividend to 2.55p, equating to a 35% earnings payout. The Board's intention is to hold the FY25 dividend flat in absolute terms, before returning to an earnings payout in line with our dividend policy (of 25% to 35% payout) in FY26 onwards

Current trading and guidance

Current trading is in line with our expectations and our planning assumptions for FY25 are unchanged from those shared in our announcement on 16th April. There remains a wide range of potential outcomes for both revenue and profit for the year, dependent on the performance through the key peak trading period. For the first half, we expect a Group revenue decline of around 20%, driven by wholesale revenues down around a third. Combined with the cost headwinds which impact both halves, the impact of operational deleverage is significantly more pronounced in the first half. Overall results this year will therefore be very second-half weighted, particularly from a profit perspective.

Detailed financial guidance is on page 12.

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Presentation of full year results

Kenny Wilson, CEO and Giles Wilson, CFO will be presenting the FY24 results at 09:30 (UK time) on 30 May 2024. The presentation will be streamed live and the link to join is 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

FY24 was a challenging year for our business, with a difficult trading environment and considerable macroeconomic uncertainty. Our largest market, the USA, continues to face two significant external headwinds, namely weak consumer confidence impacting spending and a particularly challenging boots segment, which was down 17% for the year overall (source: Circana data). This resulted in widespread caution from wholesale customers, leading to weaker wholesale order books, as well as impacting our DTC ('Direct-to-consumer') performance. The USA has the highest wholesale penetration of any major market, and therefore the weak performance here had a significant impact on our business overall. We have a new leadership team in the Americas which is still embedding, and our marketing and trading execution during the year was not as strong as it should have been. In the next section we detail the changes we're making in our marketing approach and the action plan we're implementing to reignite demand in this market.

In FY24 we took the strategic decision to reduce the breadth and depth of volume we sell to EMEA etailers, which reduced wholesale revenues in this region. The 11.8% EMEA DTC growth is therefore more indicative of our underlying performance, albeit it was partially flattered by the earlier timing of Easter. Within EMEA, our conversion markets of Germany, Italy and Spain saw strong double-digit DTC growth and UK DTC growth was positive, although at a lower level. Japan makes up the majority of our APAC region and we saw continued good growth in this largely DTC market.

We achieved **significant supply chain savings** through the year, which benefited gross margin. These savings were due to our supply chain transformation strategy together with a relatively benign sourcing backdrop. The ongoing supply chain transformation has steadily increased direct control over our supply chain inputs, from around 10% five years ago to around 70% today. This has enabled improved quality and consistency, diversification of risk from single point dependency and direct negotiation of costs. The savings delivered in FY24 as a result of this strategy include lower costs for key components, factory benchmarking to align profit, re-negotiation of our inbound shipping contract and optimisation and re-tender of retail outbound freight.

Our **product strategy** is 'icons and innovation', meaning that we aim to grow revenue 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. Pairs sold declined by 17% year-on-year, however this was entirely due to weakness in wholesale orders, with DTC pairs up 7%. By category, DTC pairs for both shoes and sandals grew more than 20% year-on-year, whilst DTC boots pairs saw a small decline. Growing shoes and sandals, alongside growing boots, is an important part of our strategy to broaden our product portfolio over the medium-term, and we saw particularly good success during the year with our mules range within sandals and loafers within shoes. We are steadfastly focused on growing our boots category, with this accounting for 66% of Group revenues in FY24.

During AW23 we launched a capsule collection of our new Amp category: 14XX. Amp and 14XX represents the pinnacle of our creative expression, with cutting-edge innovation at the forefront while still remaining true to our product handwriting and design principles of durability and versatility. The capsule collection, built around our original 1460 boot, 1461 shoe and 2976 Chelsea boot, saw encouraging consumer feedback and in AW24 we will launch a larger 14XX range to consumers. The purpose of these collections is to create a 'trickle down' effect, creating demand for the mainline product range.

Collaborations have always been an important part of our product strategy, being an incubator for future product success and scale, whilst also driving brand heat. In FY24 our collaborations included a partnership with Lagos-born, London-based collective Motherlan, which reinterpreted our 1461 shoe. We also worked with streetwear brand Girls Don't Cry with our creeper shoe, which was released through our ecommerce channels globally together with Dover Street Market locations and sold out worldwide within 48 hours. As part of our celebration of 10 years of the Jadon, our biggest product within our Fusion category and one of our four icon products, we launched a collaboration with fashion-forward brand Ganni, with a high impact activation event in New York. We also returned to our highly successful partnership with Rick Owens, this time creating two iterations of our 1460 boot together with our 18 eyelet 1918 boot. These boots stood on our inflated DMXL sole which originated in our 14XX range. Exaggerating our classic construction, the sole combines lightweight EVA with durable PVC pods.

The business continues on a professionalisation journey, of which a key element is the next phase of our **technology investment programme.** The projects currently underway are the Customer Data Platform and the Supply and Demand Planning System. The Customer Data Platform will give us a single customer view across both DTC channels (retail and ecommerce), enabling more targeted marketing and consumer engagement. The Supply and Demand Planning System is a modern and agile planning system, which will improve availability and accuracy of product forecasting. This will drive meaningful working capital savings, beginning in FY26. Alongside these two projects we have a number of other technology workstreams underway to improve our data capabilities, increase our speed of decision making and drive efficiency.

We continue to make significant strides in sustainability. Our **Science Based Targets were verified and approved** by the Science Based Target Initiative in October. We have committed to reducing our absolute greenhouse gas emissions aligned with the Science Based Targets initiative to achieve near-term reduction targets by 2030 and Net Zero by FY40.

In October we launched our **Authorised Repair service to consumers in the UK**. The service enables consumers to repair their Dr. Martens products, working with a third-party repair partner and using our own machines and materials. Consumer reaction so far has been very encouraging and we will look to roll this out in our other key markets in the future.

In March we launched our own **resale offering in the USA, named ReWair**. We repair and restore second hand Dr. Martens products and sell them through a directly run dedicated resale site. ReWair is an important part of our Net Zero by FY40 target as the carbon generated from a resale is substantially lower than a new product. Although relatively early days, performance since launch has exceeded expectations, for both revenue and conversion rate, and we've had high positive engagement on social media.

In late March we also launched three products in **Genix Nappa, a new upper material made from reclaimed leather**. This is an important step in our efforts to achieve our target of 100% of products made from sustainable materials by 2040. It is early days, however press and consumer engagement has been positive.

LOOKING TO FY25 AND BEYOND

FY25 will be a year of transition for our business. In EMEA and APAC regions we will continue to execute our successful DOCS strategy, to take advantage of the significant whitespace growth opportunity in both.

We continue to see good brand metrics globally. Total brand awareness has increased by 2% to 74%. In EMEA, our key conversion markets of Germany, Italy and Spain each saw brand awareness growth of 2-3%pts. Our home market of UK saw a marginal decline in brand awareness although this remains significantly above the Group at 92%. In Japan our brand awareness increased by 1%pts to 53%, with continued opportunity to close the gap to the Group average.

In the USA, where we have seen a disappointing trading performance, brand awareness is flat at 73%, however we have seen a meaningful decline in consideration from consumers who have not purchased recently and therefore our efforts will be particularly focused on broadening our appeal to attract new consumers.

Under the direction of Ije Nwokorie, in his current role as Chief Brand Officer (CBO), we are **shifting our marketing efforts globally from storytelling focused on culture to a relentless focus on product marketing**. Our AW24 marketing will lead and be dominated by boots and the marketing organisation has been reorganised to product-led marketing, centred around icons.

The USA remains our number one priority across the business and we are implementing a detailed action plan to return this business to growth, targeting a return to positive DTC growth in H2 FY25. Against this action plan we are increasing marketing investment as a percentage of revenue in the USA in the year ahead, whilst ensuring that we maximise the return and efficiency of this spend. The key pillars of this action plan are:

- **Marketing**: We will have an 'always on' product marketing approach to icons, a re-energisation of boots in AW24 and four key seasonal boot stories to ensure we drive newness and excitement. Marketing spend will be increased on mid to lower funnel activity, to drive consideration.
- **Digital:** We will improve the quality of our product detail pages and optimise our checkout process to maximise ecommerce conversion. We will seek to drive more qualified traffic to our site, again to improve conversion. Finally, we will implement an order in store offering.
- **Wholesale:** Given the nature of wholesale order books, there will be a lag between when we see our USA DTC performance improve and when our wholesale business will return to growth. Our expectation is that we won't see an in-market restock driving a recovery in our USA wholesale revenues until AW25 at the earliest, which equates to the second half of FY26. We therefore anticipate our USA wholesale revenue declining double-digit percentage in FY25. Through FY25, however, we will work with key USA wholesale customers to focus actions on driving boots sell-through in store.

Over recent years we have invested in the business and built an operating cost base in anticipation of a larger business, and with revenues weaker we are therefore seeing significant deleverage. Alongside our action plan to reignite DTC boots growth, we will also be **implementing a cost action plan** across the Group, led by new CFO Giles Wilson and the leadership team. We will target £20m to £25m of cost reduction, with savings from organisational efficiency and design, better procurement and operational streamlining. We will see the benefit of this saving in FY26, with the FY25 benefit likely to be immaterial due to the costs of implementation. Further details and a progress update will be provided at our first half results in November.

FINANCE REVIEW

Total revenue declined 12.3% (9.8% CC) with 2.4% growth in DTC (4.9% CC) offset by a 28.3% decline in wholesale revenues (-26.0% CC). Profit before tax (before FX charge) was £97.2m (FY23: £170.1m), down 42.9%, reflecting lower EBITDA, increased depreciation and amortisation charges due to continued investments in new stores and IT projects, and higher rate-led interest costs. Earnings per share declined by 45.7% to 7.0p.

Results – at a glance

£m		FY24	FY23	% change Actual	% change CC[4]
Revenue	Ecommerce	**276.3**	279.0	*-1.0%*	*1.0%*
	Retail	**256.8**	241.7	*6.2%*	*9.5%*
	DTC	**533.1**	520.7	*2.4%*	*4.9%*
	Wholesale[3]	**344.0**	479.6	*-28.3%*	*-26.0%*
		877.1	1,000.3	*-12.3%*	*-9.8%*
Gross margin		**575.2**	618.1	*-6.9%*	
Opex		**(377.7)**	(373.1)	*1.2%*	
EBITDA[1]		**197.5**	245.0	*-19.4%*	
Depreciation & Amortisation		**(72.3)**	(54.2)	*33.4%*	
EBIT[1]		**122.2**	176.2	*-30.6%*	
Profit before tax (before FX charge)[1]		**97.2**	170.1	*-42.9%*	
Profit before tax		**93.0**	159.4	*-41.7%*	
Profit after tax		**69.2**	128.9	*-46.3%*	
Basic earnings per share (p)		**7.0**	12.9	*-45.7%*	
Dividend per share (p)		**2.55**	5.84	*-56.3%*	
Key statistics	*Pairs sold (m)*	***11.5***	*13.8*	*-17%*	
	No. of stores[2]	***239***	*204*	*17%*	
	DTC mix %	***61%***	*52%*	*+9pts*	
	Gross margin %	***65.6%***	*61.8%*	*+3.8pts*	
	EBITDA margin %[1]	***22.5%***	*24.5%*	*-2.0pts*	

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 66 and 67.
2. Own stores on streets and malls operated under arm's length leasehold arrangements.
3. Wholesale revenue including distributor customers.
4. Constant currency applies the same exchange rate to the FY24 and FY23 non-GBP results, based on FY24 budgeted rates.

PERFORMANCE BY CHANNEL

Revenue decreased by 12.3% to £877.1m (FY23: £1,000.3m), down 9.8% on a CC basis. DTC grew 2.4% to £533.1m (FY23: £520.7m), up 4.9% on a CC basis, representing 61% of revenue mix. Wholesale revenues declined 28.3% to £344.0m (FY23: £479.6m), down 26% on a CC basis. The wholesale channel was impacted both by planned strategic decisions to reduce volumes into EMEA etailers and cease the distributor contract in China, and very weak wholesale orders in USA due to widespread caution from wholesale customers. Volume, represented by pairs sold, declined 17% to 11.5m pairs with all the reduction in wholesale; DTC volume increased 7%.

Ecommerce revenue was down 1.0% to £276.3m (FY23: £279.0m) and was up 1.0% on a CC basis which represented a revenue mix of 32% (FY23: 28%). Good growth throughout the year in both EMEA (up 9.6% CC) and APAC (up 12.5% CC), was offset by continued weak trading in USA, (down 9.9% CC). We saw traffic growth in EMEA and APAC, whilst in USA traffic declined. Ecommerce conversion improved in all three regions. Following the implementation of an order management system ("OMS") in EMEA, we successfully rolled out a full omnichannel offer across all UK stores with Continental Europe to follow in FY25.

Retail revenue grew 6.2% to £256.8m (FY23: £241.7m), up 9.5% on a CC basis. Growth was led by new and maturing stores (stores opened last financial year) across all geographies, with continued footfall recovery in EMEA and APAC, offset by footfall decline in USA. We also benefitted from the transfer of 14 Japan franchise stores at the end of FY23. During the year, we opened 46 new stores and closed 11 stores, to end the year with 239 own stores.

Wholesale revenue was down 28.3% to £344.0m (FY23: £479.6m), 26.0% lower on a CC basis. As previously announced, we took three strategic decisions which impacted wholesale revenues this year. Firstly, we significantly reduced the quantity and breadth of product sold into EMEA etailers, in order to ensure scarcity of supply in the region and migrate sales to our own websites. We also ceased sales to our distributor in China ahead of the contract ending in June 2023, and in USA we worked with two large wholesale accounts who had excess inventory, reducing shipments through the first half in order to right size their inventory positions. In addition to these strategic decisions, revenues were impacted by widespread caution amongst wholesale customers in the USA, resulting in a significantly weaker USA order book year-on-year.

The total number of wholesale accounts globally decreased to 1.6k after closing c.500 accounts and opening c.200 accounts. Total revenues per account declined by 18%.

PERFORMANCE BY REGION

£m		FY24	FY23	% change Actual	% change CC
Revenue:	EMEA	**431.8**	443.0	*-2.5%*	*-3.0%*
	Americas	**325.8**	428.2	*-23.9%*	*-20.2%*
	APAC	**119.5**	129.1	*-7.4%*	*0.5%*
		877.1	1,000.3	*-12.3%*	*-9.8%*
EBITDA[1]:	EMEA	**140.8**	146.1	*-3.6%*	
	Americas	**64.4**	100.1	*-35.7%*	
	APAC	**31.7**	33.8	*-6.2%*	
	Support costs[2]	**(39.4)**	(35.0)	*12.6%*	
		197.5	245.0	*-19.4%*	
EBITDA[1] margin by region:	EMEA	***32.6%***	*33.0%*	*-0.4pts*	
	Americas	***19.8%***	*23.4%*	*-3.6pts*	
	APAC	***26.5%***	*26.2%*	*+0.3pts*	
	Total	***22.5%***	*24.5%*	*-2.0pts*	

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 66 and 67.
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 and other group only related costs and expenses.

EMEA Revenue was down 2.5% to £431.8m (FY23: £443.0m) and down 3.0% on a CC basis. DTC grew by 11.8% (10.7% CC) with retail and ecommerce both up 11.8% (11.9% CC and 9.6% CC respectively). DTC mix grew by 7.7%pts, with DTC growth in all core markets (UK and France both up low single-digits, with Germany, Spain and Italy all up over 25% on a CC basis). DTC growth was offset by wholesale revenue down 19.2% as expected, due to the strategic decision to reduce volume and breadth sold to etailers.

During the year we opened 20 new stores: six stores in Italy, four stores each in Germany and UK, two stores each in Spain and Belgium, one store in France and our first store in Denmark. Included in the new store openings were six locations that were closed and relocated to more prominent positions in Belgium, Germany and UK.

EMEA EBITDA was down 3.6% to £140.8m (FY23: £146.1m), with EBITDA margin 32.6%, 0.4%pts lower than last year, impacted by foreign exchange on purchases and the opex investments including the expansion of retail stores and investment in brand and demand marketing.

Americas Revenue was down 23.9% to £325.8m (FY23: £428.2m) (20.2% CC). DTC revenue was down 6.9% with lower footfall and traffic in retail and ecommerce respectively only partly mitigated by new and maturing stores and better conversion across both channels. DTC mix increased by 8.3%pts. Wholesale revenue declined 32.7% on a CC basis, partly due to the strategic decision to manage down inventory of some of our larger wholesale customers but also driven by widespread caution from wholesale customers resulting in weaker order books. We maintained a disciplined approach to wholesale, and at the end of the financial year the average inventory position of our top ten USA wholesale customers was down around a quarter compared to the prior year.

During the year we opened 7 new stores: two in LA and one in each Washington DC, Miami, Philadelphia, San Antonio and Denver. We also improved picking automation in our Los Angeles distribution centre ("LADC"), expanded operational functionality and space in the New Jersey distribution centre ("NJDC") and relocated our Canada distribution centre from the West Coast to Toronto.

Americas EBITDA was 35.7% lower at £64.4m (FY23: £100.1m) with EBITDA margin 3.6%pts lower than last year, reflecting lower revenue together with additional storage costs of £13.1m due to the elevated inventory levels in this market.

APAC Revenue was down 7.4% to £119.5m (FY23: £129.1m) (+0.5% CC). We saw lower revenue in China due to the planned exit of the distributor contract in June 2023 and in Japan we transferred 14 franchise stores at the end of last financial year; these two factors drove APAC wholesale revenue down 24.0% on a CC basis. DTC revenues grew 18.8%, improving DTC mix by 10.4%pts, with both retail and ecommerce growing double-digits. This was led by Japan with DTC revenues up 35.5% with both underlying growth and the benefit of the franchise stores transfer at the end of FY23.

During the year we opened 19 new stores with six stores each in Japan and South Korea, five in China and two in Hong Kong.

APAC EBITDA was down 6.2% to £31.7m (FY23: £33.8m) and EBITDA margin up 0.3%pts due to increased mix from Japan (our most profitable market), partly offset by lower EBITDA in China (as a result of lower distributor revenue in the period across a fixed cost base).

RETAIL STORE ESTATE

During the year, we opened 46 (FY23: 52) new own retail stores (via arm's length leasehold arrangements) and closed 11 (FY23: 6) stores as follows:

		1 April 2023	Opened	Closed	31 March 2024
EMEA:	UK	33	4	(2)	**35**
	Germany	17	4	(2)	**19**
	France	16	1	-	**17**
	Italy	6	6	-	**12**
	Spain	4	2	-	**6**
	Other	12	3	(2)	**13**
		88	20	(6)	**102**
Americas:		54	7	-	**61**
APAC:	Japan	40	6	(3)	**43**
	China	5	5	(1)	**9**
	South Korea	11	6	-	**17**
	Hong Kong	6	2	(1)	**7**
		62	19	(5)	**76**
Total		204	46	(11)	**239**

The Group also trades from 22 (FY23: 28) concession counters in department stores in South Korea and a further 77 (FY23: 119) mono-branded franchise stores around the world with no stores in China (FY23: 55, the decline being due to the end of the distributor contract), 19 in Japan (FY23: 16), 24 across Australia and New Zealand (FY23: 20), 34 across other South East Asia countries, the Nordics and Canada (FY23: 28).

ANALYSIS OF PERFORMANCE BY HALF YEAR

Revenue in H2 was down 17.3% to £481.3m (FY23: £581.7m) (down 14.5% CC) with EBITDA down 23.2% to £119.9m (FY23: £156.2m).

Ecommerce revenue was up 5.1% in H1 and down 1.0% in H2 on a CC basis. In retail, revenue grew in both halves of the financial year led by new and maturing stores and continued footfall recovery in both EMEA and APAC. Both EMEA and APAC were impacted by strategic decisions, of reducing EMEA etailer volumes and ceasing the distributor in China respectively. In Americas, revenue was down in both halves as expected, predominantly driven by wholesale.

		H1 FY24		H2 FY24	
		Actual	CC	Actual	CC
Total Revenue		-5.4%	-3.5%	-17.3%	-14.5%
Channel:	Ecommerce	3.3%	5.1%	-2.9%	-1.0%
	Retail	15.1%	17.4%	0.9%	4.6%
	DTC	**9.2%**	**11.3%**	**-1.2%**	**1.5%**
	Wholesale[1]	**-16.5%**	**-14.7%**	**-40.0%**	**-37.4%**
Region:	EMEA	*8.5%*	*7.5%*	*-10.0%*	*-10.1%*
	Americas	*-17.8%*	*-14.6%*	*-28.3%*	*-24.3%*
	APAC	*-10.0%*	*-3.3%*	*-5.2%*	*3.6%*

1. Wholesale revenue including distributor customers.

ANALYSIS OF PERFORMANCE BY QUARTER

DTC Revenue in Q4 showed a return to growth at 9.7% CC vs a 3.2% CC decline in Q3, however this benefitted from the timing of Easter and the end of season sale, which moved from Q1 FY25 (as is typically the case) to Q4 FY24. Retail grew in all quarters on a CC basis led by new and maturing stores and continued footfall recovery, supported by volume growth in EMEA and APAC. Ecommerce grew in the first half, declined in Q3, before returning to positive growth in Q4, again helped by timing changes.

Wholesale was down in all quarters due a combination of the strategic decisions taken in EMEA and APAC, together with the continued challenging backdrop in the USA.

		Q1		Q2		Q3		Q4	
		Actual	**CC**	**Actual**	**CC**	**Actual**	**CC**	**Actual**	**CC**
Total Revenue		-11.0%	-11.2%	-2.2%	1.3%	-20.5%	-17.9%	-12.9%	-9.8%
Revenue:	Ecommerce	7.3%	6.8%	0.1%	3.8%	-9.3%	-7.6%	9.5%	11.8%
	Retail	27.4%	27.2%	5.6%	9.5%	-0.1%	2.9%	2.6%	7.4%
	DTC	**17.4%**	**17.1%**	**2.9%**	**6.7%**	**-5.4%**	**-3.2%**	**6.2%**	**9.7%**
	Wholesale[1]	**-41.1%**	**-41.0%**	**-5.3%**	**-2.1%**	**-48.6%**	**-46.1%**	**-31.7%**	**-29.3%**
Region:	EMEA	*-1.4%*	*-2.7%*	*13.8%*	*13.1%*	*-14.5%*	*-14.9%*	*-3.0%*	*-2.6%*
	Americas	*-26.3%*	*-26.5%*	*-12.3%*	*-6.3%*	*-30.8%*	*-26.3%*	*-25.2%*	*-21.9%*
	APAC	*12.2%*	*16.1%*	*-21.7%*	*-13.9%*	*-8.0%*	*-1.1%*	*-1.9%*	*9.0%*

1. Wholesale revenue including distributor customers.

EBITDA ANALYSIS

Gross margin improved by 3.8pts to 65.6% with the biggest benefit being from supply chain savings, together with the benefits of new and maturing stores and price net COGS inflation. In the year, the average price increase was 4.5% and COGs inflation was approximately 6%.

Operating expenses increased by 1.2%, or £4.6m, to £377.7m. Within this movement we benefitted from supply chain savings, which were offset by the operating cost drag from new and maturing stores, together with a small year-on-year increase in marketing spend. The supply chain savings were the result of continued good cost control, including lower volume-related costs and retail outbound freight savings. Within our operating costs we incurred £13.1m (FY23: £14.5m) in relation to temporary inventory storage space rented in LA, given the elevated inventory levels in this market.

EBITDA decreased by 19.4% to £197.5m (FY23: £245.0m) resulting in an EBITDA margin decrease of 2.0pts to 22.5%. Increased costs (as a percentage of revenue) were partially offset by supply chain savings.

EBIT decreased by 30.6% to £122.2m as a result of the decline in EBITDA together with increased depreciation and amortisation.

EARNINGS

The following table analyses the results for the year from EBITDA to profit before tax.

£m	FY24	FY23
EBITDA[1]	**197.5**	245.0
Depreciation and amortisation	**(72.3)**	(54.2)
Impairment	**-**	(3.9)
Other gains	**1.2**	-
Foreign exchange losses	**(4.2)**	(10.7)
EBIT[1]	**122.2**	176.2
Net interest cost on bank debt	**(19.4)**	(10.8)
Amortisation of loan issue costs/interest on lease liabilities	**(9.8)**	(6.0)
Profit before tax	**93.0**	159.4
Tax	**(23.8)**	(30.5)
Earnings	**69.2**	128.9

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 66 and 67.

Profit before tax (including FX charge) declined by 41.7% to £93.0m (FY23: £159.4m) with profit after tax of £69.2m (FY23: £128.9m). This was primarily due to lower EBITDA together with higher depreciation and amortisation costs and higher interest costs.

Depreciation and amortisation charged in the period was £72.3m (FY23: £54.2m), and is analysed as follows:

£m	FY24	FY23
Amortisation of intangibles[1]	**5.8**	**8.4**
Depreciation of property, plant and equipment[2]	**15.2**	**13.6**
	21.0	**22.0**
Depreciation of right-of-use assets[3]	**51.3**	**32.2**
Total	**72.3**	**54.2**

1. Mainly represented by IT related spend with the average term of 5 to 15 years.
2. Mainly represented by new store fit out costs with the average term of 5 years.
3. Mainly represented by depreciation of IFRS 16 capitalised leases with the average term remaining of 3.8 years and 263 properties (FY23: 5.1 years and 229 properties).

Foreign Exchange

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 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 for revenue. This is calculated by translating non-sterling revenues at the same exchange rate year on year.

Foreign exchange exposures mainly impacting the Group are £/$, £/€ and £/¥. The following table summarises average exchange rates used in the year:

	£/$			**£/€**			**£/¥**		
	FY24	FY23	*%*	**FY24**	FY23	*%*	**FY24**	FY23	*%*
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%*

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, foreign exchange risk on this currency 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 £1.5m 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 year resulted in a foreign exchange loss of £4.2m (FY23: loss £10.7m). 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 interest costs for the year were £29.2m, £12.4m higher than prior year (FY23 £16.8m) primarily due to increases in bank debt related borrowing expenses of £22.3m (FY23: £12.7m). The increase compared to the prior year was driven from a higher benchmark EURIBOR rate and interest costs of the in-year drawn RCF amounts. This was partially offset by a £1.3m gain on higher interest receivables from cash investments. In addition, we incurred higher interest costs on lease liabilities of £3.8m due to new stores opened in the year.

The tax charge was £23.8m (FY23: £30.5m) with an effective tax rate of 25.6% (FY23: 19.1%) 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. The effective tax rate was higher than last year due to the increase in UK tax rate from 19.0% to 25.0% on 1 April 2023.

Earnings per share was 7.0p (FY23: 12.9p). The total number of diluted shares is detailed in note 9 in the financial statements. The following table summarises these EPS figures:

		FY24 pence	FY23 pence	*% change*
Earnings per share	Basic	**7.0**	12.9	*-46%*
	Diluted	**7.0**	12.9	*-46%*

EPS and diluted EPS for the current and prior year are presented as the same amount due to the minimal dilutive impact of share options on the total diluted share number.

OPERATING CASH FLOW

£m	FY24	FY23
EBITDA[1]	**197.5**	245.0
Increase in inventories	**(1.6)**	(133.2)
Decrease/(increase) in debtors	**23.0**	(6.6)
Increase in creditors	**(37.7)**	(9.2)
Total change in net working capital	**(16.3)**	(149.0)
Share-based payments	**4.0**	0.5
Capital expenditure	**(28.4)**	(51.2)
Operating cash flow[1]	**156.8**	45.3
Operating cash flow conversion[1]	*79%*	*18%*

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 66 and 67.

Operating cash inflow was £156.8m (FY23: £45.3m) representing a cash conversion of EBITDA of 79% (FY23 18%), in line with guidance.

Trade debtor days remained at 52 days, primarily due to customer mix with a higher proportion of Americas debtors (with debtor days at 55) than EMEA (with debtor days at 48).

Capex was £28.4m (FY23: £51.2m) and represented 3.2% of revenue (FY23: 5.1%). The breakdown in capex by category is as follows:

£m	FY24	FY23
Retail stores	**14.4**	18.9
Supply Chain	**2.7**	19.2
IT/Tech	**11.3**	13.1
	28.4	51.2

Net cash flow after interest

Net cash flow after interest costs is summarised below:

£m	FY24	FY23
Operating cash flow[1]	**156.8**	45.3
Net interest paid	**(17.0)**	(5.6)
Investment	**-**	(1.0)
Payment of lease liabilities	**(52.2)**	(33.9)
Taxation	**(18.8)**	(22.3)
Repurchase of shares	**(50.5)**	-
Derivatives settlement	**(4.0)**	3.1
Dividends paid	**(57.8)**	(58.4)
Net cash outflow	**(43.5)**	(72.8)
Opening cash	**157.5**	228.0
Net cash exchange translation	**(2.9)**	2.3
Closing cash	**111.1**	157.5

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 66 and 67.

Net interest paid was £17.0m, higher than FY23 by £11.4m due to the timing of interest payments and higher interest rates, which were partially offset by higher interest receivables from cash investments. The increase in lease liabilities was due mainly to the increased number of retail stores opened in the period under lease arrangements and increased space across the DC network.

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 17 of the financial statements. The Group's bank debt is denominated in Euros which allows the excess Euros the Group generates from trading in Continental Europe to fund interest costs. The bank debt falls due for repayment in full on 2 February 2026. The Group also has a revolving credit facility of £200.0m which also matures on 2 February 2026 with £30.0m drawn down and subsequently fully repaid during the period. Included in this facility is a committed line of £3.4m used for guarantee arrangements primarily for landlord rent guarantees.

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 and net debt being inclusive of IFRS 16 lease liabilities at the balance sheet date. At 31 March 2024 the Group had total net leverage of 1.8 times (FY23: 1.2 times).

BALANCE SHEET

£m	31 March 2024	31 March 2023
Freehold property	**7.0**	7.4
Right-of-use assets	**173.5**	144.1
Other fixed assets	**81.7**	78.8
Inventory	**254.6**	257.8
Debtors	**70.4**	92.2
Creditors[2]	**(100.7)**	(133.7)
Working capital	**224.3**	216.3
Other[1]	**(1.5)**	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**

1. Other includes investments, deferred tax assets, income tax assets, and provisions.
2. Includes bank interest of £8.4m (FY23: £6.0m).

Net Debt[1] is summarised below:

£m	31 March 2024	31 March 2023
Bank loans	**(286.3)**	(293.4)
Cash	**111.1**	157.5
Net bank loans	**(175.2)**	(135.9)
Lease liabilities	**(182.3)**	(152.4)
Net Debt[1]	**(357.5)**	(288.3)

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 66 and 67.

Inventory
Given the high proportion of continuity products we sell, with four out of five pairs being black and having a strong product margin structure, we have minimal markdown risk below cost. Inventory levels are currently at elevated levels in our Americas business. As a result we have reduced purchases for the year ahead and are targeting a reduction in inventory in FY25.

	31 March 2024	31 March 2023
Inventory (£m)	**254.6**	257.8
Turn (x)[1]	**1.2x**	1.5x
Weeks cover[2]	**44**	35

1. Calculated as historic LTM COGS divided by inventory.
2. Calculated as 52 weeks divided by stock turn.

Equity of £368.2m can be analysed as follows:

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

RETURNS TO SHAREHOLDERS

Our capital allocation philosophy guides our view of returns to shareholders and usage of excess cash. The first priority for investment is into the business and we will continue to invest in a targeted manner to support long-term growth and resilience of the Group. This is mainly represented by investment into marketing, logistics, people, systems and inventory. Beyond this, our priority is to return excess cash to shareholders, through a regular dividend and, when possible, further returns.

Dividends

The Board has proposed, subject to shareholder approval, a final dividend of 0.99p, taking the total dividend for FY24, including the interim dividend of 1.56p, to 2.55p, a 35% payout ratio. Whilst this is a year-on-year reduction given the higher payout in FY23 and lower earnings achieved this year, the 35% payout for FY24 is at the top of the policy range. The Board's intention is to hold the FY25 dividend flat in absolute terms, before returning to an earnings payout in line with our dividend policy (of 25% to 35% payout) in FY26 onwards.

Going forwards, the Board is also adopting a consistent approach to setting the interim dividend, with this dividend set at one-third of the previous year's total dividend. We are also adjusting the payment dates for the dividends, to better reflect the trading cash profile of the Group, and therefore the final dividend will be paid in early October. The final dividend for FY24 will be paid to shareholders on the register as at 30 August 2024 with payment on 1 October 2024.

£m	**FY24**	FY23
Earnings	**69.2**	128.9
Interim dividend (declared and paid): 1.56p (FY23: 1.56p)	**15.0**	15.6
Final dividend (proposed): 0.99p (FY23: 4.28p)	**9.5**	42.8
Total dividend (paid and proposed): 2.55p (FY23: 5.84p)	**24.5**	**58.4**
Payout ratio %	**35%**	**45%**

Share Buyback

During the year to 31 March 2024 the Group repurchased 39.9m shares. The cash outflow was £50.5m (including transaction costs of £0.5m) pursuant to the share buyback scheme that was announced on 14 July 2023 and concluded on 19 December 2023. For further details please refer to notes 23 and 24 of the Consolidated Financial Statements.

FY25 guidance

Our key targets for FY25 are:

- 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 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 £40m

For the first half, we expect a Group revenue decline of around 20%, driven by wholesale revenues down around a third. Combined with the cost headwinds which impact both halves, the impact of operational deleverage is significantly more pronounced in the first half. Overall results this year will therefore be very second-half weighted, particularly from a profit perspective.

Consolidated Statement of Profit or Loss
For the year ended 31 March 2024

	Note	FY24 £m	FY23 £m
Revenue	3	**877.1**	1,000.3
Cost of sales		**(301.9)**	(382.2)
Gross profit		**575.2**	618.1
Selling and administrative expenses	4	**(453.0)**	(441.9)
Finance income		**3.0**	1.9
Finance expense	7	**(32.2)**	(18.7)
Profit before tax		**93.0**	159.4
EBITDA[1]	3	**197.5**	245.0
Depreciation and amortisation	4	**(72.3)**	(54.2)
Impairment	4	**-**	(3.9)
Foreign exchange losses		**(4.2)**	(10.7)
Other gains		**1.2**	-
Net finance expense		**(29.2)**	(16.8)
Profit before tax		**93.0**	159.4
Tax expense	8	**(23.8)**	(30.5)
Profit for the year		**69.2**	128.9

	Note	FY24	FY23
Earnings per share			
Basic	9	**7.0p**	12.9p
Diluted	9	**7.0p**	12.9p

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 66 and 67.

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

The notes on pages 18 to 54 form part of these Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income
For the year ended 31 March 2024

	Note	FY24 £m	FY23 £m
Profit for the year		**69.2**	128.9
Other comprehensive (expense)/income			
Items that may subsequently be reclassified to profit or loss			
Foreign currency translation differences		**(2.8)**	5.5
Cash flow hedges: Fair value movements in equity		**(1.8)**	1.9
Cash flow hedges: Reclassified and reported in profit or loss	19	**3.9**	(2.5)
Tax in relation to share schemes	8	**0.5**	-
Tax in relation to cash flow hedges	8	**(0.7)**	0.2
		(0.9)	5.1
Total comprehensive income for the year		**68.3**	134.0

The notes on pages 18 to 54 form part of these Consolidated Financial Statements.

Consolidated Balance Sheet
As at 31 March 2024

	Note(s)	**FY24 £m**	FY23 £m
ASSETS			
Non-current assets			
Intangible assets	11	**270.0**	265.6
Property, plant and equipment	12	**59.4**	61.3
Right-of-use assets	12	**173.5**	144.1
Investments	20	**1.0**	1.0
Derivative financial assets	19	**0.1**	-
Deferred tax assets	22	**11.2**	11.8
		515.2	483.8
Current assets			
Inventories	13	**254.6**	257.8
Trade and other receivables	14	**68.8**	93.0
Income tax assets		**1.2**	-
Derivative financial assets	19	**1.5**	0.5
Cash and cash equivalents	15	**111.1**	157.5
		437.2	508.8
Total assets		**952.4**	992.6
LIABILITIES			
Current liabilities			
Trade and other payables	16	**(92.2)**	(127.7)
Borrowings	17	**(8.4)**	(6.0)
Lease liabilities	17, 28	**(47.0)**	(28.1)
Derivative financial liabilities	19	**(0.1)**	(1.3)
Income tax payable		**(5.8)**	(1.4)
		(153.5)	(164.5)
Non-current liabilities			
Borrowings	17	**(286.3)**	(293.4)
Lease liabilities	17, 28	**(135.3)**	(124.3)
Provisions	18	**(6.3)**	(4.4)
Deferred tax liabilities	22	**(2.8)**	(1.8)
		(430.7)	(423.9)
Total liabilities		**(584.2)**	(588.4)
Net assets		**368.2**	404.2
EQUITY			
Equity attributable to the owners of the Parent			
Ordinary share capital	23	**9.6**	10.0
Treasury shares	24	**-**	-
Hedging reserve	25	**0.9**	(0.5)
Capital redemption reserve	25	**0.4**	-
Merger reserve	25	**(1,400.0)**	(1,400.0)
Foreign currency translation reserve	25	**9.7**	12.5
Retained earnings	25	**1,747.6**	1,782.2
Total equity		**368.2**	404.2

The notes on pages 18 to 54 form part of these Consolidated Financial Statements.

The Consolidated Financial Statements on pages 13 to 54 were approved and authorised by the Board of Directors on 29 May 2024 and signed on its behalf by:

Kenny Wilson
Chief Executive Officer

Giles Wilson
Chief Financial Officer

Consolidated Statement of Changes in Equity
For the year ended 31 March 2024

	Note(s)	Ordinary share capital £m	Treasury shares £m	Hedging reserve £m	Capital redemption reserve £m	Merger reserve £m	Foreign translation reserve £m	Retained earnings £m	Total equity £m
At 1 April 2022		**10.0**	**-**	**(0.1)**	**-**	**(1,400.0)**	**7.0**	**1,711.3**	**328.2**
Profit for the year		-	-	-	-	-	-	128.9	**128.9**
Other comprehensive (expense)/income		-	-	(0.4)	-	-	5.5	-	**5.1**
Total comprehensive (expense)/income for the year		-	-	(0.4)	-	-	5.5	128.9	**134.0**
Dividends paid	10	-	-	-	-	-	-	(58.4)	**(58.4)**
Share-based payments	26	-	-	-	-	-	-	0.4	**0.4**
At 31 March 2023		**10.0**	**-**	**(0.5)**	**-**	**(1,400.0)**	**12.5**	**1,782.2**	**404.2**
Profit for the year		-	-	-	-	-	-	69.2	**69.2**
Other comprehensive income/(expense)		-	-	1.4	-	-	(2.8)	0.5	**(0.9)**
Total comprehensive income/(expense) for the year		-	-	1.4	-	-	(2.8)	69.7	**68.3**
Dividends paid	10	-	-	-	-	-	-	(57.8)	**(57.8)**
Shares issued	23	-	-	-	-	-	-	-	**-**
Share-based payments	26	-	-	-	-	-	-	4.0	**4.0**
Repurchase of ordinary share capital	23, 24	-	(50.0)	-	-	-	-	(0.5)	**(50.5)**
Cancellation of repurchased ordinary share capital	23, 24	(0.4)	50.0	-	0.4	-	-	(50.0)	**-**
At 31 March 2024		**9.6**	**-**	**0.9**	**0.4**	**(1,400.0)**	**9.7**	**1,747.6**	**368.2**

The notes on pages 18 to 54 form part of these Consolidated Financial Statements.

Consolidated Statement of Cash flows
For the year ended 31 March 2024

	Note	FY24 £m	FY23 £m
Profit after taxation		**69.2**	128.9
Add back: income tax expense	8	**23.8**	30.5
finance income		**(3.0)**	(1.9)
finance expense	7	**32.2**	18.7
depreciation, amortisation and impairment		**72.3**	58.1
other gains		**(1.2)**	-
foreign exchange losses		**4.2**	10.7
share-based payments charge	26	**4.0**	0.5
Increase in inventories		**(1.6)**	(133.2)
Decrease/(increase) in trade and other receivables		**23.0**	(6.6)
Decrease in trade and other payables		**(37.7)**	(9.2)
Change in net working capital		**(16.3)**	(149.0)
Cash flows from operating activities			
Cash generated from operations		**185.2**	96.5
Taxation paid		**(18.8)**	(22.3)
Settlement of matured derivatives		**1.5**	(1.5)
Net cash inflow from operating activities		**167.9**	72.7
Cash flows from investing activities			
Additions to intangible assets	11	**(10.2)**	(11.8)
Additions to property, plant and equipment	12	**(18.2)**	(39.6)
Finance income received		**2.9**	1.6
Capital contributions received for right-of-use assets		**-**	0.2
Purchase of equity investment	20	**-**	(1.0)
Net cash outflow from investing activities		**(25.5)**	(50.6)
Cash flows from financing activities			
Finance expense paid		**(19.9)**	(7.2)
Payment of lease interest	28	**(8.6)**	(4.8)
Payment of lease liabilities	28	**(43.6)**	(29.1)
Repurchase of shares	23	**(50.5)**	-
Revolving credit facility drawdown	17	**30.0**	-
Revolving credit facility repayment	17	**(30.0)**	-
Settlement of matured derivatives		**(5.5)**	4.6
Dividends paid	10	**(57.8)**	(58.4)
Net cash outflow from financing activities		**(185.9)**	(94.9)
Net decrease in cash and cash equivalents		**(43.5)**	(72.8)
Cash and cash equivalents at beginning of year		**157.5**	228.0
Effect of foreign exchange on cash held		**(2.9)**	2.3
Cash and cash equivalents at end of year	15	**111.1**	157.5

The notes on pages 18 to 54 form part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements
For the year ended 31 March 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 financial statements are set out below. The policies have been consistently applied to the periods presented, unless otherwise stated. Amounts are presented in GBP and to the nearest million pounds (to one decimal place) unless otherwise noted. The reporting period is defined as the year ended 31 March 2024 and year ended 31 March 2023 for the comparative period.

2.1 Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The Group's Consolidated Financial Statements have been prepared on a going concern basis 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.

Certain amounts in the Statement of Profit or Loss and the Balance Sheet have been grouped together for clarity, with their breakdown being shown in the notes to the financial statements. The distinction presented in the Balance Sheet between current and non-current entries has been made on the basis of whether the assets and liabilities fall due within more than one year.

Consideration of climate risk matters

The Group continues to assess the impact of climate risk matters on many aspects of the business, including climate related scenario analysis as required by the Task Force on Climate-Related Disclosures. Building on this scenario analysis, consideration has been given to the impact of climate related risk on management judgements and estimates, and compliance with existing accounting requirements. The incurred costs and investments associated with our sustainability strategy are reflected in the Group's Financial Statements. The impact of climate related risk matters is not expected to be material to the 31 March 2024 Consolidated Financial Statements, the Group going concern assessments to 30 September 2025, or the viability of the Group over the next three years.

Financial calendar

During the year, 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 around every six years to avoid the retail calendar deviating by more than seven days to the calendar year and accounting reference date of 31 March. As 31 March 2024 falls on a Sunday, the FY25 period will begin on a Monday and conform to a retail calendar thereafter.

Going concern

The financial statements have 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 16-month period to 30 September 2025. The Directors' assessment used the same assumptions and methods as the viability assessment on pages 44 and 45 of the Annual Report.

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 GLT and 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 appropriate 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 31 March 2024 with cash of £111.1m, available undrawn facilities of £194.5m and bullet debt repayment of £288.6m not due until 2 February 2026.

Consistent with the Viability Statement on pages 44 and 45 of the Annual Report, management have modelled, and the Directors have reviewed 'top-down' sensitivity and stress testing, including a review of the cash flow projections and covenant compliance under a severe but plausible scenario in relation to two main risks and specific 'black swan' events assessed which are detailed below:

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

'Top-down' sensitivity and stress testing included a review of the cash flow projections and covenant compliance under a severe but plausible scenario in relation to the downside scenarios described above. In the unlikely event of the above two scenarios occurring together, the Group can withstand material revenue decline and by applying available mitigations, headroom above covenant requirements remain in line with expectation and the Group continues to have satisfactory liquidity and covenant headroom throughout the period under review. Experience over three years of FY22, FY23 and FY24 have indicated minimal wholesale bad debt risk and minimal margin risk with the principal risk to meeting covenant compliance being lower revenue.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 March 2024

2. Accounting policies (continued)

2.1 Basis of preparation (continued)

Going concern (continued)

In modelling our severe but plausible downside we have incorporated the impact of a double digit decrease in revenue from the base plan in the short term, with the base plan already representing a single digit decline versus FY24. 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 what could break covenant compliance estimates and liquidity before mitigating actions. To model these reverse stress tests the impact on revenue of zero covenant headroom and zero liquidity was calculated at the end of the going concern period. Under the covenant breach test it is concluded that the business could weather extreme growth reductions without mitigation versus the base plan, with the base plan already representing a single digit decline versus FY24. The business would have to experience -11%pts to revenue growth in the going concern period before covenants are breached. Similarly, the business would have to experience -51%pts revenue growth reduction in the going concern period before zero cash headroom is reached. 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 in the Annual Report and above, 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.

2.2 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2024 and 31 March 2023. Control is achieved when the Group has rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 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 – Classification of liabilities as current, and disclosure of accounting policies
- Amendments to IAS 8 – Definition of accounting estimates
- Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction
- Amendments to IAS 12 – Pillar Two model rules
- Implementation of IFRS 17 – Insurance contracts

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

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

2. Accounting policies (continued)

2.4 Alternative Performance Measures (APMs)

Management exercises judgement in determining the adjustments to apply to IFRS measurements in order to derive suitable APMs. As set out on pages 66 to 67 of the Glossary, APMs are used as management believes these measures provide additional useful information on the underlying trends, performance and position of the Group. These measures are used for performance analysis. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs. These measures are not intended to be a substitute for, or superior to, IFRS measurements.

2.5 Foreign currency translation

The Consolidated Financial Statements are presented in GBP, which is the Group's presentational currency. The Group includes foreign entities whose functional currencies are not GBP. On consolidation, the assets and liabilities of the Group entities that have a functional currency different from the presentation currency are translated into GBP at the closing rate at the date of that Balance Sheet. Income and expenses for each Statement of Profit or Loss are translated at average foreign exchange rates for the period. Foreign exchange differences are recognised in other comprehensive income. The functional currency of each company in the Group is that of the primary economic environment in which the entity operates.

2.6 Revenue

The Group's revenue arises from the sale of goods to customers. Contracts with customers generally have one performance obligation. The Group has concluded that the revenue from the sale of goods should be recognised at a point in time when control of the goods is transferred to the customer, which is dependent on the revenue channel. Revenue is recognised at the invoiced price less any associated discounts and sales taxes.

The Group assessed its revenue channels against the IFRS 15 five-step model, identifying the contracts, the performance obligations and the transaction price, and then allocating this to determine the timing of revenue recognition. The revenue channels that have been separately assessed are as follows:

- ecommerce revenue, including delivery charge income;
- retail revenue; and
- wholesale revenue.

Control is passed to the customer on the following basis under each of the revenue channels as follows:

- ecommerce channel: upon receipt of the goods by the customer;
- retail channel: upon completion of the transaction; and
- wholesale channel: upon delivery of the goods or upon dispatch to the customer if the customer takes responsibility for delivery.

The payment terms across each of these revenue channels varies. The payments for retail are received at the transfer of control. Ecommerce payments are mainly received in advance of transfer of control by less than one week as there is a timing difference between receipt of cash on order and receipt of goods by the customer. Wholesale customers pay on terms generally between 30 and 60 days.

Some contracts for the sale of goods provide customers with a right of return and rebates. Under IFRS 15, this gives rise to variable consideration, which is constrained such that it is highly probable that significant reversal will not occur.

Rights of return

When a contract provides a customer with a right of return, under IFRS 15, the consideration is variable because the contract allows the customer to return the product. The Group uses the expected value method to estimate the goods that will be returned and recognise a refund liability and an asset for the goods to be recovered. Provisions for returned goods are calculated based on future expected levels of returns for each channel, assessed across a variety of factors such as historical trends, economic factors and other measures.

Rebates

Under IFRS 15, rebates give rise to variable consideration. To estimate this the Group applies the most likely amount method.

2.7 Finance income and expenses

Finance expenses consist of interest payable on various forms of debt and finance income consists of interest receivable amounts from cash held. Both are recognised in the Statement of Profit or Loss under the effective interest rate method.

2.8 Exceptional items

Exceptional items consist of material non-recurring items and items arising outside the normal trading of the Group.

2. Accounting policies (continued)

2.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax movement recognised. The tax currently payable is based on taxable profit. Taxable profit differs from net profit as reported in the Statement of Profit or Loss because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Tax provisions are recognised when there is a potential exposure to an uncertain tax position and an outflow of resources is probable. The Group applies *IFRIC 23 Uncertainty over Income Tax Treatments* to measure uncertain tax positions. The Group calculates each provision using either the expected value method or the most likely outcome method in line with the guidance contained within IFRIC 23. The uncertain tax positions are reviewed regularly and there is ongoing monitoring of tax cases and rulings which could impact the provision.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the historical financial information and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet liability method based on rates that are enacted or substantively enacted by the end of each reporting period. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising in investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled. Deferred tax is charged or credited in the Statement of Profit or Loss, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity. Both deferred tax assets and liabilities and current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority, and the Group intends to settle its current tax assets and liabilities on a net basis.

On 23 May 2023, the IASB issued an amendment to IAS 12 'Income Taxes' to clarify how the effects of the global minimum tax framework should be accounted for and disclosed effective 1 January 2023. This was endorsed by the UK Endorsement Board on 19 July 2023 and has been adopted by the Group for 2024 reporting. The Group has applied the exemption to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

2.10 Dividends

Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are approved and paid.

2.11 Intangible assets

Goodwill

Business combinations are accounted for by applying the acquisition method. Goodwill acquired represents the excess of the fair value of the consideration over the fair value of the identifiable net assets acquired.

After initial recognition, positive goodwill is measured at cost less any accumulated impairment losses. At the date of acquisition, the goodwill is allocated to cash generating units, usually at business segment level or statutory company level as the case may be, for the purpose of impairment testing and is tested at least annually for impairment, or if an indicator of impairment exists. On subsequent disposal or termination of a business acquired, the profit or loss on termination is calculated after charging the carrying value of any related goodwill. Negative goodwill is recognised directly in the Statement of Profit or Loss.

Separately acquired intangible assets

Separately acquired intangible assets comprise other intangibles. Other intangibles that have finite useful lives are carried at cost less accumulated amortisation and any provision for impairment. The finite life other intangibles are amortised on a straight line basis over the expected useful economic life of each of the assets, which is considered to be 5 to 15 years. Amortisation expense is charged to selling and administrative expenses. Other intangibles with an indefinite useful life are carried at cost less impairment. These are other intangibles for which the estimated useful life is indefinite. The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Software

Software comprises internally generated software development. Research expenditure is charged to income in the year in which it is incurred. Development expenditure is charged to income in the year it is incurred unless it meets the recognition criteria of IAS 38 Intangible Assets to be capitalised as an intangible asset. Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and impairment losses. Amortisation begins when development is complete, and the asset is available for use. These assets are considered to have finite useful lives and are amortised on a straight line basis over the expected useful economic life of the assets, which is considered to be 5 to 15 years. Amortisation expense is charged to selling and administrative expenses. The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 March 2024

2. Accounting policies (continued)

2.12 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and provision for impairment. Depreciation is calculated to write down the cost of the assets less estimated residual value over its expected useful life on a straight line basis as follows:

Freehold property	50 years
Freehold improvements	10 years
Leasehold improvements	Over the life of the lease
Plant and machinery	15 years
Fixtures and fittings	5-15 years
Office and computer equipment	3 years for computer equipment and 5 years for all other office equipment
Motor vehicles	3 years

Depreciation expense is charged to selling and administrative expenses. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss in the period that the asset is derecognised.

2.13 Lease accounting

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. As part of the measurement approach, the Group uses its incremental borrowing rate which is adjusted by both property type and geography. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Right-of-use-assets	Shorter of lease term and estimated useful life (3 to 15 years)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in the Impairment of non-financial assets section.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate (adjusted by both property type and geography) at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the interest charge and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification that does not increase the scope of the lease, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. A lease modification is accounted for as a separate lease where the modification increases the scope of the lease, and the lease consideration increases by an amount reflecting the stand-alone price for the increase in scope.

The Group's lease liabilities are included in interest-bearing loans and borrowings (note 17).

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight line basis over the lease term.

2. Accounting policies (continued)

2.14 Impairment of non-financial assets

The carrying amounts of the Group's relevant assets are reviewed at each year-end date to determine whether there is any indication of impairment, and if an indicator is present the asset is tested for impairment. For goodwill and intangible assets that have an indefinite useful life, an impairment test is also performed each year-end. If an impairment test is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use. An impairment is present if the recoverable amount is less than the carrying value of the asset. Impairment losses are recognised in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset. Refer to notes 11 and 12 for further details.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories consists of all costs of purchase, costs of design and other costs incurred in bringing the inventory to its first point of sale location and condition. Inventories are valued at weighted average cost, including freight to warehouse and duty. Net realisable value is based on estimated selling price less any costs expected to be incurred to completion or disposal.

2.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets, and to settle the liabilities simultaneously.

Categorisation of inputs for fair value measurements

Assets and liabilities held at fair value are categorised into levels that have been defined according to IFRS 13 'Fair Value Measurement' measurement hierarchy as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of derivatives are calculated using valuation models to determine the fair values based on observable market curves such as forward foreign exchange rates, discounted back to present value using risk free interest rates. The impacts of counterparty credit, volatility and currency basis are also considered as part of the fair valuation where appropriate.

All financial instruments that are held at fair value use Level 2 inputs except for equity investments which use Level 3 inputs. Furthermore, under IFRS 9, cost has been used as the best estimate for fair value for equity investments due to insufficient recent information available to measure fair value.

2.17 Financial assets

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade date being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Investments

Equity investments that are not held for trading have been irrevocably designated as fair value through other comprehensive income. Subsequent to initial recognition at fair value plus transaction costs, these assets are recorded at fair value at each period end with the movements recognised in other comprehensive income until derecognition or impaired. On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is never recycled to the income statement. Dividends on financial assets at fair value through other comprehensive income are recognised in the income statement when the entity's right to receive payment is established. Equity investments are recorded in non-current assets unless they are expected to be sold within one year.

Trade and other receivables

Trade receivables are assessed under IFRS 9 and measured at amortised cost using the effective interest rate method. The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss (FVPL). The most significant financial assets of the Group are its cash and trade receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

Cash and cash equivalents

Cash and cash equivalents primarily comprise cash held within bank accounts, Money Market Funds (MMFs) and bank term deposits maturing less than three months from inception. All cash is held short term in highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Included within cash and cash equivalents are debit and credit card payments made by customers which are receivable from card acquiring financial institutions, and cash in transit from various payment processing intermediaries that provide receipting services to the Group.

All cash and cash equivalents are measured at amortised cost with the exception of MMFs which are held at fair value through profit or loss.

2. Accounting policies (continued)
2.17 Financial assets (continued)

Summary of the Group's financial assets:

Financial asset	IFRS 9 classification
Investments	Fair value through other comprehensive income.
Trade and other receivables excluding prepayments and accrued income	Amortised cost.
Derivative financial assets	Fair value through other comprehensive income.
Cash and cash equivalents	Amortised cost, except for cash amounts held within Money Market Funds which are held at fair value through profit or loss.

2.18 Financial liabilities

The Group classifies and measures all of its non-derivative financial liabilities at amortised cost.

Initial recognition
Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Trade and other payables
Trade payables are obligations to pay for goods or services that have been acquired in the course of ordinary business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently held at amortised cost using the effective interest rate method.

Summary of the Group's financial liabilities:

Financial liability	IFRS 9 classification
Bank debt	Amortised cost.
Bank interest	Amortised cost.
Lease liabilities	Amortised cost.
Derivative financial instruments	Fair value through other comprehensive income.
Trade and other payables excluding non-financial liabilities	Amortised cost.

2.19 Derivative financial instruments and hedging activities

The Group uses foreign exchange forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Gains or losses arising from changes in fair value related to derivatives held in a cash flow hedge relationship are recognised in other comprehensive income/(expense) and deferred in the hedging reserve to the extent that the hedges are deemed effective. Amounts are transferred to the income statement in the same period in which the hedged risk affects the income statement and against the same line item.

The Group designates foreign exchange derivative hedges on a full forward or spot basis. Where only the spot element of a foreign exchange derivative is designated, the cost of hedging election is applied to the forward points with fair value movements recognised in other comprehensive income and released to profit or loss depending on the nature of the underlying hedged item.

The Group performs regular hedge effectiveness testing. For cash flow hedges where the forecast transaction is no longer expected to occur, hedge accounting is discontinued, and all accumulated gains or losses held in the hedging reserve are immediately recognised in profit or loss. Where hedge accounting is discontinued as a result of expiry, disposal or termination of the derivative instrument (and where the hedge relationship was deemed to be effective), accumulated gains or losses up to the point of discontinuation are held in the hedging reserve and released to profit or loss in line with the hedged item.

Derivative financial instruments consist of foreign currency exchange forward contracts, which are categorised within Level 2 under the IFRS 13 measurement hierarchy (refer to note 2.16 for further detail on fair value level categorisation).

The full fair value of derivatives are classified as a non-current asset or liability if the remaining maturity of the derivatives are more than 12 months and as a current asset or liability if the maturity of the derivatives are less than 12 months.

2.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently carried at amortised cost using the effective interest rate method so that any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit or Loss over the period of the borrowings. Details of the Group's borrowings are included in note 17.

Borrowing costs
The Group expenses borrowing costs in the period the costs are incurred. Where borrowing costs are attributable to the acquisition, construction or production of a qualifying asset, such costs are capitalised as part of the specific asset and amortised over the estimated useful life of the asset. Details of the Group's borrowings are included in note 17.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 March 2024

2. Accounting policies (continued)

2.21 Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company purchases any of its own equity instruments, for example, pursuant to the share buyback programme, the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the owners of the Company. The repurchased shares are recognised as treasury shares until the shares are cancelled. The programme concluded on 19 December 2023.

2.22 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 this 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 EBITDA[1]. To increase transparency the Group also includes additional voluntary disclosure analysis of global revenue within different operating channels.

2.23 Pension arrangements

The Group provides pension benefits which include both defined benefit and defined contribution arrangements.

Defined contribution pension schemes

For defined contribution schemes the amount charged to the Statement of Profit or Loss represents the contributions payable to the plans in the accounting period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

Defined benefit pension scheme

The Group operates a defined benefit pension scheme, which requires contributions to be made to separately administered funds for administration expenses. The Group did not make any contributions to the scheme in the year (FY23: £nil). The UK defined benefit scheme was closed to new members on 6 April 2002, from which time membership of a defined contribution plan was available. It was then closed to all future accrual for all existing members on 31 January 2006. A valuation of the Plan is carried out at least once every three years to determine whether the Statutory Funding Objective is met. The last valuation was carried out at 30 June 2022, the next valuation is due at 30 June 2025. No asset is recognised in the Balance Sheet in respect of defined benefit pension plans due to the uncertainty over the Group's right to a refund of the surplus from the scheme as set out in note 2.26. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Past-service costs are recognised immediately in income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The net interest cost is limited by the asset ceiling. When occurring, this cost is included in employee benefit expense in the Statement of Profit or Loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

2.24 Share Incentive Plan (SIP) Trusts

The Group operates two SIP Trusts for the benefit of its employees. Under accounting standard IFRS 10 Consolidated Financial Statements, control for accounting purposes has a different test threshold than under a legal basis and as a result the Group's SIP Trusts are deemed to be under the control of Dr. Martens plc. The Trust deed for the Dr. Martens plc UK Share Incentive Plan Trust was adopted by the Board on 10 September 2021.

2.25 Share-based payments and share schemes

The Group provides benefits to employees in the form of share-based payment transactions, whereby employees render services as consideration in exchange for equity instruments ('equity-settled transactions').

The cost of equity-settled transactions is measured by reference to the fair value of the equity instruments at the date on which they are granted and is recognised as an expense over the vesting period, which ends on the date the relevant employee becomes fully entitled to the award. The fair value is calculated using an appropriate option pricing model and takes into account the impact of any market performance conditions. The impact of non-market performance conditions is not considered in determining the fair value at the date of grant. Vesting conditions which relate to non-market conditions are allowed for in the assumptions used for the number of options expected to vest. The level of vesting is reviewed at each Balance Sheet date and the charge adjusted to reflect actual and estimated levels of vesting. The cost of share-based payment transactions is recognised as an expense over the vesting period of the awards, with a corresponding increase in equity. Further details of share-based awards granted in the year can be found in note 26.

A proportion of the annual Executive Bonus Scheme is settled in the form of purchased Parent Company shares. This is accounted for as a cash-settled scheme as although participants received equity, it is driven by a cash amount that is paid and converted into shares at a point in time. The proximity of the date of communication of the bonus to when the shares are received means that there would be minimal difference between cash- and equity-settled treatment.

1. Alternative Performance Measure (APM) as defined in the Glossary on pages 66 and 67.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 March 2024

2. Accounting policies (continued)

2.26 Significant judgements and estimates

The preparation of the Group's financial statements in conforming with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances. However, the nature of estimation means that actual outcomes could differ from those estimates. Information about such judgements and estimation is contained in the accounting policies and/or notes to the financial statements and the key areas are summarised below:

Key judgements

The following judgement has had the most significant effect on amounts recognised in the financial statements:

Defined benefit scheme surplus

The Group acknowledges that the recognition of pension scheme surplus is an area of accounting judgement, which depends on the interpretation of the Scheme Rules and the relevant accounting standards including IAS 19 and IFRIC 14. The surplus under the scheme is not recognised as an asset benefitting the Group on the Balance Sheet, as the Group believes there is uncertainty in relation to the recoverability of any surplus, which is therefore unlikely to derive any economic benefits from that surplus. In the Group's view there is uncertainty over whether the Scheme Rules provide the Group with an unconditional right to a refund of the surplus from the scheme due to third-party discretionary investment powers which could use up any surplus prior to wind-up. Consistent with previous years, given this uncertainty, the Group has applied an asset ceiling to the pension scheme surplus of zero. As such, an asset ceiling has been applied to the Balance Sheet, and the net surplus of £9.1m (FY23: £11.1m) has not been recognised on the Balance Sheet.

The net surplus has been capped to £nil (FY23: £nil). The key sensitivities of the defined benefit obligation to the actuarial assumptions are shown in note 29.

Other areas of judgement and accounting estimates

The Consolidated Financial Statements include other areas of judgement and accounting estimates. While these areas do not meet the definition under IAS 1 of significant accounting estimates or critical accounting judgements, the recognition and measurement of certain material assets and liabilities are based on assumptions and/or are subject to longer-term uncertainties. The other areas of judgement and accounting estimates are listed below:

Judgements

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable periods (i.e. three to five years). The Group typically exercises its option to renew these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of leasehold property with longer non-cancellable periods (i.e. 10 to 15 years) are not included as part of the lease term, unless there is an economic incentive to extend the lease, as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Sources of estimation uncertainty and assumptions

The following estimates are dependent upon assumptions which could change in the next financial year and have an effect on the carrying amount of assets and liabilities recognised at the Balance Sheet date:

Inventory net realisable value and provisions

The assessment of the valuation of inventory requires the determination of net realisable value. Sales prices, patterns and other assumptions are reviewed to estimate net realisable value. Inventory provisioning requires significant judgement on which inventory lines should be classed as obsolete. Inventory age, historic sales patterns and trading forecasts are used when classifying inventory lines to be provided against.

Uncertain tax positions

The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which the determination is made. Management is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies (see notes 8 and 22). In addition, the assessment of uncertain tax positions is based on management's interpretation of relevant tax rules and decided cases, external advice obtained, the statute of limitations, the status of the negotiations and past experience with tax authorities. In evaluating whether a provision is needed it is assumed that tax authorities have full knowledge of the facts and circumstances applicable to each issue.

2. Accounting policies (continued)

2.26 Significant judgements and estimates (continued)

Carrying value of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group performs an impairment test and estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use. An impairment is present if the recoverable amount is less than the carrying value of the asset.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. If assessing value in use, estimates of future cash flows are discounted to present value using pre-tax discount rates derived from risk-free rates based on long-term government bonds, adjusted for risk factors such as region and market risk in the territories in which the Group operates and the time value of money. The future cash flows are then extended into perpetuity using long-term growth rates. If determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For details of relevant non-financial assets, see notes 11 and 12.

Defined benefit pension scheme assumption

Determining the fair value of the defined benefit pension scheme, which relates to the pension of the Group, requires assumptions to be made by management and the Group's independent qualified actuary around the actuarial valuations of the scheme's assets and liabilities. For details see note 29.

Leases – estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease; therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). The IBR is reassessed when there is a reassessment of the lease liability or a lease modification.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 March 2024

3. Segmental analysis

	FY24 £m	FY23 £m
Revenue by geographical market[1]		
EMEA	**431.8**	443.0
Americas	**325.8**	428.2
APAC	**119.5**	129.1
Total revenue	**877.1**	1,000.3

1. Revenue by geographical market represents revenue from external customers; there is no inter-segment revenue.

	FY24 £m	FY23 £m
EBITDA[2] by geographical market		
EMEA	**140.8**	146.1
Americas	**64.4**	100.1
APAC	**31.7**	33.8
Support costs	**(39.4)**	(35.0)
EBITDA[2]	**197.5**	245.0
Depreciation, amortisation and impairment	**(21.0)**	(22.6)
Depreciation and impairment of right-of-use assets	**(51.3)**	(35.5)
Foreign exchange losses	**(4.2)**	(10.7)
Other gains	**1.2**	-
Depreciation, amortisation, impairment, foreign exchange losses and other gains	**(75.3)**	(68.8)
Finance income and expense	**(29.2)**	(16.8)
Profit before tax	**93.0**	159.4

2. Alternative Performance Measure 'APM' as defined in the Glossary on pages 66 and 67.

Additional revenue analysis

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

	FY24 £m	FY23 £m
Revenue by channel		
Ecommerce	**276.3**	279.0
Retail	**256.8**	241.7
Total DTC revenue	**533.1**	520.7
Wholesale	**344.0**	479.6
Total revenue	**877.1**	1,000.3

	FY24 £m	FY23 £m
Non-current assets		
EMEA[1]	**153.4**	143.3
Americas	**92.2**	72.6
APAC	**17.7**	15.4
Goodwill	**240.7**	240.7
Deferred tax	**11.2**	11.8
Total non-current assets	**515.2**	483.8

1. Included in the EMEA non-current assets is £83.9m (FY23: £79.4m) in relation to the UK legal entities.

4. Expenses analysis

Profit before tax is stated after charging and crediting:

	Note	FY24 £m	FY23 £m
Selling and administrative expenses			
Staff costs	6	**155.8**	143.8
Operating costs		**221.9**	229.3
		377.7	373.1
Amortisation	11	**5.8**	8.4
Depreciation	12	**15.2**	13.6
Depreciation of right-of-use assets	12	**51.3**	32.2
Impairment	12	**-**	0.6
Impairment of right-of-use assets	12	**-**	3.3
Foreign exchange losses		**4.2**	10.7
Other gains		**(1.2)**	-
Depreciation, amortisation, impairment, foreign exchange losses and other gains		**75.3**	68.8
Total selling and administrative expenses		**453.0**	441.9

5. Auditors' remuneration

	FY24 £m	FY23 £m
Audit services in respect of the financial statements of the Parent Company and consolidation	**0.8**	0.6
Audit services in respect of the financial statements and of the financial statements of subsidiary companies	**1.5**	1.1
Other non-audit related services	**0.2**	0.1
	2.5	1.8[1]

1. FY23 auditor's remuneration of £2.1m disclosed in the Audit and Risk Committee Report on page 141 of the Annual Report is different to this as it includes additional fees relating to the FY23 audit which were agreed and have been incurred as an accounting expense in FY24.

6. Staff costs

The aggregate payroll costs were as follows:

	FY24 £m	FY23 £m
Wages and salaries	**126.7**	117.5
Social security costs	**14.2**	13.4
Pension costs	**5.4**	4.7
Other benefits[1]	**9.5**	8.2
	155.8	143.8

1. Includes share-based payments of £4.0m (FY23: £0.5m).

For details of remuneration relating to Directors, please refer to the Directors' Remuneration Report on pages 119 to 133 of the Annual Report.

The monthly number of employees (including Directors) employed by the Group during the year was:

	FTE[1] As at 31 March		Average[2] For the year ended 31 March	
	2024 **No.**	2023 No.	**2024** **No.**	2023 No.
EMEA	**1,044**	951	**1,853**	1,615
Americas	**599**	580	**819**	768
APAC	**385**	468	**553**	484
Global support functions	**602**	592	**600**	594
	2,630	2,591	**3,825**	3,461

1. FTE (Full Time Equivalent) is calculated by dividing the employee's contracted hours by the Group's standard full time contract hours.
2. Average is the average actual employees of the Group during the year calculated on a monthly basis.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 March 2024

7. Finance expense

	FY24 £m	FY23 £m
Bank debt and other charges	**22.3**	12.7
Interest on lease liabilities	**8.6**	4.8
Amortisation of bank loan issue costs	**1.2**	1.2
Other interest charges	**0.1**	-
Total financing expense	**32.2**	18.7

8. Tax expense

The Group calculates the tax expense for the year using the tax rate that would be applicable to the expected total annual earnings. The major components of tax expense in the Consolidated Statement of Profit or Loss are:

	FY24 £m	FY23 £m
Current tax		
Current tax on UK profit for the year	**17.2**	28.1
Adjustment in respect of prior years	**(0.6)**	(1.7)
Current tax on overseas profits for the year	**6.4**	4.3
	23.0	30.7
Deferred tax		
Origination and reversal of temporary differences	**(0.8)**	(1.0)
Adjustment in respect of prior years	**1.6**	0.8
	0.8	(0.2)
Total tax expense in the Consolidated Statement of Profit or Loss	**23.8**	30.5
Other Comprehensive Income		
Tax in relation to unexercised share options	**(0.5)**	-
Tax in relation to cash flow hedges	**0.7**	(0.2)
Total tax expense in the Consolidated Statement of Comprehensive Income	**24.0**	30.3

	FY24 £m	FY23 £m
Factors affecting the tax expense for the year:		
Profit before tax	**93.0**	159.4
Profit before tax multiplied by standard rate of UK corporation tax of 25% (FY23: 19%)	**23.3**	30.3
Effects of:		
Non-deductible expenses	**0.2**	0.2
Effect of change in UK tax rate	**-**	0.1
Share-based payments	**0.3**	0.1
Difference in foreign tax rates	**(0.8)**	0.8
Other adjustments	**(0.2)**	(0.1)
Adjustments in respect of prior years[1]	**1.0**	(0.9)
Total tax expense in the Consolidated Statement of Profit or Loss	**23.8**	30.5
Other Comprehensive Income		
Tax in relation to unexercised share options	**(0.5)**	-
Tax in relation to cash flow hedges	**0.7**	(0.2)
Total tax expense in the Consolidated Statement of Comprehensive Income	**24.0**	30.3
Effective tax rate	**25.6%**	19.1%

1. The adjustments in respect of the prior years are in relation to current and deferred tax on temporary differences.

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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 March 2024

9. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders of the Parent Company divided by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

	FY24 £m	FY23 £m
Profit after tax	**69.2**	128.9

	FY24 No.	FY23 No.
Weighted average number of shares for calculating basic earnings per share (millions)	**983.5**	1,000.5
Potentially dilutive share awards (millions)	**2.1**	0.7
Weighted average number of shares for calculating diluted earnings per share (millions)	**985.6**	1,001.2

	FY24	FY23
Earnings per share		
Basic earnings per share	**7.0p**	12.9p
Diluted earnings per share	**7.0p**	12.9p

During the year to 31 March 2024 the Group repurchased 39.9 million shares. The cash outflow was £50.5m (including transaction costs of £0.5m) pursuant to the share buyback scheme that was announced on 14 July 2023 and concluded on 19 December 2023.

10. Dividends

	FY24 £m	FY23 £m
Equity dividends on ordinary shares declared and paid during the year		
Final dividend paid for FY23: 4.28p (FY22: 4.28p)	**42.8**	42.8
Interim dividend for FY24: 1.56p (FY23: 1.56p)	**15.0**	15.6
Total dividends declared and paid during the year	**57.8**	58.4
Proposed for approval by shareholders at the AGM		
(not recognised as a liability at 31 March 2024 or 31 March 2023)		
Final dividend for FY24: 0.99p (FY23: 4.28p)	**9.5**	42.8
Total interim dividend paid and final dividend proposed	**24.5**	58.4
Dividend as a % of earnings	**35%**	45%
Dividend per share		
Total dividend per share (pence)	**2.55p**	5.84p

The Board has proposed, subject to shareholder approval, a final dividend of 0.99p (FY23: 4.28p), taking the total dividend for FY24, including the interim dividend of 1.56p, to 2.55p, a 35% payout ratio. Whilst this is a year-on-year reduction given the higher payout in FY23 and lower earnings achieved this year, the 35% payout for FY24 is at the top of the policy range. The Board's intention is to hold the FY25 dividend flat in absolute terms, before returning to an earnings payout in line with our dividend policy (of 25% to 35% payout) in FY26 onwards.

Going forwards, the Board is also adopting a consistent approach to setting the interim dividend, with this dividend set at one-third of the previous year's total dividend. We are also adjusting the payment dates for the dividends, to better reflect the trading cash profile of the Group, and therefore the final dividend will be paid in early October. The final dividend for FY24 will be paid to shareholders on the register as at 30 August 2024 with payment on 1 October 2024.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 March 2024

11. Intangible assets

	Software intangibles[1] £m	Other intangibles £m	Goodwill £m	Total £m
Cost				
At 1 April 2022	**38.8**	**1.2**	**240.7**	**280.7**
Additions	11.8	-	-	11.8
Disposals	(2.5)	-	-	(2.5)
Reclassifications to right-of-use assets[2]	(0.2)	-	-	(0.2)
Reclassifications to property, plant and equipment	(0.1)	-	-	(0.1)
Foreign exchange	0.4	-	-	0.4
At 31 March 2023	**48.2**	**1.2**	**240.7**	**290.1**
Additions	**10.2**	**-**	**-**	**10.2**
Disposals	**(1.0)**	**-**	**-**	**(1.0)**
Foreign exchange	**(0.1)**	**-**	**-**	**(0.1)**
At 31 March 2024	**57.3**	**1.2**	**240.7**	**299.2**
Accumulated amortisation and impairment				
At 1 April 2022	**18.6**	**-**	**-**	**18.6**
Charge for the year	8.4	-	-	**8.4**
Disposals	(2.4)	-	-	**(2.4)**
Foreign exchange	(0.1)	-	-	**(0.1)**
At 31 March 2023	**24.5**	**-**	**-**	**24.5**
Charge for the year	**5.7**	**0.1**	**-**	**5.8**
Disposals	**(1.0)**	**-**	**-**	**(1.0)**
Foreign exchange	**(0.2)**	**0.1**	**-**	**(0.1)**
At 31 March 2024	**29.0**	**0.2**	**-**	**29.2**
Net book value				
At 31 March 2024	**28.3**	**1.0**	**240.7**	**270.0**
At 31 March 2023	23.7	1.2	240.7	265.6

1. Software intangible additions in the year of £10.2m (FY23: £11.8m) include permanent employee staff costs capitalised of £0.8m (FY23: £0.6m).
2. Relates to a reclassification of assets to right-of-use assets in relation to key money.

11. Intangible assets (continued)

Goodwill impairment assessment

Goodwill is required to be tested for impairment on an annual basis by estimating the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use. An impairment is present if the recoverable amount is less than the carrying value of the asset. The recoverable amount is estimated for goodwill with reference to the cash generating units (CGUs) to which goodwill was originally allocated and each of these CGUs has been separately assessed and tested. The CGUs were agreed by the Directors as the geographical regions in which the Group operates. These regions are the lowest level at which goodwill is monitored and represent identifiable operating segments. There have been no changes to the composition of the Group's CGUs during the period.

The aggregate carrying amount of goodwill allocated to each CGU was as follows:

	FY24 **£m**	FY23 £m
EMEA	**66.6**	66.6
Americas	**114.1**	114.1
APAC	**60.0**	60.0
	240.7	240.7

All CGUs were tested for impairment. No impairment charge was made in the current year (FY23: £nil).

Judgements, assumptions and estimates

The results of the Company's impairment tests are dependent upon estimates and judgements made by management. All CGUs' recoverable amounts are measured using a value in use calculation. The value in use calculation uses cash flow forecasts based on financial projections reviewed by the Board covering a five-year period (pre-perpetuity). The forecasts are based on annual budgets and strategic projections representing the best estimate of future performance. Management considers forecasting over this period to appropriately reflect the business cycle of the CGUs. These cash flows are consistent with those used to review going concern and viability, however, are required by IAS 36 to be adjusted for use within an impairment review to exclude new retail development to which the Group is not yet committed.

In determining the value in use of CGUs it is necessary to make a series of assumptions to estimate the present value of future cash flows. The following key assumptions have been made by management reflecting past experience and are consistent with relevant external sources of information.

Operating cash flows

The main assumptions within the forecast operating cash flows include the achievement of future growth in ecommerce, retail and wholesale channels, sales prices and volumes (including reference to specific customer relationships and product lines), raw material input costs, the cost structure of each CGU, the impact of foreign currency rates upon selling price and cost relationships and the levels of capital expenditure required to support each sales channel.

Pre-tax risk adjusted discount rates

Future cash flows are discounted to present value using pre-tax discount rates derived from risk-free rates based on long-term government bonds, adjusted for risk factors such as region and market risk in the territories in which the Group operates and the time value of money. Consistent with the 2019 IFRS IASB Staff Paper, post-tax discount rates and post-tax cash flows are used as observable inputs, and then the pre-tax discount rates are calculated from this to comply with the disclosure requirements under IAS 36.

The pre-tax risk adjusted discount rates have been calculated to be 12.7% for EMEA (FY23: 12.3%), 12.6% for Americas (FY23: 12.5%), and 12.4% for APAC (FY23: 11.6%).

Long-term growth rates

To forecast beyond the five-year detailed cash flows into perpetuity, a long-term average growth rate has been used. The long-term growth rates applied for the regions are 1.9% for EMEA (FY23: 1.9%), 2.2% for Americas (FY23: 2.2%), and 3.4% for APAC (FY23: 3.5%). The rates used are in line with geographical forecasts included within industry reports.

Sensitivity analysis

Sensitivity analysis to potential changes in these key assumptions has been reviewed and there are no reasonably possible changes to key assumptions that would cause the carrying amount for any CGU to exceed its recoverable amount.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 March 2024

12. Property, plant and equipment

	Freehold property and improvements £m	Leasehold improvements £m	Plant, machinery, fixtures and fittings £m	Office and computer equipment £m	Motor vehicles £m	Total £m
Cost						
At 1 April 2022	**6.5**	**60.0**	**4.6**	**8.3**	**0.1**	**79.5**
Additions	1.0	19.9	12.7	2.8	-	36.4
Disposals	-	(5.0)	(0.9)	(2.4)	(0.1)	(8.4)
Reclassifications from intangible fixed assets	-	0.1	-	-	-	0.1
Foreign exchange	0.5	1.3	(0.2)	-	-	1.6
At 31 March 2023	**8.0**	**76.3**	**16.2**	**8.7**	**-**	**109.2**
Additions	**0.1**	**14.7**	**0.1**	**1.3**	**-**	**16.2**
Disposals	**(0.1)**	**(3.9)**	**-**	**(1.3)**	**-**	**(5.3)**
Reclassifications to right-of-use assets	**-**	**(3.3)**	**-**	**-**	**-**	**(3.3)**
Foreign exchange	**(0.2)**	**(1.8)**	**(0.3)**	**(0.2)**	**-**	**(2.5)**
At 31 March 2024	**7.8**	**82.0**	**16.0**	**8.5**	**-**	**114.3**
Accumulated depreciation and impairment						
At 1 April 2022	**0.4**	**31.9**	**3.2**	**5.6**	**0.1**	**41.2**
Charge for the year	0.3	10.3	1.0	2.0	-	13.6
Impairment	-	0.5	-	0.1	-	0.6
Eliminated on disposal	-	(5.0)	(0.9)	(2.4)	(0.1)	(8.4)
Foreign exchange	(0.1)	1.0	0.1	(0.1)	-	0.9
At 31 March 2023	**0.6**	**38.7**	**3.4**	**5.2**	**-**	**47.9**
Charge for the year	**0.3**	**11.9**	**0.8**	**2.2**	**-**	**15.2**
Impairment	**-**	**-**	**-**	**-**	**-**	**-**
Eliminated on disposal	**(0.1)**	**(3.9)**	**-**	**(1.3)**	**-**	**(5.3)**
Reclassifications to right-of-use assets	**-**	**(1.6)**	**-**	**-**	**-**	**(1.6)**
Foreign exchange	**-**	**(1.2)**	**-**	**(0.1)**	**-**	**(1.3)**
At 31 March 2024	**0.8**	**43.9**	**4.2**	**6.0**	**-**	**54.9**
Net book value						
At 31 March 2024	**7.0**	**38.1**	**11.8**	**2.5**	**-**	**59.4**
At 31 March 2023	7.4	37.6	12.8	3.5	-	61.3

12. Property, plant and equipment (continued)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Right-of-use assets £m
Cost or valuation	
At 1 April 2022	159.5
Additions[1]	66.3
Reassessments of leases[2]	5.5
Reclassifications from intangible fixed assets	0.2
Disposals	(0.8)
Foreign exchange	4.7
At 31 March 2023	**235.4**
Additions[1]	**77.0**
Reassessments of leases[2]	**(4.0)**
Reclassifications from property, plant and equipment	**3.3**
Modifications of leases	**10.1**
Disposals	**(10.1)**
Foreign exchange	**(8.8)**
At 31 March 2024	**302.9**
Accumulated depreciation and impairment	
At 1 April 2022	54.0
Charge for the year	32.2
Impairment[3]	3.3
Foreign exchange	1.8
At 31 March 2023	**91.3**
Charge for the year	**51.3**
Reclassifications from property, plant and equipment	**1.6**
Disposals	**(10.0)**
Foreign exchange	**(4.8)**
At 31 March 2024	**129.4**
Net book value	
At 31 March 2024	**173.5**
At 31 March 2023	144.1

1. Additions include £2.0m of direct costs (FY23: £3.2m) and £2.5m (FY23: £2.7m) in relation to costs of removal and restoring.
2. Lease reassessments relate to measurement adjustments for rent reviews and stores that have exercised lease breaks.
3. During FY23, impairment charged was mainly in relation to three stores in the USA where footfall recovery, in their locality, was weak, and they were written down to £nil.

Impairment of property, plant and equipment and right-of-use assets

The Group has determined that each retail store is a separate CGU. Each CGU is assessed for indicators of impairment at the Balance Sheet date and tested for impairment if any indicators exist. The Group has some leases that meet the IAS 36 definition of corporate assets, such as offices, as they do not generate independent cash flows. These are assessed for impairment indicators and if required to be tested for impairment, are done so using the two-step impairment process under IAS 36 in which they are allocated to the Regional-level CGUs as determined for goodwill impairment (note 11). There has been no change to the way in which CGUs are determined in the period.

Judgements, assumptions and estimates – retail stores

The results of the Company's impairment tests are dependent upon estimates and judgements made by management. If an indicator of impairment has been identified, a CGU's recoverable amount is measured using the value in use method. The value in use calculation uses cash flow forecasts based on financial projections reviewed by the Board covering a five-year period. The forecasts are based on annual budgets and strategic projections representing the best estimate of future performance. Management considers forecasting over this period to appropriately reflect the business cycle of the CGUs. These cash flows are consistent with those used to review going concern and viability, however, are adjusted for relevance to the nature and tenure of the retail store lease.

If determining the value in use of CGUs it is necessary to make a series of assumptions to estimate the present value of future cash flows which reflect past experience and are consistent with relevant external sources of information.

Operating cash flows – retail stores

If an indicator of impairment has been identified and a CGU's recoverable amount is required to be estimated, the main assumptions within the forecast operating cash flows include the achievement of future growth in retail sales, sales prices and volumes, raw material input costs, the cost structure of each CGU, the impact of foreign currency rates upon selling price and cost relationships and the levels of capital expenditure required to support the associated sales.

Pre-tax risk adjusted discount rate – retail stores

If an indicator of impairment has been identified and a CGU's recoverable amount is required to be estimated future cash flows are discounted to present value using a pre-tax discount rate derived from risk-free rates based on long-term government bonds, adjusted for risk factors such as region and market risk in the territories in which the Group operates and the time value of money. Consistent with the 2019 IFRS IASB Staff Paper, a post-tax discount rate and post-tax cash flows are used as observable inputs, and then the pre-tax discount rate is calculated from this to comply with the disclosure requirements under IAS 36. The pre-tax discount rate for the Group has been calculated to be 12.7% (FY23: 12.3%).

12. Property, plant and equipment (continued)

Sensitivity analysis – retail stores

If an indicator of impairment has been identified and a CGU's recoverable amount is required to be estimated, the results of the Group's impairment tests are dependent upon estimates and judgements made by management. No indicators of impairment were identified in FY24 and therefore no recoverable amount was estimated (FY23: sensitivity analysis to potential changes in key assumptions were reviewed and there were no reasonably possible changes to key assumptions that would have caused the carrying amount of any CGU to exceed its recoverable amount).

13. Inventories

	FY24 **£m**	FY23 £m
Raw materials	**2.2**	2.3
Finished goods	**252.4**	255.5
Inventories net of provisions	**254.6**	257.8

	FY24 **£m**	FY23 £m
Inventory provision	**2.6**	2.7
Inventory written off to Consolidated Statement of Profit or Loss	**0.9**	0.8

The cost of inventories recognised as an expense and included in cost of sales amounted to £284.3m (FY23: £348.8m). The remainder of total cost of sales of £301.9m (FY23: £382.2m) relates to freight including shipping out costs.

14. Trade and other receivables

	FY24 **£m**	FY23 £m
Trade receivables	**55.1**	80.6
Less: allowance for expected credit losses	**(0.8)**	(1.8)
Trade receivables – net	**54.3**	78.8
Other receivables	**7.7**	7.5
	62.0	86.3
Prepayments	**6.8**	6.7
	68.8	93.0

All trade and other receivables are expected to be recovered within 12 months of the year-end date. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value. The carrying value of trade receivables represents the maximum exposure to credit risk. For some trade receivables the Group may obtain security in the form of guarantees, insurances or letters of credit which can be called upon if the counterparty is in default under the terms. As at 31 March 2024 the amount of collateral held was £0.3m (FY23: £0.3m).

As at 31 March 2024 trade receivables of £1.9m (FY23: £4.5m) were due over 90 days, trade receivables of £0.7m (FY23: £1.4m) were due between 60-90 days and trade receivables of £52.5m (FY23: £75.0m) were due in less than 60 days. The Group establishes a loss allowance that represents its estimate of potential losses in respect of trade receivables, where it is deemed that a receivable may not be recovered, and considers factors which may impact risk of default.

Where appropriate, we have grouped these receivables with the same overall risk characteristics. When the receivable is deemed irrecoverable, the provision is written off against the underlying receivables.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (bad debt provision) which uses a lifetime expected loss allowance for all trade receivables.

To measure expected credit losses (bad debt provision), trade receivables have been grouped based on customer segment, geographical location, and the days past due. The expected loss rates are based on the historical credit losses experienced in previous periods. The rates are adjusted to reflect current and forward-looking information, including macroeconomic factors, by obtaining and reviewing relevant market data affecting the ability of customers to settle the receivables based on their customer segment and geographical location. Where objective evidence exists that a trade receivable balance may be impaired, provision is made for the difference between its carrying amount and the present value of the estimated cash that will be recovered. Evidence of impairment may include such factors as a customer entering insolvent administration proceedings.

As at 31 March 2024 trade receivables were carried net of expected credit losses (bad debt provision) of £0.8m (FY23: £1.8m). The individually impaired receivables relate mainly to accounts which are outside the normal credit terms. The ageing analysis of these provisions against trade receivables is as follows:

14. Trade and other receivables (continued)

	FY24 £m	FY23 £m
Up to 60 days	**0.1**	0.4
60 to 90 days	**-**	0.1
Over 90 days	**0.7**	1.3
	0.8	1.8

	FY24 £m	FY23 £m
At 1 April	**1.8**	0.7
Change in provision for expected credit losses	**(1.0)**	1.1
At 31 March	**0.8**	1.8

	FY24	FY23
Debtors days	**52**	52

The carrying amount of the Group's trade and other receivables is denominated in the following currencies:

	FY24 £m	FY23 £m
UK Sterling	**4.9**	4.1
Euro	**13.1**	28.0
US Dollar	**27.4**	43.7
Japanese Yen	**2.5**	1.5
Other currencies	**6.4**	1.5
	54.3	78.8

15. Cash and cash equivalents

	FY24 £m	FY23 £m
Cash and cash equivalents	**111.1**	157.5

16. Trade and other payables

	FY24 £m	FY23 £m
Trade payables	**33.0**	64.2
Taxes and social security costs	**12.2**	10.2
Other payables	**7.6**	5.6
	52.8	80.0
Accruals[1]	**39.4**	47.7
	92.2	127.7

1. Included within accruals is the refund liability of £3.9m (FY23: £4.5m) and deferred income of £2.5m (FY23: £1.8m). The balance of £33.0m (FY23: £41.4m) consists of accruals for royalties, goods received not invoiced and other accruals.

All trade and other payables are expected to be settled within 12 months of the year-end date. Due to the short-term nature of the current payables, their carrying amount is considered to be the same as their fair value. At 31 March 2024, other payables included £6.3m (FY23: £5.6m) in relation to employment related payables, mainly the holiday pay accrual.

17. Borrowings

	FY24 £m	FY23 £m
Current		
Bank interest	**8.4**	6.0
Lease liabilities (note 28)	**47.0**	28.1
Total current	**55.4**	34.1
Non-current		
Bank loans (net of unamortised bank fees)	**286.3**	293.4
Lease liabilities (note 28)	**135.3**	124.3
Total non-current	**421.6**	417.7
Total borrowings[1]	**477.0**	451.8
Analysis of bank loan:		
Non-current bank loans (net of unamortised bank fees)	**286.3**	293.4
Add back unamortised fees	**2.3**	3.4
Total gross bank loan	**288.6**	296.8

1. From total borrowings, only bank loans (excluding unamortised bank fees) and lease liabilities are included in debt for bank loan covenant calculation purposes.

On 29 January 2021, the Group entered into a New Facilities Agreement, comprising a new Term Loan B facility of €337.5m (equivalent to £300.0m at that date) and a new multi-currency revolving credit facility of £200.0m. These facilities have a maturity date of 2 February 2026. Included within this agreement is a committed ancillary facility of which £3.4m (FY23: £3.7m) has been utilised primarily related to landlord bank guarantees.

During the year the Group drew down £30.0m (FY23: £nil) of debt under the revolving credit facility to support short-term working capital requirements, and this was fully repaid during the year on 30 November 2023.

The Group value of the bank loan as at 31 March 2024 (excluding unamortised bank fees and accrued interest) of £288.6m (FY23: £296.8m) is £11.4m lower (FY23: £3.2m lower) than the amount borrowed on 29 January 2021 due to an appreciation of the GBP/Euro foreign exchange rate movement. The Group's total gross bank loan is denominated in Euros and loan repayments will occur in February 2026.

The Group's total gross bank loan is denominated in the following currencies:

	FY24 £m	FY23 £m
Euro Term Loan B[1]	**288.6**	296.8
Total bank loan	**288.6**	296.8

1. Euro denominated amount €337.5m (FY23: €337.5m).

Loan repayments will occur as follows:

	Term Loan B (Euro) £m
Year to 31 March	
2026 (2 February 2026) (€337.5m)	**288.6**
Total	**288.6**

Interest of the Euro Term Loan B is charged with a variable margin depending on the Group leverage over floating EURIBOR. The weighted total interest rate for this instrument in the year was 6.6% (FY23: 3.57%).

17. Borrowings (continued)

Implementation of alternative benchmark interest rates

Following the cessation of several 'Inter Bank Offer Rates' (IBORs) the Group has continued to transition to using alternative benchmark interest rates where appropriate, with the overall impact assessed as being immaterial.

The Group's existing £200m multi-currency revolving credit facility was transitioned to allow the continued drawing of GBP and JPY as currencies fixing against Risk Free Rates (SONIA and TONIA respectively) from LIBOR.

The Group's €337.5m Euro Term Loan B currently fixes against floating EURIBOR where, following a methodology reform of this benchmark by the European Money Markets Institute (EMMI) in 2019, no indication has been given that it is likely to cease in the near future. The Group assesses there to be no other material impact as part of the reform and has no interest rate hedge accounting relationships as at 31 March 2024.

Bank loans

	FY24 £m	FY23 £m
Revolving credit facility utilisation		
Guarantees	**3.4**	3.7
Total utilised facility	**3.4**	3.7
Available facility (unutilised)	**196.6**	196.3
Total revolving facility	**200.0**	200.0
	%	%
Interest rate charged on unutilised facility	**0.90**	0.83

The bank loans are secured by a fixed and floating charge over all assets of the Group.

On 29 January 2021, the Group entered into a £200.0m multi-currency revolving credit facility available until 2 February 2026.

Fair value measurement

The fair value of the items classified as loans and borrowings is shown above. The book and fair values of borrowings are deemed to be materially equal.

Movements in bank loans (excluding the accrual and payment of interest) were as follows:

		Cash flows			
	1 April 2023 £m	**New loans £m**	**Repayment of capital £m**	**Foreign exchange movement £m**	**31 March 2024 £m**
Euro Term Loan B	**296.8**	**-**	**-**	**(8.2)**	**288.6**
Total borrowings	**296.8**	**-**	**-**	**(8.2)**	**288.6**

		Cash flows			
	1 April 2022 £m	New loans £m	Repayment of capital £m	Foreign exchange movement £m	31 March 2023 £m
Euro Term Loan B	285.6	-	-	11.2	296.8
Total borrowings	285.6	-	-	11.2	296.8

Net debt[1] reconciliation

The breakdown of net debt[1] was as follows:

	FY24 £m	FY23 £m
Cash and cash equivalents	**111.1**	157.5
Bank loans (net of unamortised bank fees)	**(286.3)**	(293.4)
Lease liabilities	**(182.3)**	(152.4)
Net debt[1]	**(357.5)**	(288.3)

1. Alternative Performance Measure 'APM' as defined in the Glossary on pages 66 and 67.

18. Provisions

	Property provisions £m	Total £m
At 1 April 2022	1.9	**1.9**
Arising during the year	2.7	**2.7**
Amounts utilised	(0.2)	**(0.2)**
At 31 March 2023	**4.4**	**4.4**
Arising during the year	**2.5**	**2.5**
Amounts utilised	**(0.4)**	**(0.4)**
Foreign exchange	**(0.2)**	**(0.2)**
At 31 March 2024	**6.3**	**6.3**

Property provisions relate to the estimated repair and restoration costs for retail stores at the end of the lease. The provisions are not discounted for the time value of money as this is not considered materially different from the current cost.

19. Derivative assets and liabilities

	FY24 £m	FY23 £m
Assets		
Foreign exchange forward contracts – Current	**1.5**	0.5
Foreign exchange forward contracts – Non-current	**0.1**	-
Liabilities		
Foreign exchange forward contracts – Current	**(0.1)**	(1.3)
Foreign exchange forward contracts – Non-current	**-**	-

Derivative financial instruments consist of foreign exchange forward contracts, which are categorised within Level 2 (refer to note 2.16 for details on fair value hierarchy categorisation). The full fair value of a derivative is classified as a non-current asset or liability if the remaining maturity is more than 12 months and as a current asset or liability if the maturity of the derivative is less than 12 months.

Foreign exchange forward derivatives
The Group takes a holistic approach to foreign exchange risk, viewing exposures on Group wide net cash flow basis, seeking to maximise natural offsets wherever possible. Where considered material the Group manages its exposure to variability in GBP from foreign exchange by hedging highly probable future cash flows arising in other currencies. The Group's principal net currency exposures are to EUR, CAD, JPY and USD.

The Group adopts a rolling, layered approach to hedging its operating cash flows using forward foreign exchange contracts on an 18-month horizon. Other derivative contracts and longer tenors may be used provided these are approved by the Board and Audit and Risk Committee. The Group also utilises foreign exchange derivatives in a hedging relationship to partially hedge the foreign exchange translation risk (into functional GBP) on its term loan.

The following table represents the nominal amounts and types of derivatives held as at each Balance Sheet date:

	FY24	FY23
Average foreign exchange rate		
Cash flow hedges: sell GBP buy EUR	**1.1539**	1.1225
Cash flow hedges: sell EUR buy GBP	**1.1366**	1.1381
Derivatives measured at fair value through profit or loss: sell EUR buy GBP	**1.1448**	-
Nominal amounts		
Cash flow hedges: sell GBP buy EUR	**€m**	€m
Less than a year	**130.0**	136.3
More than a year but less than two years	**-**	-
Cash flow hedges: sell EUR buy GBP	**£m**	£m
Less than a year	**66.5**	76.0
More than a year but less than two years	**2.1**	5.8
Derivatives measured at fair value through profit or loss: sell EUR buy GBP	**£m**	£m
Less than a year	**1.9**	-
More than a year but less than two years	**-**	-

For hedges of forecast receipts and payments in foreign currencies, the critical terms of the hedging instruments match exactly with the terms of the hedged items and, therefore, the Group performs a qualitative assessment of effectiveness. The fair value of forecast hedge items are assessed to move materially equally and opposite to continuing cash flow hedge instruments. Ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated or if there are changes in the credit risk of the Group or the derivative counterparty. The hedge ratio is 1:1.

If a hedged item is no longer expected to occur, the hedge instruments are immediately de-designated from a cash flow hedge relationship. Amounts recognised in relation to de-designated derivatives are released from the hedging reserve and thereafter movements are classified as fair value through profit or loss. Amounts de-designated during the year ended 31 March 2024 were not material.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 March 2024

19. Derivative assets and liabilities (continued)

(Losses)/gains reclassified from the Consolidated Statement of Comprehensive Income to the Consolidated Statement of Profit or Loss during the period are as follows:

	FY24	FY23
	£m	£m
Revenue	**1.5**	(1.5)
Foreign exchange (losses)/gains	**(5.4)**	4.0
	(3.9)	2.5

Derivative financial assets and liabilities are subject to offsetting, enforceable master netting arrangements with counterparties. However, these amounts are presented gross on the face of the Balance Sheet as the conditions for netting specified in IAS 32 'Financial Instruments Presentation' are not met.

	FY24		
	Gross carrying amounts	**Amounts not offset**	**Net amounts**
	£m	**£m**	**£m**
Derivative financial assets	**1.6**	**(0.1)**	**1.5**
Derivative financial liabilities	**(0.1)**	**0.1**	**-**

	FY23		
	Gross carrying amounts	Amounts not offset	Net amounts
	£m	£m	£m
Derivative financial assets	0.5	(0.4)	0.1
Derivative financial liabilities	(1.3)	0.4	(0.9)

20. Investments

	FY24	FY23
	£m	£m
Investments	**1.0**	1.0

On 16 January 2023 the Group made an investment of £1.0m in the share capital of Generation Phoenix Ltd (GP), a company that specialises in producing a sustainable alternative to leather and produces a recycled leather product using part processed offcuts.

21. 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 both years 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.

	31 March 2024			
	Assets at amortised cost	**Fair value through other comprehensive income**	**Fair value through profit or loss**	**Total**
	£m	**£m**	**£m**	**£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	**Fair value through other comprehensive income**	**Fair value through profit or loss**	**Total**
	£m	**£m**	**£m**	**£m**
Liabilities as per Balance Sheet				
Bank debt	**288.6**	**-**	**-**	**288.6**
Bank interest – 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 (mainly tax and social security costs)	**77.5**	**-**	**-**	**77.5**
	556.8	**0.1**	**-**	**556.9**

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 March 2024

21. Financial instruments (continued)

	31 March 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	86.3	-	-	**86.3**
Derivative financial assets – Current	-	0.5	-	**0.5**
Cash and cash equivalents	86.3	-	71.2[1]	**157.5**
	172.6	1.5	71.2	**245.3**

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	293.4	-	-	**293.4**
Bank interest – Current	6.0	-	-	**6.0**
Lease liabilities – Current	28.1	-	-	**28.1**
Lease liabilities – Non-current	124.3	-	-	**124.3**
Derivative financial instruments – Current	-	1.3	-	**1.3**
Trade and other payables excluding non-financial liabilities (mainly tax and social security costs)	115.7	-	-	**115.7**
	567.5	1.3	-	**568.8**

Group financial risk factors
The Group's activities expose it to a wide variety of financial risks including liquidity, credit and market risk (including foreign exchange and interest rate risks). The Group's Treasury policies seek to manage residual financial risk to within the Board agreed tolerance in a cost-effective manner and taking advantage of natural offsets that exist or can be created through its operating activities. Where appropriate the Group uses derivative financial instruments to hedge certain risk exposures (for example to reduce the impacts of foreign exchange volatility).

Risk management is carried out by a central Treasury Department under policies approved by the Board of Directors and the Audit and Risk Committee. Group Finance and Treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's Regional operating units. The Board agrees written principles for overall risk management as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and liquidity risk. These policies cover the allowable use of selective derivative financial instruments and investment management processes for excess liquidity.

Liquidity risk
Cash flow forecasting is regularly performed in the operating entities of the Group and aggregated by Group Treasury. Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom in its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants. Surplus cash held by operating entities over and above balances required for working capital are transferred to Group Treasury to be managed centrally. Treasury policy is to invest surplus cash in high quality, short-term, interest bearing instruments including current accounts, term deposit and low volatility money market funds.

The Group continually reviews any medium to long-term financing requirements to ensure cost effective access to funding is available if and when it is needed (including any debt refinancing).

21. Financial instruments (continued)

The table below sets out the contractual maturities (representing undiscounted contractual cash flows) of loans, borrowings and other financial liabilities:

	At 31 March 2024				
	Up to 3 months £m	**Between 3 & 12 months £m**	**Between 1 & 5 years £m**	**More than 5 years £m**	**Total £m**
Bank loans – Principal	**-**	**-**	**288.6**	**-**	**288.6**
Bank loans – Interest	**10.7**	**11.6**	**22.3**	**-**	**44.6**
Total bank loans	**10.7**	**11.6**	**310.9**	**-**	**333.2**
Lease liabilities	**14.0**	**39.5**	**118.5**	**30.7**	**202.7**
Derivative financial instruments	**-**	**0.1**	**-**	**-**	**0.1**
Trade and other payables excluding non-financial liabilities	**77.5**	**-**	**-**	**-**	**77.5**
	102.2	**51.2**	**429.4**	**30.7**	**613.5**

	At 31 March 2023				
	Up to 3 months £m	Between 3 & 12 months £m	Between 1 & 5 years £m	More than 5 years £m	**Total £m**
Bank loans – Principal	-	-	296.8	-	**296.8**
Bank loans – Interest	7.8	8.6	37.7	-	**54.1**
Total bank loans	7.8	8.6	334.5	-	**350.9**
Lease liabilities	8.4	25.9	99.3	39.9	**173.5**
Derivative financial instruments	0.2	1.1	-	-	**1.3**
Trade and other payables excluding non-financial liabilities	115.7	-	-	-	**115.7**
	132.1	35.6	433.8	39.9	**641.4**

Credit risk

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk of their new customers before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. Cash investments and derivative transactions are only executed with financial institutions who hold an investment grade rating with at least one of Moody's, Standard & Poor's or Fitch's rating agencies. The Group's Treasury policy defines strict limits that do not allow concentration of risk with individual counterparties.

For wholesale customers, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are regularly monitored. Sales to wholesale customers are settled primarily by bank transfer and retail customers are settled in cash or by major debit/credit cards. The Group has no significant concentration of credit risk as exposure is spread over a large number of customers.

Market risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from the various currency exposures, primarily with respect to the US Dollar, Euro, Canadian Dollar and Japanese Yen. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in overseas operations. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group purchases the vast majority of its inventory from factories in Asia which are paid in US Dollars. On a net basis, the majority of Group EBITDA is earned in currencies other than Pounds Sterling. In addition, the Group has other currency denominated debt and investments in overseas operations whose net assets are exposed to foreign currency translation risk upon consolidation.

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from its floating rate bank debt and cash amounts held. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's bank debt borrowings are denominated in Euros, and incur interest at variable rates subject to floating EURIBOR with a zero rate floor.

At 31 March 2024, if interest rates on bank borrowings had been 50 basis points higher or lower with all other variables held constant, the calculated pre-tax profit for the year would change by £1.5m (FY23: £1.5m).

Capital risk

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balances. The Group's overall strategy remains consistent with that from the past few years.

The capital structure of the Group consists of net debt disclosed in note 17 and equity attributable to equity holders of the parent, comprising issued ordinary share capital, reserves and retained earnings as disclosed in notes 23 and 24 and the Consolidated Statement of Changes in Equity. The Group's Board of Directors reviews the capital structure on an annual basis. The Group is not subject to any externally imposed capital requirement.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 March 2024

21. Financial instruments (continued)

Foreign currency risk

The Group has analysed the impact of a movement in foreign exchange rate of the major non-GBP currencies on its EBITDA[1] (all other foreign exchange rates remaining unchanged) as follows:

10% appreciation of currency	FY24 £m	FY23 £m
US Dollar	**6.1**	2.8
Euro	**18.5**	19.9
Yen	**4.3**	4.1

1. Alternative Performance Measure 'APM' as defined in the Glossary on pages 66 and 67.

Note the US Dollar movement is lower as the Group earns US Dollars from its US business and purchases substantially all inventory in US Dollar, which provides a degree of natural offsetting. In addition to the above, a 10% appreciation in Euro against GBP would increase annualised bank loan interest by £2.2m (FY23: £0.9m) under the terms of the new loan agreement.

22. Deferred taxation

The analysis of deferred tax assets and liabilities is as follows:

	FY24 £m	FY23 £m
Non-current		
Assets	**11.2**	11.8
Liabilities	**(2.8)**	(1.8)
	8.4	10.0

The gross movement on the deferred income tax is as follows:

	FY24 £m	FY23 £m
Credit for the year in the Statement of Comprehensive Income	**1.6**	0.4

The deferred tax asset provided in the financial statements is supported by budgets and trading forecasts and relates to the following temporary differences:

- accelerated capital allowances are the differences between the net book value of fixed assets and their tax base;
- other temporary differences are the other differences between the carrying amount of an asset/liability and its tax base that eventually will reverse;
- unrealised profits in intra-group transactions and expenses;
- trade losses expected to be utilised in future years; and
- deferred tax on share-based payments in relation to the expected future tax deduction on the exercise of granted share options spread over the vesting period.

The movement in deferred income tax assets and liabilities during the year is as follows:

	Accelerated capital allowances £m	Unrealised intra-group profits £m	Other temporary differences £m	Tax losses £m	Share-based payments £m	Total £m
At 1 April 2022	(2.0)	3.2	7.1	0.6	0.7	**9.6**
Statement of Profit or Loss (charge)/credit	(0.4)	0.8	0.1	0.1	(0.4)	**0.2**
Credited directly to equity	-	-	0.2	-	-	**0.2**
Foreign exchange	-	-	-	-	-	**-**
At 31 March 2023	**(2.4)**	**4.0**	**7.4**	**0.7**	**0.3**	**10.0**
Statement of Profit or Loss (charge)/credit	**(0.8)**	**(0.4)**	**0.5**	**(0.1)**	**-**	**(0.8)**
(Charged)/credited directly to equity	**-**	**-**	**(0.7)**	**-**	**0.5**	**(0.2)**
Foreign exchange	**-**	**(0.3)**	**(0.3)**	**-**	**-**	**(0.6)**
At 31 March 2024	**(3.2)**	**3.3**	**6.9**	**0.6**	**0.8**	**8.4**

22. Deferred taxation (continued)

Deferred taxation not provided in the financial statements:

	FY24 £m	FY23 £m
Tax losses[1]	**9.1**	9.1

1. This is the tax effected amount of losses that have not been provided for in the financial statements, calculated using the rate at which the losses would be expected to be used. There is £36.3m (FY23: £36.6m) of gross tax losses that have not been provided for because they are either capital losses (which can only be used against future capital gains which we are not forecasting) or they are non-trade loan relationship losses which can only be used in the same company (and are in companies we don't expect to have any loan relationship profits).

The deferred tax assets and liabilities have been measured at the corporation tax rate expected to apply to the reversal of the timing difference, based on rates that are enacted or substantively enacted by the end of each reporting period. There are no material temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, for which deferred tax liabilities have not been recognised.

23. Ordinary share capital

	FY24 No.	**FY24 £m**	FY23 No.	FY23 £m
Authorised, called up and fully paid				
Ordinary shares of £0.01 each	**961,878,608**	**9.6**	1,000,793,898	10.0

The movements in the ordinary share capital during the year ended 31 March 2024 and 31 March 2023 were as follows:

	FY24 No.	**FY24 £m**	FY23 No.	FY23 £m
At 1 April	**1,000,793,898**	**10.0**	1,000,222,700	10.0
Shares issued	**953,845**	**-**	571,198	-
Repurchase and cancellation of ordinary share capital	**(39,869,135)**	**(0.4)**	-	-
At 31 March	**961,878,608**	**9.6**	**1,000,793,898**	**10.0**

The cost of shares purchased by the SIP Trusts is offset against the profit and loss account, as the amounts paid reduce the profits available for distribution by the Company.

During the year ended 31 March 2024 Dr. Martens plc repurchased 39.9 million ordinary shares for a total consideration of £50.5m, including transaction costs of £0.5m, as part of a share repurchase programme announced on 1 July 2023. All shares purchased were for cancellation. The repurchased shares represented 4.1% of ordinary share capital. The number of shares in issue is reduced where shares are repurchased.

24. Treasury shares

The movements in treasury shares held by the Company during the year ended 31 March 2024 were as follows:

	FY24 No.	**FY24 £m**	FY23 No.	FY23 £m
At 1 April	**110,153**	**-**	16,925	-
Repurchase of shares for cancellation	**39,869,135**	**50.0**	-	-
Cancellation of shares	**(39,869,135)**	**(50.0)**	-	-
Shares issued for share schemes held in trust	**284,770**	**-**	93,228	-
At 31 March	**394,923**	**-**	110,153	**-**

On 14 July 2023 Dr. Martens plc announced a share buyback programme. Treasury shares existed during the year 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.

25. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Ordinary share capital	Nominal value of subscribed shares.
Hedging reserve	Represents the movements in fair value on designated hedging instruments.
Treasury shares	This reserve relates to shares held by SIP Trusts as 'treasury shares'. The shares held by the SIP Trusts were issued directly to the Trusts in order to satisfy outstanding employee share options and potential awards under the employee share incentive schemes. The Company issued 284,770 shares directly to the Trusts during the year and held 394,923 as at 31 March 2024 (31 March 2023: 110,153). This reserve was previously referred to as 'capital reserve – own shares'. This reserve also included treasury shares repurchased but not yet cancelled, pursuant to the share buyback programme, which concluded during FY24.
Capital redemption reserve	A non-distributable reserve into which amounts are transferred following the redemption or purchase of own shares. The reserve was created in order to ensure sufficient distributable reserves were available for the purpose of redeeming preference shares in the prior years.
Merger reserve	The difference between the nominal value of shares acquired by Dr. Martens plc (the Parent Company) in the share for share exchange with Doc Topco Limited and the nominal value of shares issued to acquire them on 11 December 2020.
Foreign currency translation reserve	Includes translation gains or losses on translation of foreign subsidiaries' financial statements from the functional currencies to the presentational currency.
Retained earnings	Retained earnings represent the profits of the Group made in current and preceding years, net of distributions and equity-settled share-based awards. Included in retained earnings are distributable reserves.

26. Share-based payments and share schemes

Executive Share Plan – The Dr. Martens Long Term Incentive Plan (LTIP)

Awards of shares to Executive Directors and other senior executives are made under the Long Term Incentive Plan (LTIP): the Performance Share Plan (PSP) for the Executive Directors and Global Leadership Team (GLT) and the Restricted Share Unit Plan (RSU) for GLT direct reports and other employees. The LTIP is a discretionary share plan under which awards are approved and granted at the discretion of the Remuneration Committee.

Long Term Incentive Plan – Performance Share Plan (PSP)

Awards of conditional shares are granted to the Executive Directors and GLT. These awards are currently capable of vesting subject to the achievement of set performance conditions over a three-year performance period and continued service. There are two performance conditions attached to the awards which are Total Shareholder Return (TSR), which is a market-based performance condition, and EPS growth, which is a non-market-based performance condition. The fair value of the TSR element of the performance conditions is calculated and fixed at the date of grant using a Stochastic options pricing model. The fair value of the EPS element of the performance conditions is reviewed at each Balance Sheet date and adjusted through the number of awards expected to vest. The fair value of the PSP is the face value of the awards at the date of grant (calculated using the closing share price on the day preceding grant). The awards will vest to participants at the end of the vesting period subject to the performance conditions of the award being met. The entitlement of any of the awards for leavers are subject to good and bad leaver provisions as set out in the Plan Rules. There are no cash settlement alternatives and the Group accounts for the PSP as an equity-settled plan. Full details on the performance conditions for all the LTIP awards can be found in the Remuneration Report on pages 119 to 133 of the Annual Report.

Long Term Incentive Plan – Restricted Share Unit Plan (RSU)

Conditional awards of shares under the RSU are granted to GLT direct reports and other employees of the Group. There are no performance conditions attached to the awards, the awards will only vest should the participants remain employed on the vesting date. If participants leave the Group their awards would usually lapse in full, however there are good and bad leaver provisions set out in the Plan Rules. The fair value of Restricted Share Unit awards is the face value of the awards at the date of grant (calculated using the closing share price on the day preceding grant). The Group accounts for the Restricted Share Unit awards as an equity-settled plan.

26. Share-based payments and share schemes (continued)

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, shares subject to LTIP schemes during the year:

	FY24		FY23	
	LTIP		LTIP	
	No.	**WAEP**	No.	WAEP
Outstanding at the beginning of the year	**6,788,582**	**-**	3,187,899	-
Granted	**10,597,184**	**£0.00**	4,593,183	£0.00
Vested	**(653,105)**	**-**	(402,860)	-
Forfeited	**(1,408,092)**	**-**	(589,640)	-
Outstanding at the end of the year	**15,324,569**	**£0.00**	6,788,582	£0.00
Weighted average contractual life remaining (years)	**1.6**	**£0.00**	1.8	£0.00

Fair value measurement

The following table lists the inputs to the models used for the plans granted during the year ended 31 March 2024:

		FY24	
		LTIP	
	PSP	**RSU**	**RSU**
Date of grant	**30/06/2023**	**30/06/2023**	**14/12/2023**
Share price (pence)	**119.3**	**119.3**	**88.5**
Fair value at grant date (pence)	**96.7**	**119.3**	**88.5**
Exercise price (pence)	**0**	**0**	**0**
Dividend yield (%)	**Nil**	**Nil**	**Nil**
Expected volatility (%)	**55.05%**	**Nil**	**Nil**
Risk-free interest rate (%)	**5.13%**	**Nil**	**Nil**
Expected life (years)	**3 years**	**3 years**	**3 years**
Model used	**Monte Carlo**	**n/a**	**n/a**

		FY23	
		LTIP	
	PSP	RSU	RSU
Date of grant	15/06/2022	15/06/2022	08/12/2022
Share price (pence)	238	238	193
Fair value at grant date (pence)	205	238	193
Exercise price (pence)	0	0	0
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	50.71%	Nil	Nil
Risk-free interest rate (%)	2.23%	Nil	Nil
Expected life (years)	3 years	3 years	2.7 years
Model used	Monte Carlo	N/A	N/A

The following schemes granted in FY22 were also still in existence during FY23 and FY24:

		FY22	
		LTIP	
	PSP	RSU	RSU
Date of grant	15/12/2021	06/07/2021	15/12/2021
Share price (pence)	388	453	388
Fair value at grant date (pence)	301	453	388
Exercise price (pence)	0	0	0
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	54.57%	Nil	Nil
Risk-free interest rate (%)	0.42%	Nil	Nil
Expected life (years)	2.3 years	2.7 years	2.3 years
Model used	Monte Carlo	N/A	N/A

Volatility

For determining expected volatility, IFRS 2 requires the fair value to take into account historical volatility over the expected term. Where Dr. Martens plc has been listed for less than the expected life of the plans it does not have sufficient information on historical volatility, and it computes volatility for the longest period for which trading activity is available. It also considered the historical volatility of similar entities in the same industry for the equivalent period of their listed share price history.

26. Share-based payments (continued)

All employee Plan – Share Incentive Plan (SIP) and International Share Incentive Plan

The Group has two SIP Trusts, Dr. Martens plc UK Share Incentive Plan Trust ('SIP-UK') and Dr Martens plc International Share Incentive Plan Trust ('SIP-International'), for the purpose of facilitating the holding of shares in Dr. Martens plc for the benefit of employees of the Group. The assets of the employee share trusts are held by the separate trusts, of which the Directors consider that Dr. Martens plc has control for accounting purposes.

Share Incentive Plan (SIP): Buy As You Earn

In October 2021 employees were granted Free Shares under the Share Incentive Plan (SIP), these shares remain under restriction and will become available to employees from October 2024 when the forfeiture period lifts. In September 2022 the Company launched the purchase and matching element of the SIP known as Buy As You Earn (BAYE). Employees can elect to make a monthly contribution from their gross pay to purchase shares in Dr. Martens plc ('partnership shares'). For each partnership share acquired, the Company will award a 'matching' share. Matching shares are subject to a three-year forfeiture period, and employees will receive the matching shares if they remain employed at the end of this period of service.

The matching shares fall within the scope of IFRS 2 and are classed as equity-settled share-based payments with a three-year forfeiture period, due to the condition of continued service for three years from the allocation date. A new invitation to join the plan will be rolled out each year effective 1 September. On 11 November 2022, the first matching shares were allocated to employees who had opted into the plan and purchased partnership shares. These awards are subject to a three-year forfeiture period after the date of purchase of the corresponding partnership shares. There are no cash settlement alternatives and the Group accounts for the SIP as an equity-settled plan.

Global Share Incentive Plan (SIP): International Buy As You Earn

In October 2021 employees were granted Free Shares under the International Share Incentive Plan (SIP); these shares vested in April 2022 where sufficient shares were sold to cover their tax/social security liabilities where applicable and are now beneficially owned by the employees. In March 2023 the Company launched the purchase and matching element of the International SIP known as International Buy As You Earn (BAYE). Employees can elect to make a monthly contribution from their net pay to purchase shares in Dr. Martens plc ('partnership shares'). Partnership shares are purchased quarterly with the first purchase in July 2023. For each partnership share acquired, the Company will award a 'matching' share annually. Matching shares are subject to a three-year forfeiture period. The matching shares fall within the scope of IFRS 2 and are classed as equity-settled share-based payments with a three year forfeiture period, and employees will receive the matching shares if they remain employed at the end of this period of service. A new invitation to join the plan will be rolled out each year effective 1 September.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, SIP shares during the year:

	FY24	FY23
	SIP	SIP
	No.	No.
Outstanding at the beginning of the year	**92,318**	-
Granted	**335,940**	93,591
Vested	**-**	-
Forfeited	**(42,735)**	(1,273)
Outstanding at the end of the year	**385,523**	92,318
Weighted average contractual life remaining (years)	**2 years**	3 years

Fair value measurement

The following table lists the inputs to the model used for the SIP plans for the years ended 31 March 2024 and 2023:

	FY24	FY23
	SIP	
Date of grant	**22/09/2023**	15/09/2022
Share price (pence)	**82-165**	128-290
Fair value at grant date (pence)	**82-165**	128-290
Exercise price (pence)	**0**	0
Dividend yield (%)	**Nil**	Nil
Expected volatility (%)	**0**	0
Risk-free interest rate	**0**	0
Expected life (years)	**3 years**	3 years
Model used	**N/A**	N/A

Share schemes–- additional information

Employer payroll taxes are being accrued, where applicable, at local rate, which management expects to be the prevailing rate when the awards are exercised, based on the share price at the reporting date. The total employer payroll taxes for the year relating to all the awards was £0.2m (FY23: £nil).

Included in staff costs and accruals is £0.1m (FY23: £0.4m) in relation to expenses arising from cash-settled share-based payments.

Included in staff costs is £3.9m (FY23: £0.5m) in relation to expenses arising from equity-settled share-based payments. Within this amount is £0.1m (FY23: £nil) in relation to the SIP.

Global Bonus Scheme Share Plan

The Remuneration Committee of the Group has determined that a proportion of the annual Executive Bonus Scheme will be utilised (on a net basis) to purchase Parent Company shares. There were no cancellations or modifications during the year.

27. Financial commitments

The Group is party to a number of warehousing agreements whereby it is committed to certain costs which are not required to be reflected on the Balance Sheet. These costs pertain to storage costs for some warehouses that do not meet the recognition requirements of IFRS 16, and the fixed-cost elements of the additional services that the Group's warehouse operators provide.

The below table discloses the contractual cash flows that the Group is committed to under these arrangements, excluding the effects of future rate increases allowable within the agreements.

	FY24 £m	FY23 £m
Within 1 year	**7.4**	8.2
1 to 5 years	**9.0**	16.7
Over 5 years	**-**	-
	16.4	24.9

Short-term leases for retail stores are not required to be included above as the portfolio of short-term leases to which the Group is committed to at the end of the reporting period is not dissimilar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 28 relates.

Guarantees exist in the form of rent guarantees to various landlords of £3.2m (FY23: £3.5m) and other guarantees of £0.2m (FY23: £0.2m). These guarantees which aggregate to £3.4m (FY23: £3.7m) are guaranteed under the revolving credit facility.

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	FY24 £m	FY23 £m
Property, plant and equipment	**-**	1.7

The Group has additional commitments relating to leases where the Group has entered into an obligation but does not yet have control of the underlying asset. The future lease payments to which the Group is committed, over the expected lease term, but are not recorded on the Group's Balance Sheet are as follows:

	FY24 £m	FY23 £m
Within 1 year	**0.3**	1.1
1 to 5 years	**0.9**	6.6
Over 5 years	**0.1**	8.5
	1.3	16.2

28. Leases

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the year:

	FY24 £m	FY23 £m
At 1 April	**152.4**	112.9
Additions[1]	**72.5**	60.6
Reassessments	**(4.7)**	5.5
Modifications	**10.1**	(0.8)
Interest expense (note 7)	**8.6**	4.8
Lease capital and interest repayments	**(52.2)**	(33.9)
Foreign exchange	**(4.4)**	3.3
At 31 March	**182.3**	152.4
Current (note 17)	**47.0**	28.1
Non-current (note 17)	**135.3**	124.3

1. Additions comprises RoU additions less working capital of £4.5m (FY23: £5.9m).

The following amounts were recognised in the Statement of Profit or Loss:

	FY24 £m	FY23 £m
Depreciation expense of right-of-use assets	**51.3**	32.2
Gain on remeasurement of leases	**(1.1)**	-
Interest expense on lease liabilities (note 7)	**8.6**	4.8
Expenses relating to short-term leases	**0.3**	1.3
Variable lease payments	**3.5**	2.8
Total operating expenses recognised in profit	**3.8**	4.1
Total amount recognised in profit	**62.6**	41.1

28. Leases (continued)

Variable lease payments on sales

Some leases of retail stores contain variable lease payments that are based on sales that the Group makes at the store. These payment terms are common in retail stores in some countries where the Group operates. Fixed and variable payments for the year ended 31 March 2024 were as follows:

	Fixed payments	Variable payments	Total payments	Estimated annual impact on rent of a 1% increase in sales
	£m	£m	£m	£m
FY24: Leases with lease payments based on sales	**13.5**	**3.5**	**17.0**	**0.1**
FY23: Leases with lease payments based on sales	10.2	2.8	13.0	0.1

Turnover related rent is where the contract states the lease rent is the higher of the fixed base rent or percentage of turnover of the store. Unless specified otherwise in the lease, turnover rent is defined as net turnover (i.e. excluding returns), not including click and collect. To verify the correct rent, the landlord often requests 'turnover certificates' on a regular basis, e.g. monthly/quarterly/annually. The rent is invoiced in arrears based on this calculation and accrued monthly. It is paid as invoiced depending on the lease terms. The fixed base element is capitalised as above and the variable element (based on turnover) is expensed to the Consolidated Statement of Profit or Loss.

Extension options

Some leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group will reassess and remeasure when there is a significant event or change in circumstances. For example, lease renewals or business decisions to exercise lease breaks. These are reviewed and embedded to the model by the Property Accountant as they occur.

	Lease liabilities recognised (discounted)	Potential future lease payments not included in lease liabilities (undiscounted)
	£m	£m
FY24: Leases with lease extension options	**43.3**	**84.0**
FY23: Leases with lease extension options	35.3	56.6

29. Pensions

Defined contribution scheme

The Group operates a defined contribution pension scheme for its employees. The Group's expenses in relation to this scheme were £5.4m for the year ended 31 March 2024 (FY23: £4.7m) and at 31 March 2024 £1.0m (FY23: £0.8m) remained payable to the pension fund.

Defined benefit scheme

Dr Martens Airwair Group Limited and Airwair International Limited (subsidiaries of the Group) operate a pension arrangement called the Dr. Martens Airwair Group Pension Plan (the Plan). The Plan has a defined benefit section that provides benefits based on final salary and length of service on retirement, leaving service or death. The defined benefit section closed to new members on 6 April 2002 and closed to future accrual with effect from 31 January 2006. The Plan also has a defined contribution section that provides money purchase benefits to some current and former employees.

The Plan is managed by a board of Trustees appointed in part by Airwair International Limited and in part from elections by members of the Plan. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Plan's assets. The Trustees delegate some of these functions to their professional advisers where appropriate.

The defined benefit section of the Plan is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Plan is carried out at least once every three years to determine whether the Statutory Funding Objective is met. The last valuation was carried out at 30 June 2022 which confirmed that the Plan had sufficient assets to meet the Statutory Funding Objective. The next valuation is due at 30 June 2025. The Statutory Funding Objective does not currently impact on the recognition of the Plan in these financial statements.

During the year, no discretionary benefits were awarded. There were no Plan amendments, settlements or curtailments during the year.

The weighted average duration of the defined benefit obligation is approximately 12 years (FY23: 13 years). Around 50% of the undiscounted benefits are due to be paid beyond 17 years' time, with the projected actuarial cash flows declining to zero in about 70 years.

Key risks

The defined benefit section of the Plan exposes Airwair International Limited to a number of risks:

- Investment risk. The Plan holds investments in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long term, the short-term volatility can cause additional funding to be required if a deficit emerges.

29. Pensions (continued)

Key risks (continued)

- Interest rate risk. The value of the Plan's liabilities is assessed using market yields on high quality corporate bonds to discount the liabilities. As the Plan holds assets such as equities, the value of the assets and liabilities may not move in the same way. The Plan holds derivatives to manage a proportion of the interest rate risk.
- Inflation risk. A significant proportion of the benefits under the Plan are linked to inflation. Although the Plan's assets are expected to provide a good hedge against inflation over the long term, movements in inflation expectations over the short term could lead to a deficit emerging. The Plan holds some derivatives to hedge a proportion of the potential changes in the value of the liabilities due to changes in market inflation expectations.
- Mortality risk. In the event that members live longer than assumed, a deficit could emerge in the Plan.

Although the Lloyds Banking Group Pensions Trustees Limited v. Lloyds Bank PLC (and others) court judgment on 26 October 2018 (and the subsequent court judgment on 20 November 2020) provided some clarity in respect of GMP equalisation and the obligations that this places on schemes, the actual impact of equalising the Plan's GMPs remains uncertain. An approximate allowance equivalent to 1.1% (FY23: 0.8%) of the value of the liabilities has been made in the disclosures for the impact of GMP equalisation. There were no other plan amendments, curtailments or settlements during the year.

A judgment in the High Court case of Virgin Media vs NTL Trustees was handed down on 16 June 2023. 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. The judgment could have material consequences for some defined benefit schemes, such as the Plan, which previously contracted-out of the state pension system. The Group understands that the judgment is due to be appealed and, as such, there is considerable uncertainty as to whether the judgment will stand and, if it does, the impact on the Plan, if any. As a result of this uncertainty, these disclosures have been calculated assuming that this ruling will not affect the Plan's benefits.

Effect of the Plan on the Company's future cash flows

Airwair International Limited is required to agree a Schedule of Contributions with the Trustees of the Plan following a valuation, which must be carried out at least once every three years. Following the valuation of the Plan at 30 June 2022, a Schedule of Contributions was agreed under which Airwair International Limited was not required to make any contributions to the defined benefit section of the Plan (other than payments in respect of administrative expenses). Accordingly, Airwair International Limited does not expect to contribute to the defined benefit section of the Plan, although it will continue to contribute to the defined contribution section in line with the Schedule of Contributions. The next valuation of the Plan is due at 30 June 2025. If this reveals a deficit then Airwair International Limited may be required to pay contributions to the Plan to repair the deficit over time.

The amounts recognised in the Balance Sheet (under IAS 19 Employee Benefits) are determined as follows:

	FY24 £m	FY23 £m
Fair value of plan assets – defined benefit section	**46.7**	49.5
Present value of funded obligations – defined benefit section	**(37.6)**	(38.4)
Surplus of funded plans	**9.1**	11.1
Impact of asset ceiling	**(9.1)**	(11.1)
Net pension asset	**-**	-

Although the Plan has a surplus, this is not recognised 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 £9.1m (FY23: £11.1m) has not been recognised on the Balance Sheet. The net surplus has been capped to £nil (FY23: £nil).

A reconciliation of the net defined benefit asset over the year is given below:

	FY24 £m	FY23 £m
Net defined benefit asset at beginning of year	**-**	-
Total defined benefit charge in the Statement of Profit or Loss	**-**	-
Remeasurement losses in the Statement of Comprehensive Income	**-**	-
Employer's contributions	**-**	-
Net defined benefit asset at end of the year	**-**	-

The amount charged to the Statement of Profit or Loss and Statement of Comprehensive Income in respect of the defined benefit section of the Plan was £nil (FY23: £nil). Costs in respect of the defined contribution section of the Plan, and other defined contribution arrangements operated by Airwair International Limited, are allowed for separately.

The remeasurements in respect of the defined benefit section of the Plan, to be shown in the Statement of Comprehensive Income, are shown below:

	FY24 £m	FY23 £m
Losses on defined benefit assets in excess of interest	**3.0**	18.3
Experience loss on defined benefit obligation	**0.3**	-
Gains from changes to demographic assumptions	**(0.4)**	(0.4)
Gains from changes to financial assumptions	**(0.4)**	(15.4)
Change in effect of asset ceiling	**(2.5)**	(2.5)
Total remeasurements to be shown in other comprehensive income	**-**	-

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 March 2024

29. Pensions (continued)

The change in defined benefit scheme assets over the year was:

	FY24 £m	FY23 £m
At 1 April	**49.5**	68.6
Interest on defined benefit assets	**2.3**	1.7
Movement on defined benefit section assets less interest	**(3.0)**	(18.3)
Benefits paid from the defined benefit section	**(2.1)**	(2.5)
At 31 March	**46.7**	49.5

The change in the defined benefit scheme funded obligations over the year was:

	FY24 £m	FY23 £m
At 1 April	**38.4**	55.3
Past service cost	**-**	-
Interest cost on defined benefit obligation	**1.8**	1.4
Experience loss on defined benefit obligation	**0.3**	-
Changes to demographic assumptions	**(0.4)**	(0.4)
Changes to financial assumptions	**(0.4)**	(15.4)
Benefits paid from the defined benefit section	**(2.1)**	(2.5)
At 31 March	**37.6**	38.4

The change in the effect of the asset ceiling over the year was as follows:

	FY24 £m	FY23 £m
At 1 April	**11.1**	13.3
Net interest charge on asset ceiling	**0.5**	0.3
Changes in the effect of the asset ceiling excluding interest	**(2.5)**	(2.5)
At 31 March	**9.1**	11.1

A breakdown of the assets is set out below, split between those assets that have a quoted market value in an active market and those that do not. The assets do not include any investment in shares of Airwair International Limited, nor any property owned or occupied by the Group.

	FY24 £m	FY23 £m
Assets with a quoted market value in an active market:		
Cash and other		
Domestic	**0.1**	0.2
	0.1	0.2
Assets without a quoted market value in an active market:		
Equities and property		
Domestic	**3.0**	0.2
Foreign	**4.3**	4.5
	7.3	4.7
Fixed interest bonds		
Unspecified	**6.3**	9.4
	6.3	9.4
Index linked gilts		
Domestic	**30.0**	30.1
	30.0	30.1
Alternatives		
Unspecified	**1.8**	3.9
	1.8	3.9
Property		
Unspecified	**0.4**	1.0
	0.4	1.0
Insured annuities		
Domestic	**0.9**	0.9
	0.9	0.9
Cash and other		
Domestic	**1.5**	1.0
Foreign	**-**	-
Unspecified	**(1.6)**	(1.7)
	(0.1)	(0.7)
Fair value of plan assets	**46.7**	49.5

29. Pensions (continued)

A full actuarial valuation was carried out at 30 June 2022. The results of that valuation were updated to 31 March 2024 by a qualified independent actuary. The principal assumptions selected by Airwair International Limited and used by the actuary to calculate the Plan's defined benefit obligation were:

		FY24 £m	FY23 £m
Discount rate		**4.9%**	4.8%
Inflation assumption (RPI)		**3.2%**	3.3%
Inflation assumption (CPI)		**2.5%**	2.6%
LPI pension increases subject to 5% cap		**3.1%**	3.2%
LPI pension increases subject to 3% cap		**2.5%**	2.5%
Revaluation in deferment		**2.5%**	2.6%
Post retirement mortality assumption		**105% (males) and 111% (females) of S3PA tables, with allowance for future improvements in line with the CMI_2022 core projection model using 0% 2020 and 2021 weight parameters, a 25% 2022 weight parameter, a long-term rate of improvement of 1.0% p.a. and an initial addition of 0.2%**	105% (males) and 111% (females) of S3PA tables, with allowance for future improvements in line with the CMI_2021 core projection model using 7.5% 2020 and 2021 weight parameters, a long-term rate of improvement of 1.0% p.a. and an initial addition of 0.2%
Tax free cash		**Members are assumed to take 50% of the maximum tax free cash possible**	Members are assumed to take 50% of the maximum tax free cash possible
Proportion married at retirement or earlier death		**80% of male members and 65% of female members are assumed to be married at retirement or earlier death**	80% of male members and 65% of female members are assumed to be married at retirement or earlier death
Age difference		**Males three years older than dependant, females one year younger than dependant**	Males three years older than dependant, females one year younger than dependant
Assumed life expectancies on retirement at age 65 are:			
Retiring today:	Male	**21.1**	21.3
	Female	**23.2**	23.4
Retiring in 20 years' time:	Male	**22.1**	22.3
	Female	**24.3**	24.5

The key sensitivities of the defined benefit obligation to the actuarial assumptions are shown below:

	FY24 £m	FY23 £m
Discount rate		
Plus 0.5%	**(2.7)**	(2.2)
Minus 0.5%	**3.0**	2.4
Plus 1.0%	**(4.6)**	(4.4)
Minus 1.0%	**5.7**	5.5
Rate of inflation		
Plus 0.5%	**2.0**	0.9
Minus 0.5%	**(1.8)**	(0.7)
Life expectancy		
Plus 1.0 year	**1.6**	1.4
Minus 1.0 year	**(1.6)**	(1.4)

The sensitivity illustrations set out above are approximate. They show the likely effect of an assumption being adjusted while all other assumptions remain the same. Only the impact on the liability value (i.e. the defined benefit obligation) is considered – in particular:

- No allowance is made for any changes to the value of the Plan's invested assets in scenarios where interest rates or market inflation expectations change; and
- No allowance is made for changes in the value of the annuity policies held by the Plan, which is calculated using the same actuarial assumptions as for the Plan's defined benefit obligation.

Such changes to the asset values would be likely to partially offset the changes in the defined benefit obligation.

The net Balance Sheet and Statement of Profit or Loss are not sensitive to the actuarial assumptions used at the current time, due to the effect of the asset ceiling.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

30. Related party transactions

Transactions with related parties

Transactions between the Company and its wholly owned subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. A list of investments in subsidiary undertakings can be found in note 13 to the Parent Company financial statements.

	FY24 £'000	FY23 £'000
GFM GmbH Trademarks[1]		
Amounts incurred	**64.7**	262.3
Amounts payable by/(owed) at year end	**(4.6)**	(6.3)
TeamViewer[2]		
Amounts incurred	**16.2**	17.1
Amounts payable by/(owed) at year end	**-**	-
Truepoint[3]		
Amounts incurred	**212.0**	-
Amounts payable by/(owed) at year end	**-**	-

1. GFM GmbH Trademarks is related to the Group as it provides services or has a transactional relationship with the Group and is an equity-accounted joint venture under joint control of the Group.
2. TeamViewer is related to the Group as they provide services or have a transactional relationship with the Group and represents an investment within funds advised by Permira Advisers LLP. The Group's largest investor, IngreLux S.àr.l., is also owned by funds advised by Permira Advisers LLP.
3. Truepoint is related to the Group as they provide services or have a transactional relationship with the Group and one of the Group's Independent Directors is also a Director at the related entity.

Key management personnel compensation

The compensation of key management (including Executive and Non-Executive Directors) for the year was as follows:

	FY24 £m	FY23 £m
Salaries and benefits	**5.1**	5.5
Pensions	**0.3**	0.2
LTIPs – Share-based payments	**0.6**	0.9

Parent Company Balance Sheet
As at 31 March 2024
Company registration number 12960219

	Note	**Total FY24 £m**	Total FY23 £m
Fixed assets			
Investments	6	**1,413.4**	1,413.4
		1,413.4	1,413.4
Current assets			
Debtors	7	**3.1**	1.7
Cash and cash equivalents	8	**0.1**	0.2
		3.2	1.9
Total assets		**1,416.6**	1,415.3
Current liabilities			
Trade and other payables	9	**(1.2)**	(10.5)
Total liabilities		**(1.2)**	(10.5)
Net assets		**1,415.4**	1,404.8
Equity			
Ordinary share capital	10	**9.6**	10.0
Treasury shares	11	**-**	-
Capital redemption reserve	12	**0.4**	-
Retained earnings	12	**1,405.4**	1,394.8
Total equity		**1,415.4**	1,404.8

As permitted by section 408 of the Companies Act 2006, the Company's Statement of Profit or Loss has not been included in these financial statements.

The Company generated a profit for the year to 31 March 2024 of £114.9m (FY23: £46.2m).

The notes on pages 57 to 62 are an integral part of these financial statements.

The financial statements on pages 55 to 62 were approved and authorised by the Board of Directors on 29 May 2024 and signed on its behalf by:

Kenny Wilson
Chief Executive Officer

Giles Wilson
Chief Financial Officer

Parent Company Statement of Changes in Equity
For the year ended 31 March 2024

	Note	Ordinary share capital £m	Treasury shares £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
At 1 April 2022		**10.0**	**-**	**-**	**1,406.5**	**1,416.5**
Profit for the year		-	-	-	46.2	**46.2**
Total comprehensive income for the year		-	-	-	**46.2**	**46.2**
Dividends paid	5	-	-	-	(58.4)	**(58.4)**
Shares issued	10	-	-	-	-	**-**
Share-based payments		-	-	-	0.5	**0.5**
At 31 March 2023		**10.0**	**-**	**-**	**1,394.8**	**1,404.8**
Profit for the year		-	-	-	114.9	**114.9**
Total comprehensive income for the year		-	-	-	114.9	**114.9**
Dividends paid	5	-	-	-	(57.8)	**(57.8)**
Shares issued	10	-	-	-	-	**-**
Share-based payments		-	-	-	4.0	**4.0**
Repurchase of ordinary share capital	11	-	(50.0)	-	(0.5)	**(50.5)**
Cancellation of repurchased ordinary share capital	11	(0.4)	50.0	0.4	(50.0)	**-**
At 31 March 2024		**9.6**	**-**	**0.4**	**1,405.4**	**1,415.4**

Notes to the Parent Company Financial Statements
For the year ended 31 March 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 financial statements are set out below. The policies have been consistently applied to the periods presented, unless otherwise stated. Amounts are presented in GBP and to the nearest million pounds (to one decimal place) unless otherwise noted.

Basis of preparation

The financial statements of the Company have been prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). The financial statements have been prepared on a going concern basis under the historical cost convention. FRS 101 enables the financial statements of the Company to be prepared in accordance with IFRS but with certain disclosure exemptions. The main areas of reduced disclosure are in respect of equity-settled share-based payments, financial instruments, the Statement of Cash Flows, and related party transactions with Group companies. The accounting policies adopted for the Company are otherwise consistent with those used for the Group which are set out on pages 18 to 27. As permitted by Section 408 of the Companies Act 2006, the Statement of Profit or Loss of the Company is not presented as part of the financial statements.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the significant judgements and estimates section.

Financial Reporting Standard 101 – reduced disclosure exemptions

This basis of preparation has enabled the Company to take advantage of the applicable disclosure exemptions permitted by FRS 101 in the financial statements. The following disclosures have not been provided as permitted by FRS 101:

- a cash flow statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRS;
- disclosures in respect of the compensation of key management personnel as required; and
- statement of compliance with all IFRS.

The Company has also taken the exemption under FRS 101 available in respect of the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 (Share-based Payment) in respect of Group settled share-based payments as the Consolidated Financial Statements of the Group include the equivalent disclosures.

Notes to the Parent Company Financial Statements (continued)
For the year ended 31 March 2024

2. Accounting policies (continued)

Going concern
The financial statements have been prepared on a going concern basis. The ability of the Company to continue as a going concern is contingent on the ongoing viability of the Group. The Directors have considered the business activities, as well as the principal risks, the other matters discussed in connection with the viability statement, and uncertainties faced by the business. Based on this information, and the Group's trading and cash flow forecasts, the Directors are satisfied that the Group will maintain an adequate level of resources to be able to operate during the period under review. Refer to note 2.1 of the Consolidated Financial Statements for further information.

Distributable reserves
When making a distribution to shareholders, the Directors determine the profits available for distribution by reference to guidance on realised and distributable profits under Companies Act 2006 issued by the Institute of Chartered Accountants in England and Wales.

Investments
Investments are stated at cost less any provision for impairment.

Share-based payments
The Company provides benefits to employees in the form of share-based payment transactions, whereby employees render services as consideration in exchange for equity instruments ('equity-settled transactions'). Refer to note 2.25 of the Consolidated Financial Statements for further information.

Dividends
Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are approved and paid.

Share buyback
Where the Company purchases any of its own equity instruments, for example, pursuant to the share buyback programme, the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the owners of the Company. The repurchased shares are recognised as treasury shares until the shares are cancelled. The programme concluded on 19 December 2023.

Significant judgements and estimates
The following judgement has had the most significant effect on amounts recognised in the financial statements:

Carrying value of investments
The Company assesses at each reporting date whether there is an indication that its investment may be impaired. If any indication exists, the Company estimates the investment's recoverable amount. The investment's recoverable amount is the higher of its fair value less costs of disposal and its value in use. An impairment is present if the recoverable amount is less than the carrying value of the asset. In assessing an investment's recoverable amount using a value in use calculation, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and future cash flows are then extended into perpetuity using long-term growth rates.

UK registered subsidiaries exempt from audit
Airwair Property Limited, a wholly owned subsidiary, is exempt from the Companies Act 2006 requirements relating to the audit of their individual financial statements by virtue of Section 479A of the Companies Act, as this Company has provided a guarantee for Airwair Property Limited under Section 479C of the Companies Act.

3. Staff costs
Other than the Directors, the Company had no employees during the year (FY23: none). Details of Directors' remuneration can be found in the Remuneration Report on pages 119 to 133 of the Annual Report.

4. Auditors' remuneration
The Company has incurred audit fees of £21,600 (FY23: £20,000) for the year.

5. Dividends
Details in respect of dividends proposed and paid during the year by the Company are included in note 10 to the Consolidated Financial Statements.

6. Investments

	FY24 £m	FY23 £m
At 1 April 2023	**1,413.4**	1,413.4
Acquisitions	**-**	-
At 31 March 2024	**1,413.4**	1,413.4

Investment impairment assessment
The Company's investment is a non-financial asset and required to be reviewed for impairment indicators each year-end date. If an indicator of impairment exists, the asset is required to be tested for impairment by estimating its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use. An impairment is present if the recoverable amount is less than the carrying value of the asset.

An appropriate check to begin with per IAS 36 is assessing whether the carrying amount of the Company's net assets is higher than the market capitalisation. Management has reviewed the share price as at 31 March 2024 and the average share price over a variety of preceding time periods to examine the average market capitalisation for comparison to Dr. Martens plc's net assets. It is relevant to consider the volatility of the share price over recent years when interpreting a company's market capitalisation. Where there is volatility, taking a point in time measure may be misleading, as market

6. Investments (continued)

Investment impairment assessment (continued)

sentiment fluctuations can result in significant point in time changes that are not necessarily reflective of the true value of a business. It is also noted that stock market movements recently are not unique to Dr. Martens only, and significant macroeconomic and geopolitical events have impacted many companies, again potentially inaccurately reflecting the true value of the business. Over some of the periods reviewed, Dr. Martens plc's net assets exceed the market capitalisation and others they did not, therefore showing a potential indicator of impairment but not necessarily concluding that the investment was impaired. As this review showed a potential impairment indicator, management decided to run a test for impairment.

The investment's recoverable amount was deemed to be more than it's carrying amount and hence no charge was made in the current year (FY23: £nil).

Judgements, assumptions and estimates

The results of the Company's impairment tests are dependent upon estimates and judgements made by management. The recoverable amount of the Company's investment is estimated using a value in use calculation. The value in use calculation uses cash flow forecasts based on financial projections reviewed by the Board covering a five-year period (pre-perpetuity). The forecasts are based on annual budgets and strategic projections representing the best estimate of future performance. Management considers forecasting over this period to appropriately reflect the business cycle of the Group. These cash flows are consistent with those used to review going concern and viability, however, are required by IAS 36 to be adjusted for use within an impairment review to exclude new retail development to which the Group is not yet committed.

Operating cash flows

The main assumptions within the forecast operating cash flows include the achievement of future growth in ecommerce, retail and wholesale channels, sales prices and volumes (including reference to specific customer relationships and product lines), raw material input costs, the cost structure of the Group, the impact of foreign currency rates upon selling price and cost relationships and the levels of capital expenditure required to support each sales channel.

Future sales are estimated to increase on a compound annual growth rate (CAGR) basis over the 5 years pre-perpetuity from FY24 reported sales by 10.7%. The CAGR is forecasted to be achieved through growth as set out in our central planning assumptions underlying our medium term forecasts, the first three years of which form the basis of the assumptions in the Viability Statement.

The value in use calculation also includes repayment of the Term Loan B in February 2026 per IAS 36 requirements, but in practical terms, the loan is expected to be refinanced in 2026.

The adjustments required to estimate value in use result in lower cash flows than the method used for assessing the Group's viability and hence are not considered likely to occur.

Pre-tax risk adjusted discount rate

Future cash flows are discounted to present value using a pre-tax discount rate derived from risk-free rates based on long-term government bonds, adjusted for risk factors such as region and market risk in the territories in which the Group operates and the time value of money. Consistent with the 2019 IFRS IASB Staff Paper, a post-tax discount rate and post-tax cash flows are used as observable inputs, and then the pre-tax discount rate is calculated from this to comply with the disclosure requirements under IAS 36. The pre-tax discount rate for the Group has been calculated to be 12.7% (FY23: 12.3%).

Long-term growth rate

To forecast beyond the five-year detailed cash flows into perpetuity, a long-term average growth rate has been used. The long-term growth rate applied for Group is 2.2% (FY23: 2.2%). The rate used includes aggregation of geographical forecasts included within industry reports.

Sensitivity analysis

The Company has assessed that the two significant assumptions used within the value in use calculation are pre-perpetuity sales growth and the pre-tax discount rate and potential changes in these have been sensitised as follows:

	FY24 £m
Original headroom	**262.8**
Headroom using a 10% decrease in forecasted sales[1]	**(150.7)**
Headroom using a 10% increase in forecasted sales[1]	**1,032.0**
Headroom using a 1%pt decrease in pre-tax discount rate	**483.0**
Headroom using a 1%pt increase in pre-tax discount rate	**83.4**
Headroom combining a 10% decrease in forecasted sales and a 1%pt increase in pre-tax discount rate	**(359.2)**

1. These sensitivities are based on a +/-10% movement in sales each year and into perpetuity. A decrease in forecast sales of -10% results in a revised CAGR over the 5 years pre-perpetuity from FY24 sales of 8.4%, and an increase of 10% results in a revised CAGR of 12.9%.

A decrease in forecasted sales of -10% has been calculated for illustrative purposes applied each year and into perpetuity. This would result in the carrying amount being above the recoverable amount. The required differences in the forecasted cash flows used for the impairment assessment versus those used for the purpose of the Group's going concern and viability assessments result in different outputs, and this -10% sales sensitivity outputs lower total forecasted sales in FY25 versus the severe but plausible scenario and is considered unlikely. Furthermore, the exclusion of new retail development as required by IAS 36 is not in line with actual expected trading growth. The reduction in forecast sales that would result in the carrying amount and the recoverable amount being equal would be -7.5%.

An increase of 1 percentage point (1%pt) in the pre-tax discount rate of 12.7% to 13.7% has been calculated for illustrative purposes and would not result in the carrying amount being above the recoverable amount and is also not considered likely given that the pre-tax discount rate in FY23 was 12.3% and hence has moved less than 0.5%pts since FY23. The pre-tax discount rate that would result in the carrying amount and the recoverable amount being equal would be 14.2%. This sensitivity has been included to provide an illustration should the forecasted sales decline by -10% and the pre-tax discount rate also increases by 1%pt. This would result in the carrying amount being above the recoverable amount.

A list of the Company's investments in subsidiary undertakings can be found in note 13.

Notes to the Parent Company Financial Statements (continued)
For the year ended 31 March 2024

7. Debtors

	FY24 £m	FY23 £m
Income tax receivable	**0.1**	-
Social security and other taxes	**-**	-
Prepayments and accrued income	**0.3**	0.8
Amounts owed by subsidiary undertakings[1]	**2.7**	0.9
	3.1	1.7

1. Amounts owed by subsidiary undertakings are non-interest bearing trading balances and are repayable on demand.

IFRS 9 expected credit losses have been assessed as immaterial in relation to all balances.

8. Cash and cash equivalents

	FY24 £m	FY23 £m
Cash and cash equivalents	**0.1**	0.2

9. Trade and other payables

	FY24 £m	FY23 £m
Trade creditors	**0.1**	0.1
Amounts due to subsidiary undertakings[1]	**0.2**	10.3
Accruals and deferred income	**0.9**	0.1
	1.2	10.5

1. Amounts owed to subsidiary undertakings are non-interest bearing trading balances and are repayable on demand.

10. Ordinary share capital

	FY24 No.	**FY24 £m**	FY23 No.	FY23 £m
Authorised, called up and fully paid				
Ordinary shares of £0.01 each	**961,878,608**	**9.6**	1,000,793,898	10.0

The movements in the ordinary share capital during the year ended 31 March 2024 and 31 March 2023 were as follows:

	FY24 Shares no.	**FY24 Ordinary share capital £m**	FY23 Shares no.	FY23 Ordinary share capital £m
At 1 April	**1,000,793,898**	**10.0**	1,000,222,700	10.0
Shares issued	**953,845**	**-**	571,198	-
Repurchase and cancellation of ordinary share capital	**(39,869,135)**	**(0.4)**	-	-
At 31 March	**961,878,608**	**9.6**	1,000,793,898	10.0

The cost of shares purchased by the SIP Trusts is offset against the profit and loss account, as the amounts paid reduce the profits available for distribution by the Company.

11. Treasury shares

The movements in treasury shares held by the Company during the years ended 31 March 2024 were as follows:

	FY24 No.	**FY24 £m**	FY23 No.	FY23 £m
At 1 April	**110,153**	**-**	16,925	-
Repurchase of shares for cancellation	**39,869,135**	**50.0**	-	-
Cancellation of shares	**(39,869,135)**	**(50.0)**	-	-
Shares issued for share schemes	**284,770**	**-**	93,228	-
At 31 March	**394,923**	**-**	110,153	-

On 14 July 2023 Dr. Martens plc announced a share buyback programme. Treasury shares existed during the year 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.

Notes to the Parent Company Financial Statements (continued)
For the year ended 31 March 2024

12. Reserves

Reserve	**Description and purpose**
Ordinary share capital	Nominal value of subscribed shares.
Treasury shares	This reserve relates to shares held by SIP Trusts as 'treasury shares'. The shares held by the SIP Trusts were issued directly to the Trusts in order to satisfy outstanding employee share options and potential awards under the employee share incentive schemes. The Company issued 284,770 shares directly to the Trusts during the year and held 394,923 as at 31 March 2024 (31 March 2023: 110,153). This reserve was previously referred to as 'capital reserve – own shares'. This reserve also included treasury shares repurchased but not yet cancelled, pursuant to the share buyback programme, which concluded during FY24.
Capital redemption reserve	A non-distributable reserve into which amounts are transferred following the redemption or purchase of own shares. The reserve was created in order to ensure sufficient distributable reserves were available for the purpose of redeeming preference shares in the prior years.
Retained earnings	To recognise the profit or loss, all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere, and the value of equity-settled share-based awards provided to Executive Directors and other senior executives as part of their remuneration (refer to the Directors' Remuneration Report on pages 119 to 133 of the Annual Report for further details).

13. Subsidiary undertakings

The registered address and principal place of business of each subsidiary undertaking are shown in the footnotes below the table. The financial performance and financial position of these undertakings have been consolidated in the Consolidated Financial Statements.

Name	Country of registration	Class of share capital held	Nature of investment		Nature of business
			Direct	Indirect	
Airwair (1994) Limited[1]	England and Wales	Ordinary	-	100%	Management company
Airwair (1996) Limited[1]	England and Wales	Ordinary	-	100%	Management company
Airwair International Limited[1]	England and Wales	Ordinary	-	100%	Footwear retail and distribution
Airwair Limited[1]	England and Wales	Ordinary	-	100%	Management company
Airwair Property Limited[1]	England and Wales	Ordinary	-	100%	Property investment
Ampdebtco Limited[2]	England and Wales	Ordinary	100%	-	Management company
DM Airwair Germany GmbH[13]	Germany	Ordinary	-	100%	Footwear retail and distribution
DM Airwair Sweden AB[14]	Sweden	Ordinary	-	100%	Footwear retail and distribution
Dr. Martens Airwair (Ireland) Limited[12]	Republic of Ireland	Ordinary	-	100%	Footwear retail and distribution
Dr. Martens Airwair Trading (Zhuhai) Company Limited[*4]	China	Ordinary	-	100%	Manufacturing support
Dr. Martens Airwair Austria GmbH[22]	Austria	Ordinary	-	100%	Footwear retail and distribution
Dr Martens Airwair Belgium SA[8]	Belgium	Ordinary	-	100%	Footwear retail and distribution
Dr. Martens Airwair Canada Inc.[19]	Canada	Capital of no par value	-	100%	Footwear retail and distribution
Dr Martens Airwair France SAS[9]	France	Ordinary	-	100%	Footwear retail and distribution
Dr Martens Airwair Group Limited[1]	England and Wales	Ordinary	-	100%	Management company
Dr. Martens Airwair Hong Kong Limited[5]	Hong Kong SAR	Ordinary	-	100%	Footwear retail and distribution
Dr. Martens Airwair Japan K.K.[7]	Japan	Ordinary	-	100%	Footwear retail and distribution
Dr. Martens Airwair Korea Limited[6]	Korea	Ordinary	-	100%	Footwear retail and distribution
Dr. Martens Airwair Spain S.L.U.[17]	Spain	Ordinary	-	100%	Footwear retail and distribution
Dr. Martens Airwair USA LLC[3]	USA	Capital of no par value	-	100%	Footwear retail and distribution
Dr Martens Airwair Wholesale Limited[1]	England and Wales	Ordinary	-	100%	Footwear retail and distribution
Dr Martens Airwair Italy S.R.L.[15]	Italy	Ordinary	-	100%	Footwear retail and distribution
Dr Martens Airwair Netherlands B.V.[10]	Netherlands	Ordinary	-	100%	Footwear retail and distribution
GFM GmbH Trademarks[11]	Germany	Ordinary	-	50%	Trademark registration
Shanghai Airwair Trading Limited[*16]	China	Ordinary	-	100%	Footwear retail and distribution
Dr. Martens Airwair Poland Z.o.o.[20]	Poland	Ordinary	-	100%	Footwear retail and distribution
Dr. Martens Airwair Denmark ApS[21]	Denmark	Ordinary	-	100%	Footwear retail and distribution
Dr. Martens Airwair Vietnam Company Limited[23]	Vietnam	Ordinary	-	100%	Footwear retail and distribution
Dr Martens Airwair Limited[1]	England and Wales	Ordinary	-	100%	Dormant
Dr. Martens Sports & Leisure Limited[1]	England and Wales	Ordinary	-	100%	Dormant
Dr. Martens Airwair Singapore PTE Ltd[18]	Singapore	Ordinary	-	100%	Non-trading
Dr Martens Airwair & Co. Limited[1]	England and Wales	Ordinary	-	100%	Dormant
Dr. Martens Dept. Store Limited[1]	England and Wales	Ordinary	-	100%	Dormant

*The financial year of this entity ends on 31 December in line with local requirements.
1. Cobb's Lane, Wollaston, Northamptonshire, England, NN29 7SW.
2. 28 Jamestown Road, Camden, London, England, NW1 7BY.
3. 16192 Coastal Hwy, Lewes, Delaware 19958, United States.
4. No. 04B, F16. Seat B, No 2021, Jiuzhou Avenue West, Zhuhai 519000, Guangdong Province, China.
5. Unit 2306-11, 23F, Sun Life Tower, The Gateway Tower 5, Harbour City, 15 Canton Road, Tsim Sha Tsui, Hong Kong.
6. 14/F, Room 1, 2, SB Tower, 318 Dosan-daero, Gangnam-gu, Seoul, Republic of Korea.
7. 5-2-28 Jingumae, Shibuya, Tokyo, Japan 150-0001.
8. Avenue du Port 86C, Box 204, 1000 Brussels, Belgium.
9. 5, Cité Trévise 75009 Paris, France.
10. Herikerbergweg 238, Luna Arena, 1101 CM Amsterdam, Netherlands.
11. Seeshaupt, Landkreis Weilheim-Schongau, Germany. Note: this entity is equity accounted not consolidated.
12. TMF Group Ground Floor, Two Dockland Central, Guild St, North Dock, Dublin, Republic of Ireland, D01 K2C5.
13. Wagnerstr. 1A, 40212 Düsseldorf, Germany.
14. Blekingegatan 48, 11662 Stockholm, Sweden.
15. Via Morimondo 26–20143 Milano, Italy.
16. Room 1610-11, 1612, Level 16, Tower A, THREE ITC, No. 183 Hongqiao Road, Xuhui, Shanghai, China.
17. C/Principe de Vergara, 112 4A Planta 28002, Madrid, Spain.
18. 77 Robinson Road, 13-00 Robinson 77, Singapore 068896.
19. 221-451 Dundas Street West, Toronto, Ontario, M5T 1G8, Canada.
20. Rondo, Daszyńskiego 2B, 00-843 Warsaw, Poland.
21. H.C. Andersens Boulevard 38, 3. Th, 1553, København, 1553 Langebro, Denmark.
22. Teinfaltstraße 8/4, 1010 Vienna, Austria.
23. Level 6 & 7, Friendship Tower, No. 31 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

Five-year financial summary (unaudited)
For the year ended 31 March 2024

	FY24	FY23	FY22	FY21[1]	FY20
	£m	£m	£m	£m	£m
Revenue:					
Ecommerce	**276.3**	279.0	262.4	235.4	136.4
Retail	**256.8**	241.7	185.6	99.7	165.2
DTC	**533.1**	520.7	448.0	335.1	301.6
Wholesale[5]	**344.0**	479.6	460.3	437.9	370.6
	877.1	1,000.3	908.3	773.0	672.2
Gross profit	**575.2**	618.1	578.8	470.5	401.5
Operating expenses	**(377.7)**	(373.1)	(315.8)	(247.6)	(217.0)
EBITDA[2]	**197.5**	245.0	263.0	222.9	184.5
Profit before tax and exceptional items	**93.0**	159.4	214.3	150.2	113.0
Profit before tax[3]	**93.0**	159.4	214.3	69.7	101.0
Tax expense	**(23.8)**	(30.5)	(33.1)	(35.0)	(26.2)
Profit after tax	**69.2**	128.9	181.2	34.7	74.8
Earnings per share					
Basic	**7.0p**	12.9p	18.1p	3.5p	
Diluted	**7.0p**	12.9p	18.1p	3.5p	
Key statistics:					
Pairs sold (m)	**11.5**	13.8	14.1	12.7	11.1
No. of stores[4]	**239**	204	158	135	122
DTC mix %	**61%**	52%	49%	43%	45%
Gross margin %[2]	**65.6%**	61.8%	63.7%	60.9%	59.7%
EBITDA %[2]	**22.5%**	24.5%	29.0%	28.8%	27.4%

1. Results for the year ended 31 March 2021 have been retrospectively restated in relation to a change in accounting policy for the treatment of cloud-based software. This resulted in £nil impact on cash.
2. Alternative Performance Measure 'APM' as defined in the Glossary on pages 66 and 67.
3. Post exceptional items.
4. Own stores on streets and malls operated under arm's length leasehold arrangements.
5. Wholesale revenue including distributor customers.

Five-year financial summary (unaudited)
For the year ended 31 March 2024

	FY24	FY23	FY22	FY21[1]	FY20
	£m	£m	£m	£m	£m
Revenue by region:					
EMEA	**431.8**	443.0	398.5	335.6	287.9
Americas	**325.8**	428.2	382.7	295.8	252.2
APAC	**119.5**	129.1	127.1	141.6	132.1
	877.1	1,000.3	908.3	773.0	672.2
Revenue mix:					
EMEA %	**49%**	44%	44%	44%	43%
Americas %	**37%**	43%	42%	38%	37%
APAC %	**14%**	13%	14%	18%	20%
EBITDA[2] by region:					
EMEA	**140.8**	146.1	143.8	115.3	92.4
Americas	**64.4**	100.1	120.0	91.9	75.4
APAC	**31.7**	33.8	32.6	39.7	35.5
Group support costs	**(39.4)**	(35.0)	(33.4)	(24.0)	(18.8)
	197.5	245.0	263.0	222.9	184.5
EBITDA %[2] by region:					
EMEA	**32.6%**	33.0%	36.1%	34.4%	32.1%
Americas	**19.8%**	23.4%	31.4%	31.1%	29.9%
APAC	**26.5%**	26.2%	25.6%	28.0%	26.9%
	22.5%	24.5%	29.0%	28.8%	27.4%

1. Results for the year ended 31 March 2021 have been retrospectively restated in relation to a change in accounting policy for the treatment of cloud-based software. This resulted in £nil impact on cash.
2. Alternative Performance Measure 'APM' as defined in the Glossary on pages 66 and 67.

First half/second half analysis (unaudited)
For the year ended 31 March 2024

	H1			H2			FY		
	Unaudited FY24 £m	Unaudited FY23 £m	Variance %	**Unaudited FY24 £m**	Unaudited FY23 £m	Variance %	**Audited FY24 £m**	Audited FY23 £m	Variance %
Revenue by channel:									
Ecommerce	**91.7**	88.8	3%	184.6	190.2	-3%	**276.3**	279.0	-1%
Retail	**104.7**	91.0	15%	152.1	150.7	1%	**256.8**	241.7	6%
DTC	**196.4**	179.8	9%	336.7	340.9	-1%	**533.1**	520.7	2%
Wholesale[4]	**199.4**	238.8	-16%	144.6	240.8	-40%	**344.0**	479.6	-28%
	395.8	418.6	-5%	481.3	581.7	-17%	**877.1**	1,000.3	-12%
Gross profit	**254.9**	257.8	-1%	320.3	360.3	-11%	**575.2**	618.1	-7%
EBITDA[1]	**77.6**	88.8	-13%	119.9	156.2	-23%	**197.5**	245.0	-19%
Profit before tax[2]	**25.8**	57.9	-55%	67.2	101.5	-34%	**93.0**	159.4	-42%
Tax expense	**(6.8)**	(13.2)	-48%	(17.0)	(17.3)	-2%	**(23.8)**	(30.5)	-22%
Profit after tax	**19.0**	44.7	-57%	50.2	84.2	-40%	**69.2**	128.9	-46%
Earnings per share									
Basic	**1.9p**	4.5p	-58%	5.1p	8.4p	-39%	**7.0p**	12.9p	-46%
Diluted	**1.9p**	4.5p	-58%	5.1p	8.4p	-39%	**7.0p**	12.9p	-46%
Key statistics:									
Pairs sold (m)	**5.7**	6.3	-10%	5.8	7.5	-23%	**11.5**	13.8	-17%
No. of stores[3]	**225**	174	29%	239	204	17%	**239**	204	17%
DTC mix %	**50%**	43%	+7pts	70%	59%	+11pts	**61%**	52%	+9pts
Gross margin %[1]	**64.4%**	61.6%	+2.8pts	66.5%	61.9%	+4.6pts	**65.6%**	61.8%	+3.8pts
EBITDA %[1]	**19.6%**	21.2%	-1.6pts	24.9%	26.9%	-2.0pts	**22.5%**	24.5%	-2.0pts
Revenue by region:									
EMEA	**194.2**	179.0	8%	237.6	264.0	-10%	**431.8**	443.0	-3%
Americas	**147.7**	179.7	-18%	178.1	248.5	-28%	**325.8**	428.2	-24%
APAC	**53.9**	59.9	-10%	65.6	69.2	-5%	**119.5**	129.1	-7%
	395.8	418.6	-5%	481.3	581.7	-17%	**877.1**	1,000.3	-12%
Revenue mix:									
EMEA %	**49%**	43%	+6pts	49%	45%	+4pts	**49%**	44%	+5pts
Americas %	**37%**	43%	-6pts	37%	43%	-6pts	**37%**	43%	-6pts
APAC %	**14%**	14%	-	14%	12%	+2pts	**14%**	13%	+1pts
EBITDA[1] by region:									
EMEA	**55.8**	52.8	6%	85.0	93.3	-9%	**140.8**	146.1	-4%
Americas	**28.6**	41.4	-31%	35.8	58.7	-39%	**64.4**	100.1	-36%
APAC	**12.2**	13.1	-7%	19.5	20.7	-6%	**31.7**	33.8	-6%
Support costs	**(19.0)**	(18.5)	3%	(20.4)	(16.5)	24%	**(39.4)**	(35.0)	13%
	77.6	88.8	-13%	119.9	156.2	-23%	**197.5**	245.0	-19%
EBITDA %[1]:									
EMEA	**28.7%**	29.5%	-0.8pts	35.8%	35.3%	+0.5pts	**32.6%**	33.0%	-0.4pts
Americas	**19.4%**	23.0%	-3.6pts	20.1%	23.6%	-3.5pts	**19.8%**	23.4%	-3.6pts
APAC	**22.6%**	21.9%	+0.7pts	29.7%	29.9%	-0.2 pts	**26.5%**	26.2%	+0.3pts
Total	**19.6%**	21.2%	-1.6pts	24.9%	26.9%	-2.0pts	**22.5%**	24.5%	-2.0pts

1. Alternative Performance Measure 'APM' as defined in the Glossary on pages 66 and 67.
2. Post exceptional items.
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 underlying earnings per share. In previous years this metric was introduced to present earnings per share exclusive of prior year tax adjustments in relation to exceptional costs. The Group recognised £nil prior year tax adjustments in relation to exceptional costs in FY24 and FY23; as such this adjusted measure is no longer relevant.

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.

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 Revenue: ecommerce Revenue: retail Revenue: DTC Revenue: wholesale	Revenue from the Group's ecommerce platforms. Revenue from the Group's own stores (including concessions). Revenue from the Group's direct-to-consumer (DTC) channel (= ecommerce plus retail revenue). Revenue from the Group's business-to-business channel, revenue to wholesale customers, distributors and franchisees.	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies.	No	Yes
Constant currency basis	Non-GBP results with the same foreign exchange rate applied to the current and prior periods, based on the current budgeted rates.	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

Glossary and Alternative Performance Measures (APMs) (continued)

Metric	Definition	Rationale	APM	KPI
Opex	Selling and administrative expenses and finance expenses less depreciation, amortisation, foreign exchange gains/(losses) and finance expense.	Opex is used to reconcile between gross margin and EBITDA.	Yes	No
EBITDA	Profit/(loss) for the year before income tax expense, financing expense, foreign exchange gains/(losses), depreciation of right-of-use assets, depreciation, amortisation and exceptional items. Exceptional items are material items that are considered exceptional in nature by virtue of their size and/or incidence.	EBITDA is 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.	Yes	Yes
EBITDA %	EBITDA divided by revenue.	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies.	Yes	Yes
EBIT	Profit/(loss) for the year before income tax expense, financing expense, foreign exchange gains/(losses) and exceptional items. Exceptional items are material items that are considered exceptional in nature by virtue of their size and/or incidence.	EBIT is 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.	Yes	No
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
Free cash flow	Operating cash flow less cash outflows for exceptional items, net interest paid, taxation and lease liabilities.	Free cash flow is used as a net cash flow measure for the Group before changes in the debt/capital structure.	Yes	No
Net debt	Net debt is calculated by subtracting cash and cash equivalents from bank loans and lease liabilities.	To aid the understanding of the reader of the financial statements in respect of liabilities owed.	Yes	No
Profit before tax (before FX charge)	Profit before tax and before foreign exchange gains/losses.	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies.	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 after tax and the weighted average number of ordinary shares in issue during the period/year.	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 attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period/year 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
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.

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