H123 RESULTS

24 NOVEMBER 2022

AGENDA

- Introduction – Kenny Wilson, CEO
- Financial review – Jon Mortimore, CFO
- Business review – Kenny Wilson, CEO

CONVICTION IN FUTURE GROWTH

1. Dr. Martens brand stronger than ever
2. DOCS strategy continues to deliver with DTC up 21%
3. Price offsets inflation; AW23 pricing in place
4. Continue to invest for future growth and long-term brand value
5. Confidence in the future, dividend up 28%

CUSTODIANSHIP GUIDES LONG-TERM THINKING

CUSTODIAN *noun*

Definition:

A person who is responsible for protecting or taking care of something or keeping it in great condition.

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FINANCIAL OVERVIEW

1. Strategy delivering; solid H1 results led by DTC
2. Balanced global footprint; natural USD hedge
3. Global supply challenges resolved; restocked for success and future growth
4. High proportion of continuity product; minimal markdown risk
5. Strong balance sheet

STRONG UNDERLYING REVENUE GROWTH

£m		H123	H122	% change Actual	% change Constant currency
Pairs (m)	**Underlying[1]**	**6.3**	**5.9**	**6%**	
	Russia/S.America	-	0.4	*n/a*	
	Total	6.3	6.3	-	
Revenue	**Underlying[1]**	**418.6**	**356.2**	***18%***	***11%***
	Russia/S.America	-	13.7	*n/a*	*n/a*
	Total	418.6	369.9	*13%*	*7%*
Gross Margin		257.8	226.6	*14%*	
Opex		(169.0)	(137.8)	*-23%*	
EBITDA		**88.8**	**88.8**	**-**	
GM%		61.6%	61.3%	*+0.3pts*	
EBITDA%		21.2%	24.0%	*-2.8pts*	
PBT		**57.9**	**61.3**	***-5%***	

- **Strong underlying[1] revenue growth**
  - **Underpinned by volume**
- **Gross margin expansion driven by DTC mix improvement; held back by timing of price increase vs inflation**
- **Opex increase reflects growth investment in marketing and DTC**
- **EBITDA margin lower, in line with guidance**
  - **Mainly DTC investment timing**

1. In the prior year, we stopped shipping to Russia following the invasion of Ukraine and also did not renew a number of South America distributor agreements in the Autumn, as we re-directed inventory into USA. On a full year basis these distributors did not have a material impact but for H1 pairs and revenue they do have an impact. On a fully costed basis these distributor contracts did not have a material impact on profitability.

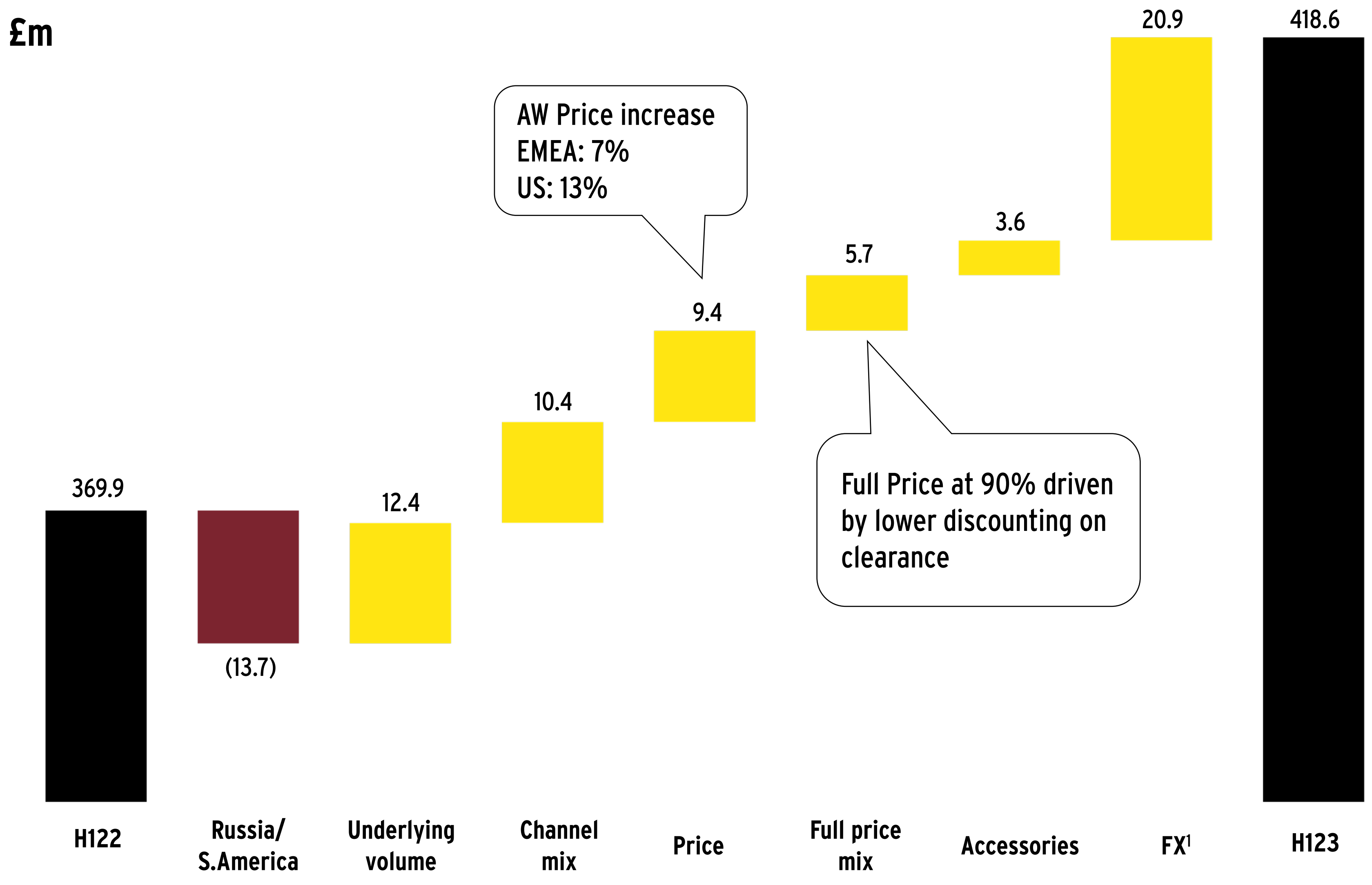
DTC MIX CONTINUES TO EXPAND

Revenue (£m)	H123	H122	% change Actual	% change Constant currency
Ecommerce	88.8	82.6	*8%*	*1%*
Retail	91.0	65.9	*38%*	*33%*
DTC	**179.8**	**148.5**	***21%***	***15%***
Wholesale[1]	238.8	207.7	*15%*	*8%*
Underlying	**418.6**	**356.2**	***18%***	***11%***
Russia/S.America	-	13.7	*n/a*	*n/a*
Total	418.6	369.9	*13%*	*7%*
DTC Mix	*43%*	*40%*	*+3pts*	
Own stores				
- Opened	*21*			
- Closed	*(5)*			
- Net	*16*			
Wholesale accounts (k)	*2.0*	*2.3*		

- **All channels in growth**
- **Strong DTC growth led by retail traffic recovery**
  - **Post-covid shopping trend evolution**
- **16 net new stores opened taking the total to 174**
- **DTC mix up 3%pts to 43%**
- **Wholesale up 15% on 13% fewer accounts**

1. Includes distributors

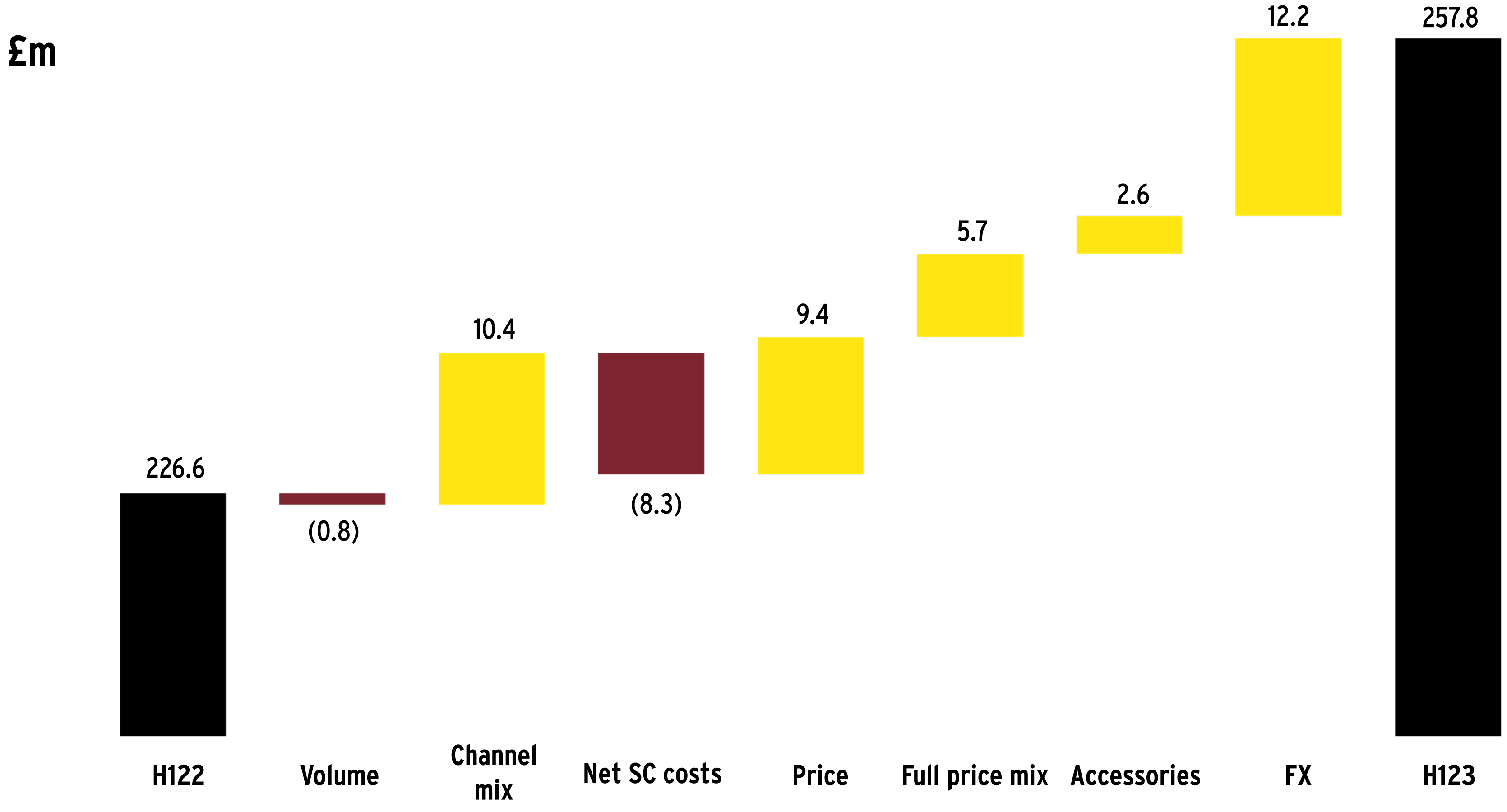
UNDERLYING REVENUE UP 18%



- Underlying revenue up 18%
  - Underlying volume up 6%
  - DTC mix up 3%pts to 43%
  - Price increase from AW22 season (July)
  - Continued strong full price revenue from DTC
  - Currency tailwind

1. FX represents translation

GROSS MARGIN UP 0.3%pts

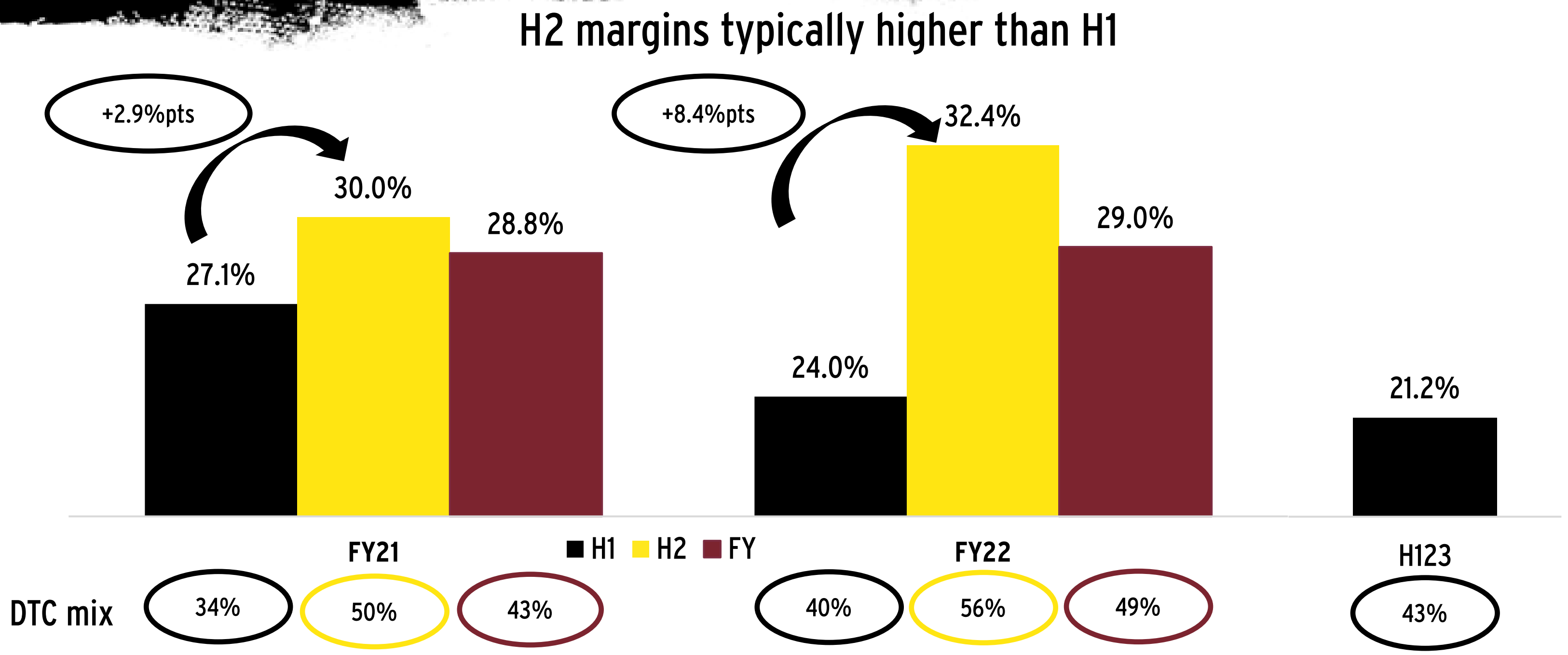


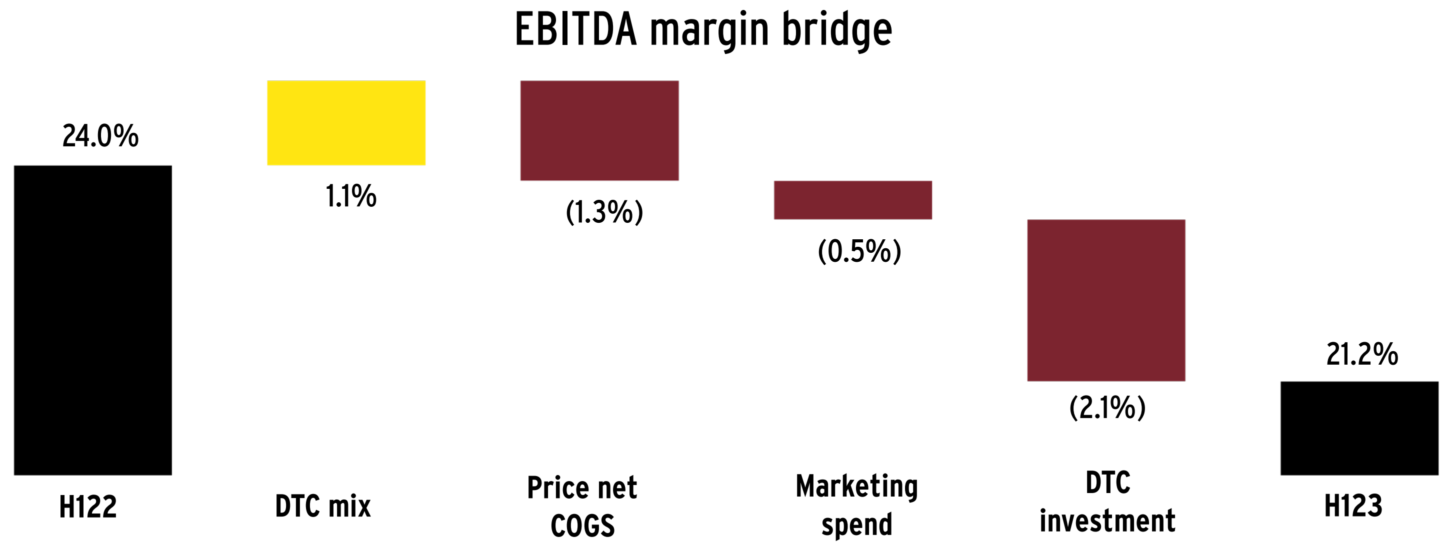
	H122	Volume	Channel mix	Net SC costs	Price	Full price mix	Accessories	FX	H123
Gross Margin	61.3%	-	1.1%	(2.3%)	1.0%	0.5%	0.1%	(0.1%)	61.6%

Net impact -1.3%

- Gross margin up 0.3%pts to 61.6%
- DTC mix improvement worth 1.1%pts
- As planned in H1, price offsets c.50% of inflation increase
  - Price increases expected to fully offset inflation across the year
- Positive full price mix

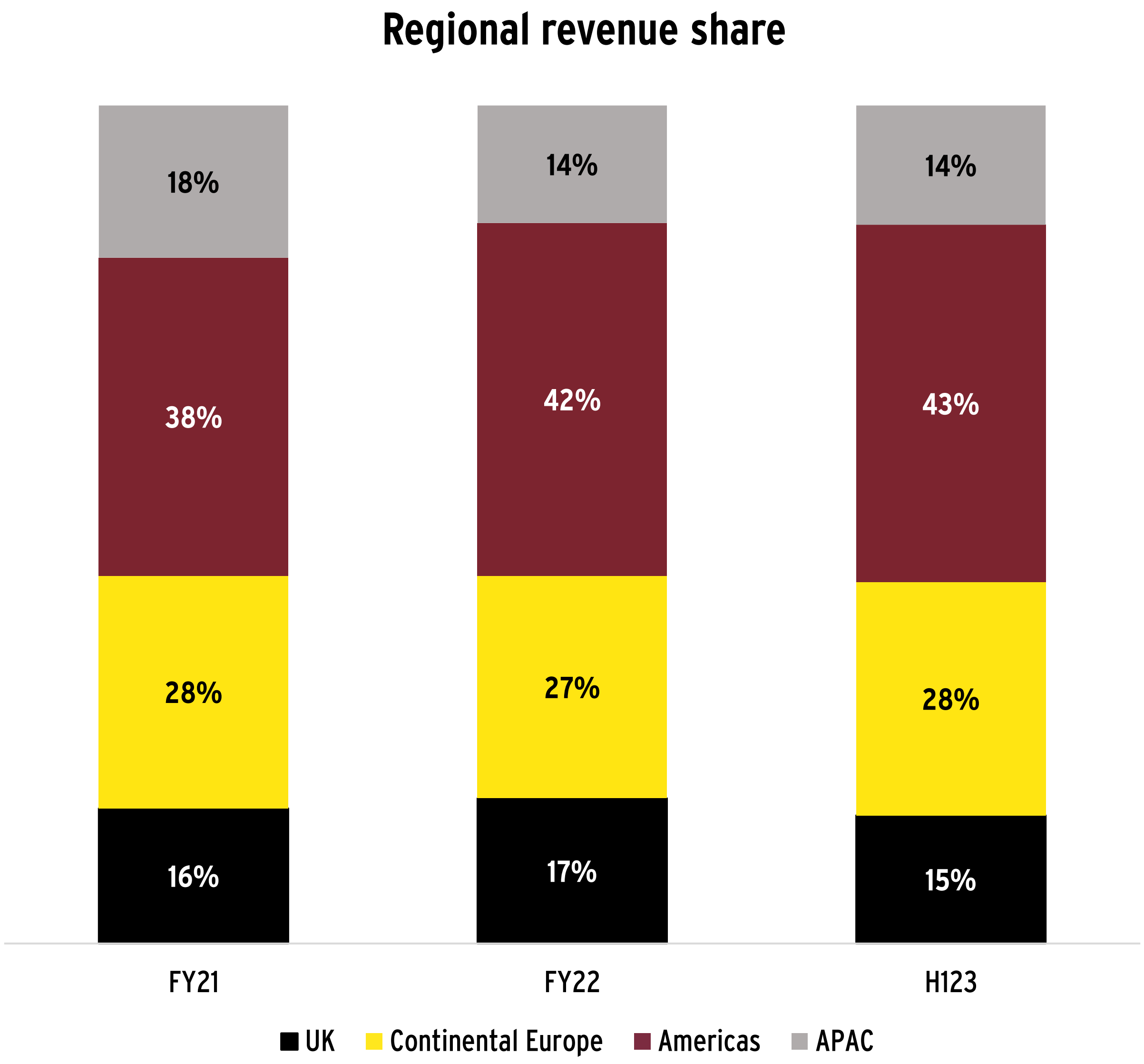
DTC MIX IN H2 DRIVES HIGHER EBITDA MARGINS





- H2 trading patterns typically result in stronger margins due to DTC mix
- H1 margin decline as expected:
  - H1 DTC mix +1.1%pts
  - Price to fully offset COGS across full year; only offset 50% in H1
  - Marketing investment in line with strategy
  - Financial returns on H1 DTC investment in H2
- Medium-term EBITDA margin milestone of 30%

A BALANCED GLOBAL BRAND



- Balanced global brand
- America our biggest market
  - 43% revenue share
  - Largest DTC opportunity
- UK our second market
  - 15% revenue share
  - Expect UK to grow but at a slower pace than average
- Japan our third market
  - DTC mix 80%+ post franchise store transfer
  - APAC growth engine

CONVERSION STRATEGY DRIVING EMEA PERFORMANCE

£m		H123	H122	% change Actual	% change Constant currency
Revenue	- Underlying	179.0	164.6	*9%*	*9%*
	- Russia	-	3.0	*n/a*	*n/a*
	- Total	179.0	167.6	*7%*	*7%*
EBITDA		**52.8**	**55.2**	***-5%***	
EBITDA%		*29.5%*	*32.9%*	*-3.4pts*	
Own stores					
- UK	*- Opened*	*1*			
	- Closed	*(3)*			
	- Net	*(2)*			
- Continental Europe	*- Opened*	*6*			
	- Closed	*(1)*			
	- Net	*5*			

- Underlying revenue up 9% led by strong DTC up 22%
- DTC mix up 5%pts with Germany up 8%pts and Italy up 8%pts
- Retail traffic recovery on track particularly in London and Continental Europe
  - Net three stores opened; now 83 stores
- Wholesale revenue impacted by c.£10m shipped in P7 not P6
- EBITDA margin down 3.4%pts
  - Price/inflation timing
  - New and maturing store opex

GOOD AMERICA REVENUE GROWTH

£m		H123	H122	% change Actual	% change Constant currency
Revenue	- Underlying	179.7	136.8	*31%*	*15%*
	- South America	-	10.7	*n/a*	*n/a*
	- Total	179.7	147.5	*22%*	*7%*
EBITDA		**41.4**	**40.0**	***4%***	
EBITDA%		*23.0%*	*27.1%*	*-4.1pts*	
Own stores	*- Opened*	*6*			
	- Closed	*(1)*			
	- Net	*5*			

- Underlying revenue up 31% (15% CC)
  - DTC up 26% (11% CC)
  - Wholesale[1] up 35% (19% CC)
- Softer Q2 DTC growth
  - Tougher comparatives
  - Weaker consumer environment
- Six new stores opened and one closed taking total to 46
- EBITDA margin down 4.1%pts
  - New and maturing store opex
  - New 3PL DC in LA
  - Price/inflation timing

1. Underlying

APAC LED BY STRENGTHENING JAPAN MARKET

£m		H123	H122	% change Actual	% change Constant currency
Revenue		59.9	54.8	*9%*	*6%*
EBITDA		**13.1**	**10.7**	***22%***	
EBITDA%		*21.9%*	*19.5%*	*+2.4pts*	
Own stores	*- Opened*	*8*			
	- Closed	*-*			
	- Net	*8*			

- Japan our no.3 global market at c.40% of APAC revenue and c.55% of EBITDA
  - Steady recovery from Covid-19
  - 14 franchise stores become own stores at year end
  - DTC mix 80%+
- China only c.1% of global revenue
  - Opened two own stores in Shanghai: now at four
  - Trialling full DOCS strategy in Shanghai and Hangzhou
  - China legacy distributor contract to end June 23
- EBITDA margin expansion due to Japan superior margins vs APAC average

CONFIDENCE IN THE FUTURE SUPPORTS INCREASED DIVIDEND

£m	H123	H122	% change
EBITDA	**88.8**	**88.8**	**-**
Depreciation & amortisation	(23.3)	(18.0)	*-29%*
FX gains/(losses)	(0.2)	(2.1)	*n/a*
Finance expense	(7.4)	(7.4)	*-1%*
Profit before tax	**57.9**	**61.3**	***-5%***
Tax expense	(13.2)	(12.7)	*-4%*
Profit after tax	**44.7**	**48.6**	***-8%***
EPS – Basic (p)	4.5	4.8	*-6%*
- Underlying (p)	4.5	4.8	*-6%*
Dividend Per Share (p)	**1.56**	**1.22**	***28%***

- Dividend per share up 28% reflecting confidence in future performance
  - Represents 35% of earnings
  - Top end of guidance
- Profit after tax £44.7m, 8% lower
  - D&A up due to store rollout and IT investment
  - Tax rate at 22.8%
- EPS down 6%

WE HAVE A NATURAL HEDGE

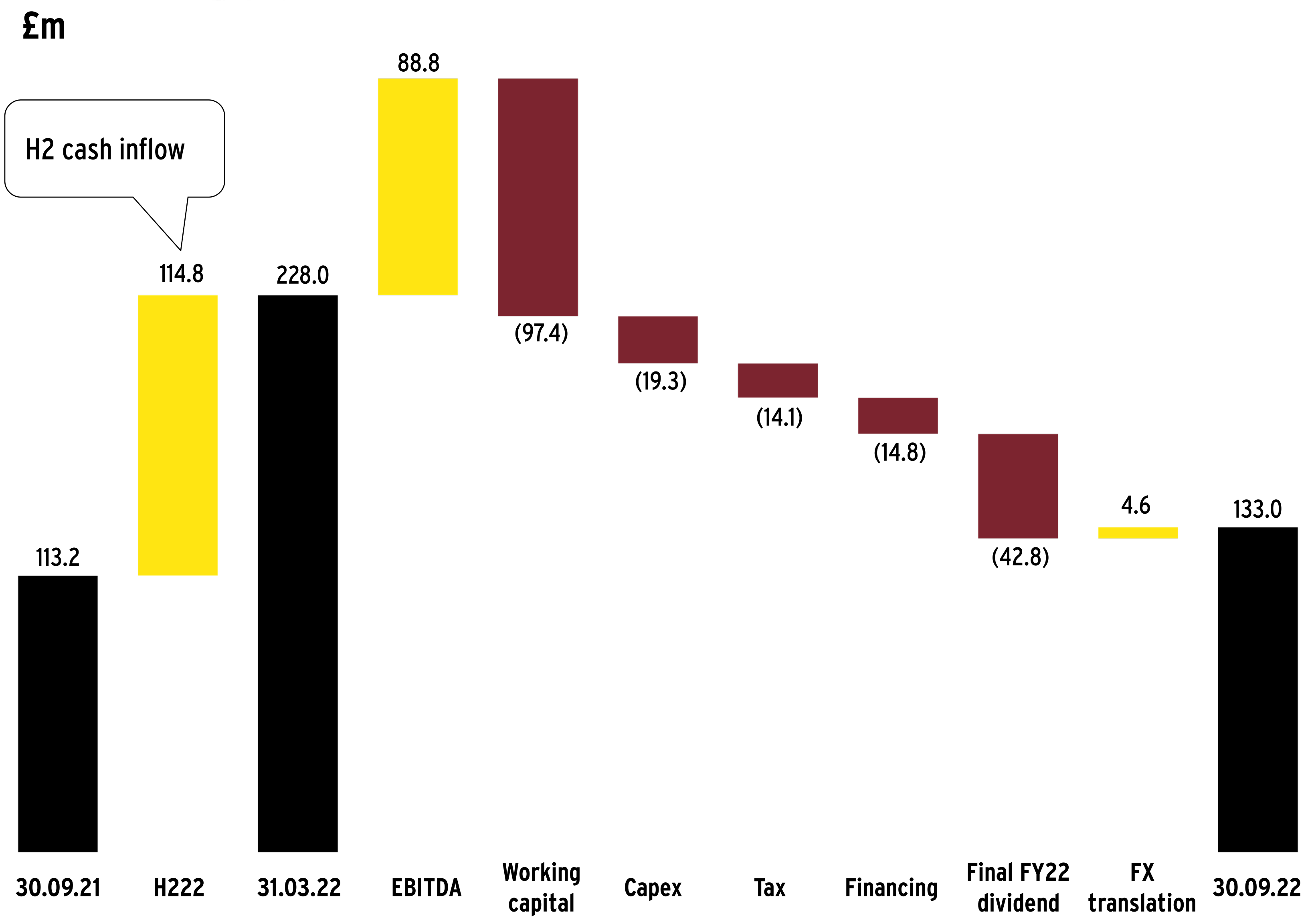
£m	FY22	Translation	COGS[1]	Proforma	*Inc/(Dec)*
EMEA	398	-	-	398	-
America	383	38	-	421	*10%*
APAC	127	-	-	127	-
Revenue	**908**	**38**	**-**	**946**	***4%***
EMEA	144	-	(13)	131	*-9%*
America	120	12	-	132	*10%*
APAC	33	-	-	33	-
Central costs	(34)	-	-	(34)	-
EBITDA	**263**	**12**	**(13)**	**262**	***-***
EBITDA Margin	29.0%	+0.1pts	-1.4pts	27.7%	*-1.3pts*

Proforma illustration of a 10% appreciation of the USD vs GBP and EUR

- **Both EMEA and America c.43% revenue mix**
- **£12m EBITDA translation benefit from higher USD revenues**
- **Offset by £13m transactional cost from USD COGS in EMEA**
- **EBITDA broadly unchanged but revenue up and therefore margin down**

1. 95% purchased in US$

TYPICAL CASH PROFILE



- Typical H1 cash outflow
  - Significant cash inflow in H2
  - PY H1 inflow untypical
- Working capital outflow due to decision to invest in inventory
- Capex 4.6% of revenue
  - New stores
  - Racking in new DCs
  - IT projects
- Average leverage[1] remains at 1x (Mar-22: 1x)

1. Average Leverage = Net debt (LTM average cash, actual bank debt and lease liabilities) over LTM EBITDA

SUPPLY CHAIN: CAUGHT UP AND BUILDING FOR GROWTH

FACTORIES OPERATING AT TARGET CAPACITY

LEAD TIMES ALMOST CAUGHT UP

NEW 3PL DCs IN LA AND NETHERLANDS

FACTORY PRICES FIXED 6-9 MONTHS PRIOR TO A SEASON

6% YOY COGS INCREASE NOW FIXED FOR AW23

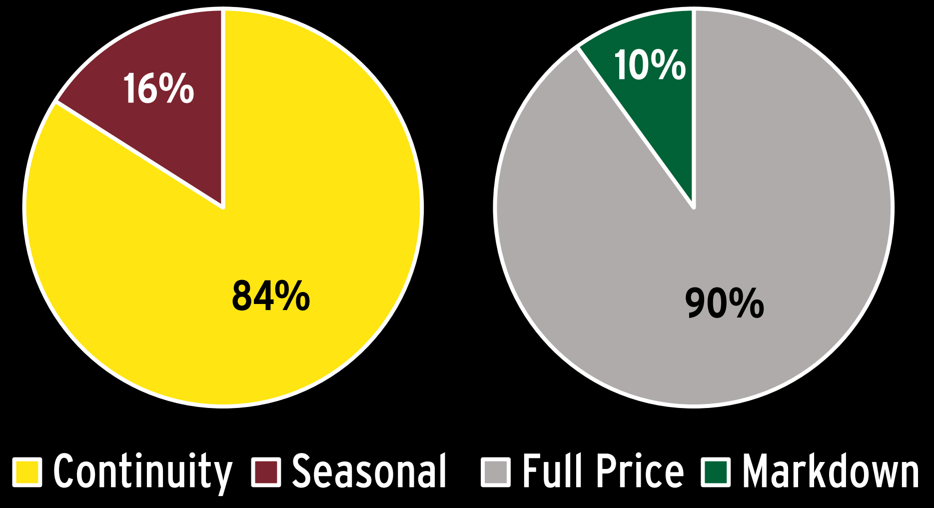
DIVERSIFIED FACTORY BASE

	AW20	AW22	AW23 est
Vietnam (s)	30%	31%	29%
Vietnam (n)	12%	21%	24%
Laos	15%	21%	28%
Bangladesh	6%	8%	5%
China	27%	12%	5%
Thailand	9%	6%	5%
Cambodia	-	-	3%
UK	1%	1%	1%

REBUILT INVENTORY FOR SUCCESS: IMPROVED AVAILABILITY

	Sept-22	Sept-21
Inventory (£m)	261	120
Stock turn	1.3x	2.6x
Cover (weeks/historic)	40	20
Approx. weeks on boat	6-8	10-13

P6 Inventory Product Mix H1 DTC Full Price Mix



- Last year inventory too low; poor availability through peak trading
- Management decision to plan for success, improve availability and restock – mainly USA and Japan
- Given high proportion of continuity product and track record of full price sales, we have minimal markdown risk

CAPITAL ALLOCATION PHILOSOPHY

DOCS IS HIGHLY CASH GENERATIVE

FIRST PRIORITY IS INVESTMENT INTO THE BUSINESS

PROGRESSIVE DIVIDEND POLICY OF 25% TO 35% OF EARNINGS – NOW AT 35%

WE WILL HAVE EXCESS CASH WHEN AVERAGE LEVERAGE (INC. LEASES) IS CONSISTENTLY LESS THAN 1X AND THEN WILL CONSIDER FURTHER RETURNS TO SHAREHOLDERS

TRADING UPDATE & OUTLOOK

DTC

- Since H1: variable week-to-week
- Peak trading weeks ahead
  - Good availability in all markets
- From Nov: benefit of weak base LY in EMEA due to Covid-19 restrictions
- From Dec: benefit of poor availability LY in USA & Japan

WHOLESALE

- Timing in EMEA caught up in Oct
- Orderbook in excess of full year estimate
  - Headroom for increased cancellation risk

FY23

- High-teens revenue growth in actual currency
  - Slower DTC growth
- Continued growth investment
- Natural hedge
- FY EBITDA margin lower by 100-250bps

FROM FY24 AND FOR THE MEDIUM TERM, GUIDANCE MAINTAINED

- Mid-teens revenue growth, DTC at least 60% mix with Ecommerce at least 40%
- EBITDA margin to grow back towards 30% milestone
- Price to continue to offset inflation

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3. Price offsets inflation; AW23 pricing in place
4. Continue to invest for future growth and long-term brand value
5. Confidence in the future, dividend up 28%

DM4: THE DOCS STRATEGY

Our **DM4 strategy** is about selling more pairs of boots, shoes and sandals, to more people, through our own DTC, in our 7 priority markets:

UK | US | FRANCE | GERMANY | ITALY | JAPAN | CHINA

D — DTC FIRST

Build brand equity and drive margin expansion

O — ORGANISATIONAL AND OPERATIONAL EXCELLENCE

Enable growth and unlock value

C — CONSUMER CONNECTION

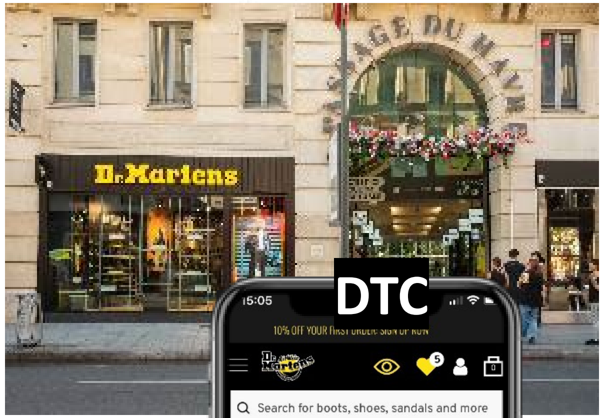
Acquire new customers and drive loyalty

S — SUPPORT BRAND EXPANSION WITH B2B

Manage B2B holistically and purposefully

DOCS STRATEGY: INVESTING FOR FUTURE GROWTH & BRAND HEALTH

- DTC
- MARKETING
- PEOPLE
- TECHNOLOGY
- INVENTORY & DCs



DTC

MARKETING

PEOPLE

Microsoft Dynamics 365

TECHNOLOGY

INVENTORY & DCs

UNDERPINNED BY STRONG BRAND, CONTINUITY PRODUCT, VAST UNTAPPED POTENTIAL & STRONG BALANCE SHEET

BRAND PURCHASE FUNNEL CONTINUES TO IMPROVE

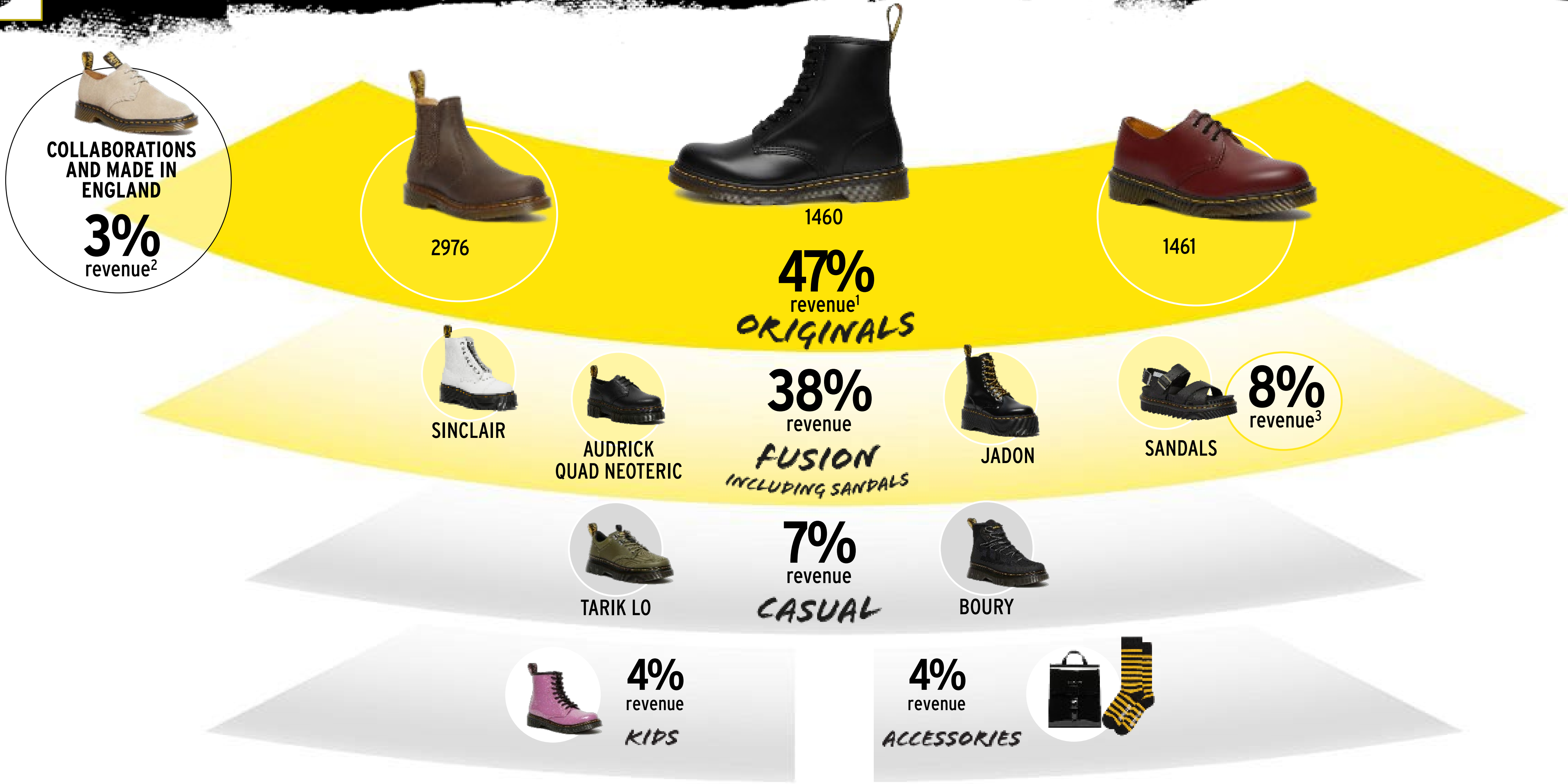
GLOBAL AWARENESS MAINTAINED

GLOBAL FAMILIARITY +4%PTS

LAST 24M PURCHASED +1%PT TO 8%

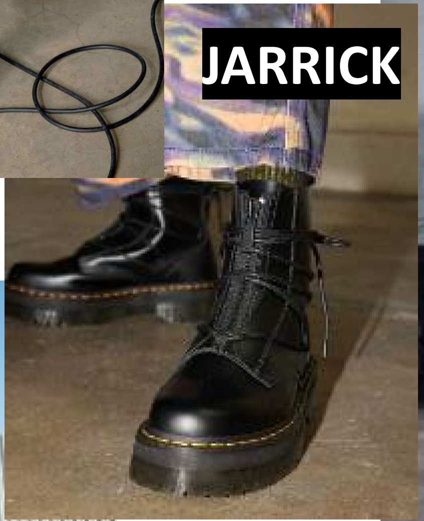
RANKED GLOBAL No.1 IN BOOTS FOR UNPROMPTED AWARENESS

PRODUCT STRATEGY: LED BY ICONIC, TIMELESS PRODUCTS



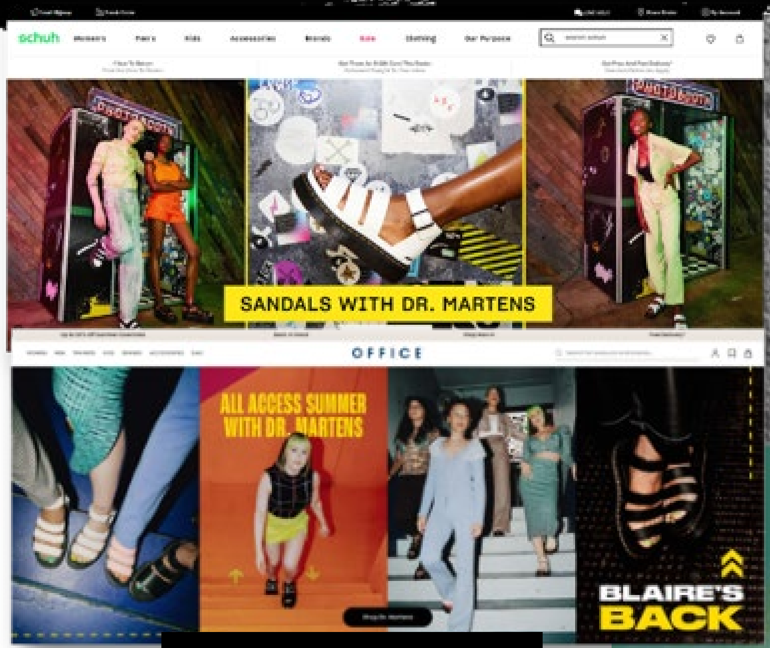
1. Analysis based on LTM revenue
2. Revenue of collaborations and Made In England is included within the other categories
3. Revenue of sandals included in Fusion revenue

BOOTS AND SHOES: PLATFORMS DRIVING GROWTH



SANDALS REVENUE GREW BY 43%

SS22: 'ALL ACCESS SUMMER' TO BUILD RANGE AWARENESS



UK WHOLESALE

DIGITAL MARKETING

FESTIVALS

PRODUCT-LED CAMPAIGN FOCUSSED ON SANDALS AND SHOES

UNPROMPTED AWARENESS +1%PT ACROSS BOTH SANDALS AND SHOES

AW22: 'UNPOLISHED' CAMPAIGN DRIVING ICONS

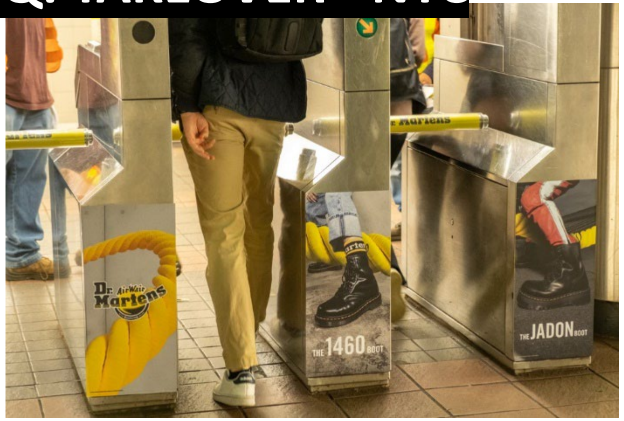
HONG KONG

HERALD SQ. TAKEOVER - NYC

PARIS

AMSTERDAM

DIGITAL MARKETING



LONDON

CONSUMER-LED PRICING STRATEGY

IN-DEPTH CONSUMER PRICE STUDY REPEATED RECENTLY

CONSUMERS CONTINUE TO SEE VALUE IN OUR HIGH QUALITY AND TIMELESS PRODUCTS

WE WILL INCREASE PRICE FOR AW23 TO OFFSET COGS INFLATION OF 6%

REGIONAL HIGHLIGHTS

EMEA

CONVERSION MARKETS DRIVING DTC GROWTH

CONTINUED UK GROWTH

AMERICA

LARGEST DTC OPPORTUNITY

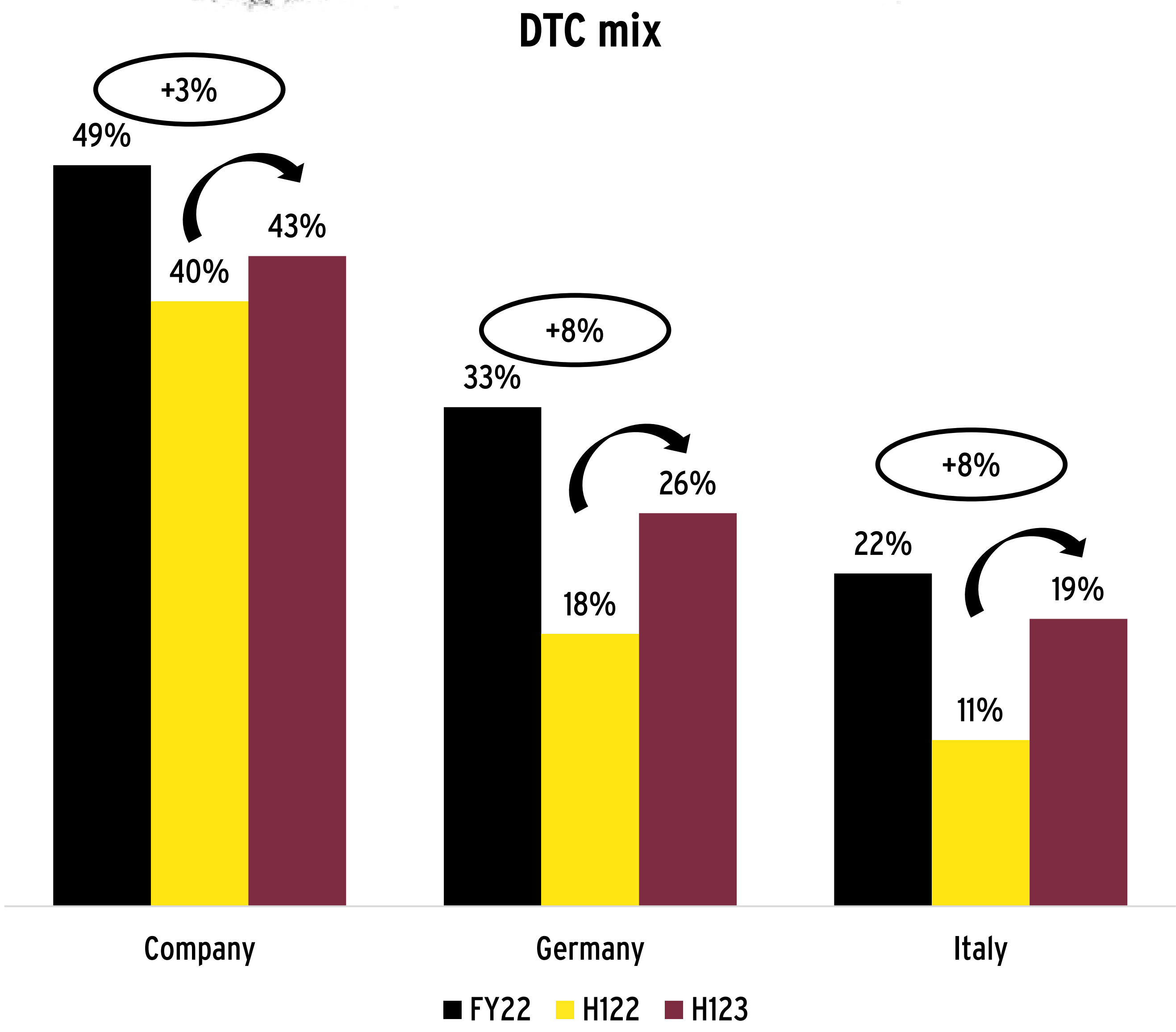
MARKETING AND INVENTORY INVESTMENT TO MAXIMISE POTENTIAL

APAC

JAPAN NOW 40% OF APAC REVENUE AND HEADING TO 80%+ DTC MIX

TRIALLING DTC MODEL IN CHINA

EMEA: CONVERSION MARKETS DRIVING DTC GROWTH



DTC FIRST

AMERICA: LARGEST DTC OPPORTUNITY

H1 NEW STORES

HOUSTON, WOODLANDS

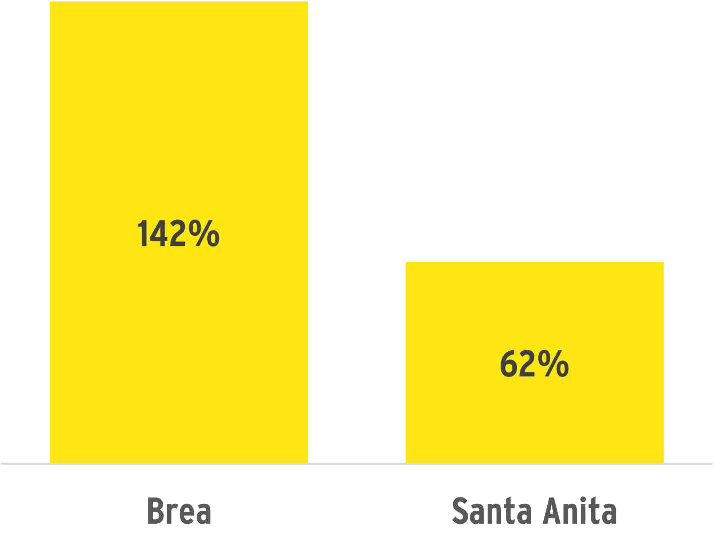
CHICAGO, OAKBROOK

OAKLAND, WALNUT CREEK

LOS ANGELES

- GREATER LOS ANGELES POPULATION OF 19M
- 10 OWN STORES IN LOS ANGELES AT SEP 22
- LOS ANGELES FAMILIARITY +23%PTS AND EVER PURCHASED +10%PTS VS H1 LY

LTM % GROWTH IN ECOM SESSIONS SINCE STORE OPENING



BREA

Opened Nov 2021

SANTA ANITA

Opened June 2022

DTC FIRST

APAC: JAPAN THE REGIONAL GROWTH ENGINE

- THREE NEW STORES IN H1
- 14 FRANCHISE STORES TO BE TRANSFERRED TO OWN STORES ACROSS TOKYO & OSAKA
  - COMBINED POPULATION OF 53M
- 39 OWN STORES AT YEAR END
- DTC MIX 80%+
- SUPERIOR EBITDA MARGIN STRUCTURE VS APAC AVERAGE

TRANSFER STORES


SHINSAIBASHI, OSAKA


SORAMACHI, TOKYO

NEW STORES


PARCO IKEBUKURO


YURAKUCHO MARUI


PARCO SHIBUYA

WHOLESALE: PURPOSEFUL APPROACH DELIVERS QUALITY GROWTH

ELEVATED BRAND PRESENTATION

EXPANDED AND MANAGED PRODUCT RANGE

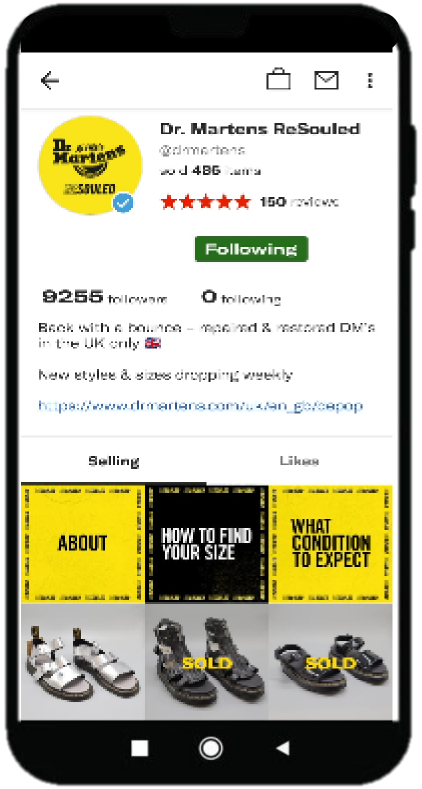
FEWER BUT BETTER STRATEGIC PARTNERS

15% WHOLESALE GROWTH ON 13% FEWER ACCOUNTS

ORDERBOOK SUPPORTS FY GUIDANCE

OUR RESPONSIBILITIES: PRODUCT/PLANET/PEOPLE

AS A GROWING BUSINESS, WE HAVE A GROWING IMPACT, WHICH COMES WITH INCREASED RESPONSIBILITIES



TRIALLED MORE SUSTAINABLE UPPER MATERIALS INCLUDING RECYCLED LEATHER AND A BIO-BASED VEGAN MATERIAL

REMOVED UNNECESSARY SINGLE-USE PLASTIC FROM 83% OF OUR PRODUCT PACKAGING

SUCCESSFUL TRIALLING OF OUR REPAIR AND RESALE INITIATIVE IN THE UK

CONVICTION IN FUTURE GROWTH

OUR BRAND IS STRONGER THAN EVER

DOCS STRATEGY IS DELIVERING

INVESTING FOR THE FUTURE

PRICING HEADROOM IDENTIFIED

DIVIDEND UP 28%

APPENDIX

- IR contact details
- Guidance
- FX rates
- Quarterly revenue
- Balance Sheet
- Cautionary statement

INVESTOR RELATIONS CONTACT DETAILS

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FY23 GUIDANCE: DETAIL

- High-teens revenue growth, actual currency basis
- FY EBITDA margins to be 100-250bps lower than FY22
- Net new own store openings of around 30 plus the transfer of 14 franchise stores to own stores in Japan in Q4
- Depreciation and amortisation of £50m to £53m
- Net finance costs of c.£15m
- Underlying tax rate of c.21% (FY24 onwards expected to be c.27%)
- Capital expenditure of c.4.5% of revenue
- Operating cash conversion of c.70% of EBITDA

FX TRANSLATION RATES

	$/£			€/£		
	FY23	FY22	% change	FY23	FY22	% change
H1	1.22	1.39	(12)%	1.17	1.17	-
H2		1.34			1.19	
FY		1.37			1.18	

QUARTERLY UNDERLYING REVENUE BY CHANNEL & REGION

	Q123	Q223	H123
Underlying group revenue	**£154.1m**	**£264.5m**	**£418.6m**
Actual YoY change	11%	22%	18%
Constant currency YoY change	5%	14%	11%
Underlying revenue by region			
EMEA YoY change	9%	9%	9%
America YoY change	23%	38%	31%
APAC YoY change	-14%	28%	9%
Underlying revenue by channel			
Ecommerce YoY change	6%	8%	8%
Retail YoY change	54%	28%	38%
DTC YoY change	26%	18%	21%
Wholesale[1] YoY change	-2%	25%	15%

1. Includes distributors

BALANCE SHEET

	30 September 2022	31 March 2022	30 September 2021
Freeholds	6.8	6.1	6.1
Right-of-use assets	133.9	105.5	92.7
Other fixed assets	65.3	53.6	47.4
Working capital	192.3	78.5	78.9
Deferred tax	10.2	9.6	8.7
Operating net assets	408.5	253.3	233.8
Goodwill	240.7	240.7	240.7
Cash	133.0	228.0	113.2
Bank Debt	(292.9)	(280.9)	(285.3)
Lease Liabilities	(142.8)	(112.9)	(98.8)
Net Assets	**346.5**	**328.2**	**203.6**

CAUTIONARY STATEMENT

Cautionary statement relating to forward-looking statements

Announcements, presentations to investors, or other documents or reports filed with or furnished to the London Stock Exchange (LSE) and any other written information released, or oral statements made, to the public in the future by or on behalf of Dr. Martens plc and it 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.