



29 July 2021

Dr. Martens plc

Trading statement for the three months ended 30 June 2021

A STRONG FIRST QUARTER

"I am very pleased with the performance across our business in the first quarter of our new financial year. We achieved continued growth in ecommerce against a triple-digit growth rate last year and the reopening of our own-stores drove a strong retail recovery through the period. In addition, we saw a return to more normalised wholesale shipments over the period. The first quarter of the year is always our smallest period, being the end of the Spring/Summer season. Our larger Autumn/Winter season begins from Q2 and our performance to date gives us confidence for the remainder of the year. We will continue to take a long-term custodian mindset, investing into our business and making decisions to drive the brand for the decades to come." **Kenny Wilson, Chief Executive Officer**

Group highlights:

- Q1 Group revenue £147.3m, up 52% year on year (64% on a constant currency basis). This performance was against a Covid-19 impacted comparative figure, with revenues in the same quarter last year down 14%. On a two-year basis (Q1 FY22 compared to Q1 FY20), revenue was up 31% (40% constant currency). Q1 is typically the smallest period, being the end of the Spring/Summer season.
- By channel, we saw an encouraging recovery of retail, good growth in ecommerce against a very strong comparative and a strong wholesale performance as order patterns normalised.
- All three regions saw good growth, although the Americas was a standout, recording triple-digit revenue growth.

Channel performance

Throughout Q1 FY22, all US stores were open, UK stores opened from mid-April, and Continental Europe stores opened steadily through May and June. Japan remains the most impacted, with stores operating with varying capacity restrictions and a few locations remaining closed. This compares with Q1 last year, where the vast majority of our own stores globally were closed or subject to significant Covid-19 restrictions, which materially impacted retail revenues. This significantly altered picture has resulted in Q1 FY22 retail revenue more than tripling year-on-year. The performance of our stores improved as the quarter progressed, particularly those in the US and provincial UK. On a two-year basis (Q1 FY22 compared to Q1 FY20) performance was as expected, with retail revenue down 6% for the quarter as a whole and positive in the month of June.

In Q1 FY22, we achieved strong ecommerce revenue growth of 11% (19% on a constant currency basis). This was against a very high comparative with ecommerce growth in Q1 FY21 up triple-digit, given the widespread store closures at that time. On a two-year basis (Q1 FY22 compared to Q1 FY20), ecommerce revenue is up 155% (166% in constant currency terms).

We saw a very strong performance in our wholesale business in Q1 FY22, as customers normalised shipment timings back towards Q1. As a result, wholesale revenue is up 50% year-on-year (up 64% constant currency), with particularly strong shipments in Americas. This performance is against a weak comparative, as last year a large proportion of wholesale customers rescheduled orders into Q2 given the significant uncertainty at that time. On a two-year basis (Q1 FY22 compared to Q1 FY20), wholesale revenue is up 23% (30% in constant currency terms). Given the rescheduling of orders in FY21, we face a stronger comparative in Q2 and therefore expect wholesale sales growth to moderate.

Regional performance

The strongest regional performance was seen in Americas, with revenue up 106% (132% constant currency). This was predominantly driven by wholesale, with both a normalisation of shipments compared to the prior year and strong underlying growth. We also saw a good recovery in retail and continued ecommerce growth against a tough comparative.

EMEA delivered 30% revenue growth (36% constant currency). We saw an encouraging retail recovery as stores reopened, continued ecommerce growth against a very strong comparative, and good wholesale performance.

APAC saw revenues up 17% (30% constant currency), with good growth across all channels. The largest market in APAC is Japan, which continues to see significant Covid-19 restrictions in retail, albeit to a lower extent than last year.

Outlook

Trading in Q1 was slightly ahead of our expectations, with a strong end to the period. Q1 is by far the smallest quarter however, and in Q2 we face a much stronger comparative. We anticipate that the pattern of trading through the year will be non-linear and, like many others across the industry, we are experiencing inbound shipping delays and other operational challenges due to Covid-19. Despite these, we remain confident in the delivery of our guidance for FY22 and over the medium-term.

Enquiries

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FY21 Quarterly performance

The prior year quarterly revenue performance was as follows:

FY21	Q1	Q2	Q3	Q4
Group revenue (£m)	97.0	221.2	275.6	179.2
% yoy change (reported)	(14%)	42%	9%	19%
% yoy change (constant currency)	(14%)	43%	9%	23%

About Dr. Martens

Dr. Martens is an iconic British brand founded in 1960 in Northamptonshire. Originally produced for workers looking for tough, durable boots, the brand was quickly adopted by diverse youth subcultures and associated musical movements. Dr. Martens have since transcended their working-class roots while still celebrating their proud heritage and, six decades later, “Docs” or “DMs” are worn by people around the world who use them as a symbol of empowerment and their own individual attitude.

The Company successfully 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.