

FULL YEAR RESULTS FY21

17TH JUNE 2021





AGENDA

Introduction – Kenny Wilson, CEO

Financials – Jon Mortimore, CFO

Review of the year – Kenny Wilson, CEO

BRAND CUSTODIAN MINDSET DELIVERING STRONG RESULTS



- 1 Resilience through Covid-19 - focused on cash, invested in our brand and kept people safe
- 2 Delivering strong results; FY21 revenue +15%, EBITDA +22%
- 3 DOCS strategic framework unchanged
- 4 Launching sustainability targets
- 5 Confidence in the year ahead and beyond; guidance reiterated

CUSTODIAN

noun

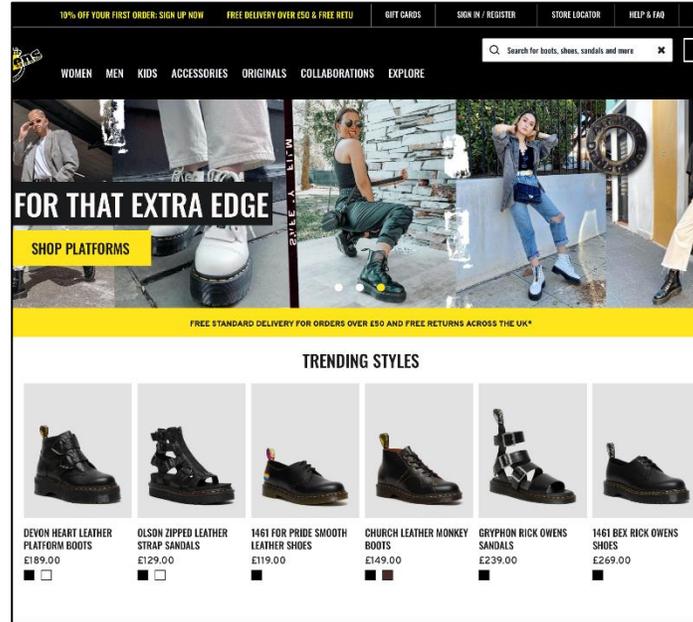
Definition:

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

INTRODUCTION TO DR. MARTENS



Iconic brand and iconic product
Broad appeal
Consumers love their Docs



Direct to consumer led model, driven by ecommerce and supported by stores as profitable brand beacons



Track record of sustainable and profitable growth
Significant headroom for global growth



AGENDA

Introduction – Kenny Wilson, CEO

Financials – Jon Mortimore, CFO

Review of the year – Kenny Wilson, CEO



1

Delivered FY21 IPO guidance

2

Margin expansion due to accelerated supply chain efficiencies

3

Balanced geographical growth and very good ecommerce performance

4

Strong cash flow generation

5

Forward guidance unchanged

GROUP PERFORMANCE SUMMARY



(€M)	FY21	FY20	% change	
			Actual	Constant currency
Pairs (m)	12.7	11.1	14%	14%
Revenue	773.0	672.2	15%	16%
Gross Margin	470.5	401.5	17%	18%
OPEX	(243.4)	(217.0)	(12%)	(13%)
- PLC costs	(2.9)	-	-	-
EBITDA¹	224.2	184.5	22%	22%
Gross Margin %	60.9%	59.7%	+1.2 pts	
EBITDA Margin %	29.0%	27.4%	+1.6 pts	
Adjusted PBT¹	151.4	113.0	34%	

- Continued volume-led growth
- Margin expansion largely via accelerated supply chain efficiencies

¹ Before exceptionals of €80.5m related to IPO

REVENUE PERFORMANCE BY CHANNEL

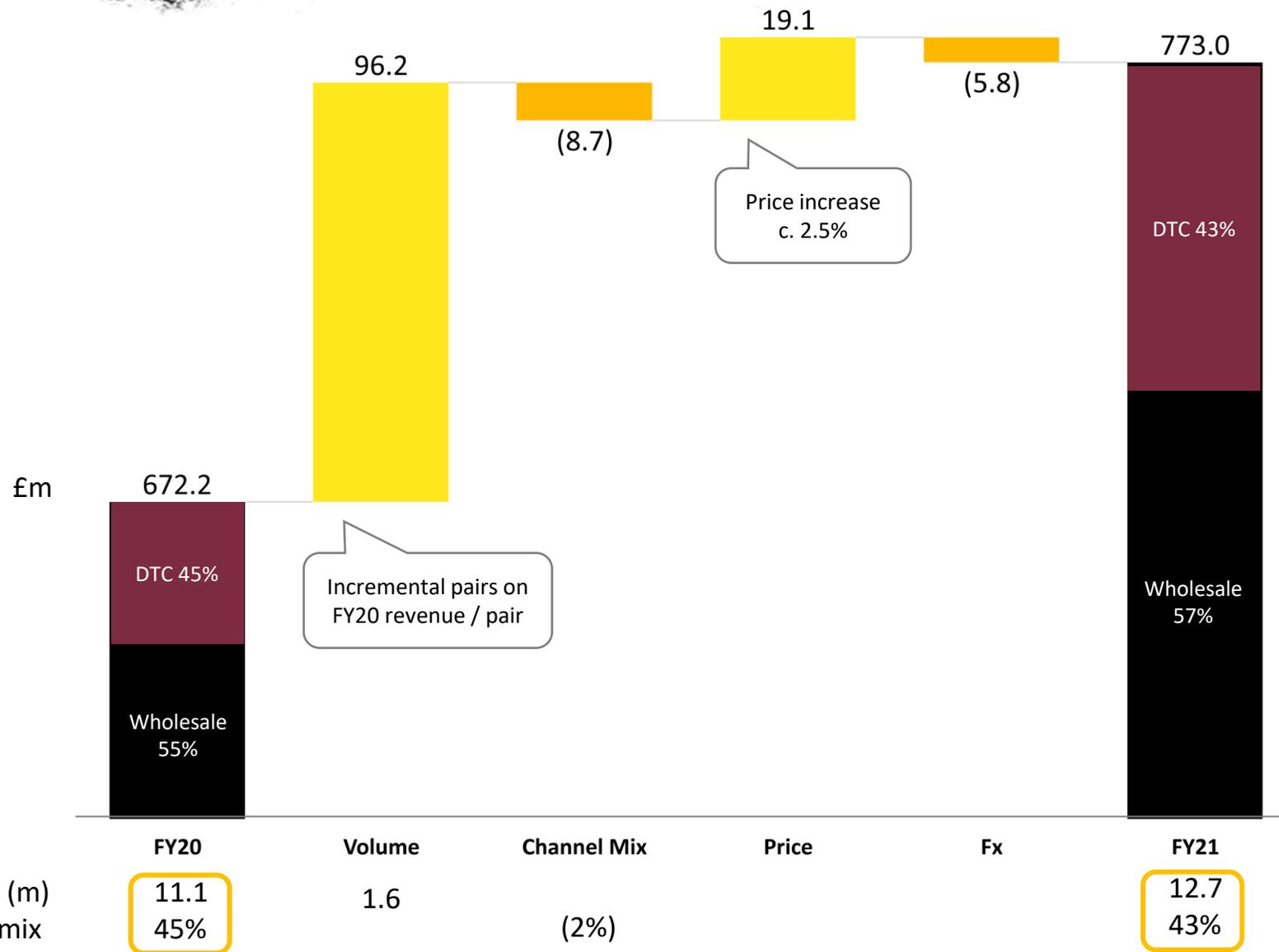


(£M)	FY21	FY20	% change
Ecommerce	235.4	136.4	73%
Retail	99.7	165.2	(40%)
DTC	335.1	301.6	11%
Wholesale*	437.9	370.6	18%
Total	773.0	672.2	15%
<i>DTC mix</i>	<i>43%</i>	<i>45%</i>	<i>(2 pts)</i>
<i>Ecommerce mix</i>	<i>30%</i>	<i>20%</i>	<i>+10 pts</i>
<i>Own stores</i>	<i>135</i>	<i>122</i>	<i>+13</i>
<i>Wholesale accounts*</i>	<i>1,827</i>	<i>1,910</i>	<i>(83)</i>

- Very strong ecommerce
- Retail decline due to Covid-19 restrictions
- Quality wholesale growth and continued to focus on brand enhancing and larger accounts

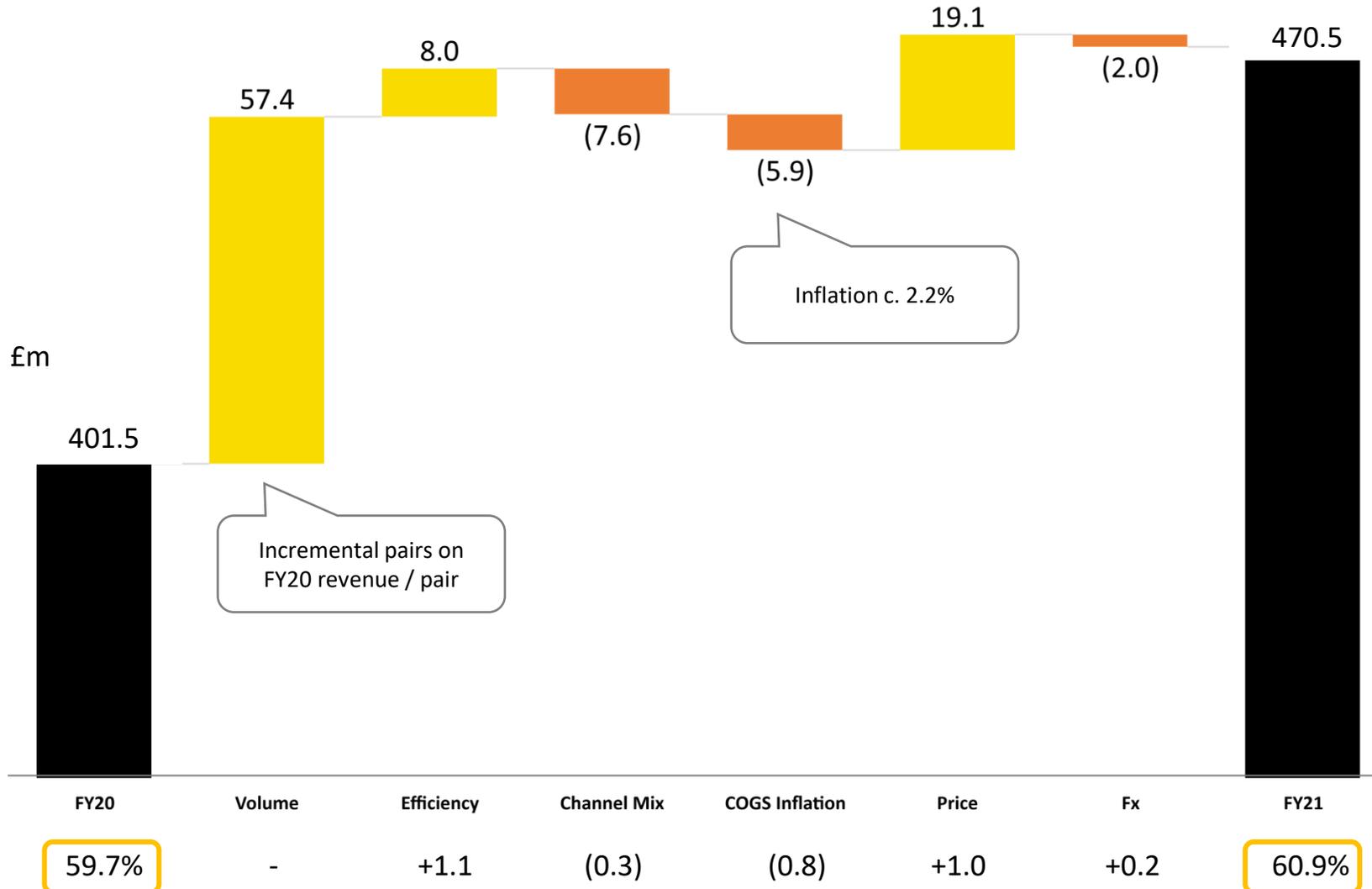
* Including distributors

REVENUE BRIDGE



- Volume represents 95% of revenue growth

GROSS MARGIN BRIDGE



- Gross margin up 1.2%pts
 - Mainly supply chain efficiencies
 - Price funds COGS inflation

SUPPLY CHAIN EFFICIENCIES



	FY21	FY20
Gross savings (£m)	40	17
% Revenue	5.2%	2.6%

- Supply chain efficiency target achieved a lot earlier than anticipated: mainly due to cross cost comparison between factories, and duty optimisation from country of origin
- Raw material cost headwinds from SS22 and increasing freight/container costs broadly funded by incremental future savings

EMEA PERFORMANCE



(£M)	FY21	FY20	% change
Revenue	335.6	287.9	17%
EBITDA	115.3	92.4	25%
<i>EBITDA Margin</i>	34.4%	32.1%	+2.3 pts
<i>Own stores</i>	68	62	+6

- Very strong ecommerce, with retail negative
- Opened 9 stores and closed 3
- Wholesale* accounts increase, by 82 accounts to 1,044, due to Nordics conversion
- First full year of direct operations in Germany

* Including distributors

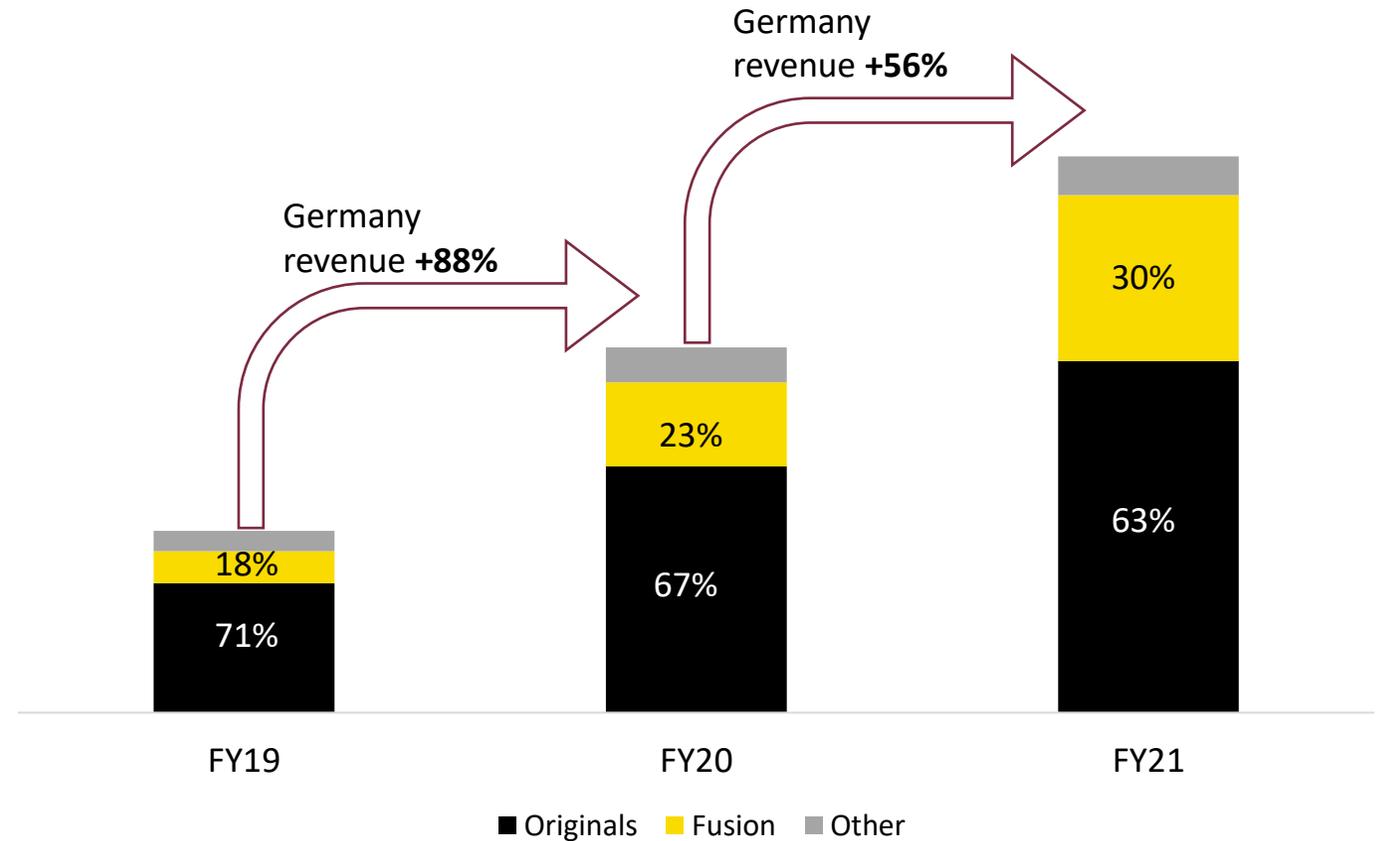
RATIONALE

- Directly control the brand
- Implement DOCS strategy
- Broaden assortment and range
- Own in-market margin

PERFORMANCE

- Year of conversion: FY20 (from AW19)
- Closed c.200 accounts out of c.500 in first year
 - Since added c.50 Amp accounts
- Fusion increased to 30% mix
- Opened 10 stores
- Germany now second-largest market in EMEA

Revenue by product category



Stores	FY19	FY20	FY21
	3	6	10

AMERICAS PERFORMANCE



(£M)	FY21	FY20	% change
Revenue	295.8	252.2	17%
EBITDA	91.9	75.4	22%
<i>EBITDA Margin</i>	<i>31.1%</i>	<i>29.9%</i>	<i>+1.2 pts</i>
<i>Own stores</i>	<i>34</i>	<i>29</i>	<i>+5</i>

- USA least impacted by Covid-19 restrictions
- Very strong ecommerce, with retail negative
- Opened 6 stores and closed 1
- Focus on larger and Amp wholesale accounts; closed 158 accounts to take total wholesale* accounts to 694

* Including distributors

APAC PERFORMANCE



(£M)	FY21	FY20	% change
Revenue	141.6	132.1	7%
EBITDA	39.7	35.5	12%
<i>EBITDA Margin</i>	<i>28.0%</i>	<i>26.9%</i>	<i>+1.1 pts</i>
<i>Own stores</i>	<i>33</i>	<i>31</i>	<i>+2</i>
<i>Own concessions</i>	<i>49</i>	<i>52</i>	<i>(3)</i>
<i>Franchise stores:</i>			
<i>- China</i>	<i>85</i>	<i>50</i>	<i>+35</i>
<i>- Japan</i>	<i>32</i>	<i>33</i>	<i>(1)</i>
<i>- Other</i>	<i>61</i>	<i>56</i>	<i>+5</i>

- Largest market is Japan; this was most impacted by Covid-19 restrictions
 - Mainly retail: own stores and franchise stores
- Second-largest market is China: revenue growth of 46%
 - Opened net 35 franchise stores to 85
 - Continue to build infrastructure to support long-term ambitions

EARNINGS



(£M)	FY21	FY20	% change
EBITDA³	224.2	184.5	22%
Depreciation & amortisation ¹	(35.0)	(29.5)	(19%)
FX gains/ (losses)	3.8	(0.5)	N/A
Operating profit³	193.0	154.5	25%
Finance expense – Prefs	(28.5)	(31.5)	10%
– Other ²	(13.1)	(10.0)	(31%)
Profit before tax³	151.4	113.0	34%
Exceptional Items	(80.5)	(12.0)	N/A
Tax expense	(35.2)	(26.2)	N/A
Profit after tax	35.7	74.8	(52%)
Diluted EPS - Basic (p)	3.6	7.5	(52%)
- Adjusted ³ (p)	11.6	8.6	35%
- Normalised ⁴ Adj. ³ (p)	14.5	11.8	23%

- PBT grew 34%
- Exceptionals all IPO related
 - Cash cost of £27m, compared to guidance of £30m-£35m
- Tax expense 49.6%, mainly non-deductability of preference shares and exceptionals
 - Underlying tax 2%pts higher than UK rate

¹ Including depreciation of ROU assets

² Including interest on bank debt, amortisation of loan issue costs and interest on leases

³ Excluding exceptionals

⁴ Excluding legacy funding costs of preference shares

OPERATING CASH FLOW AND CAPEX



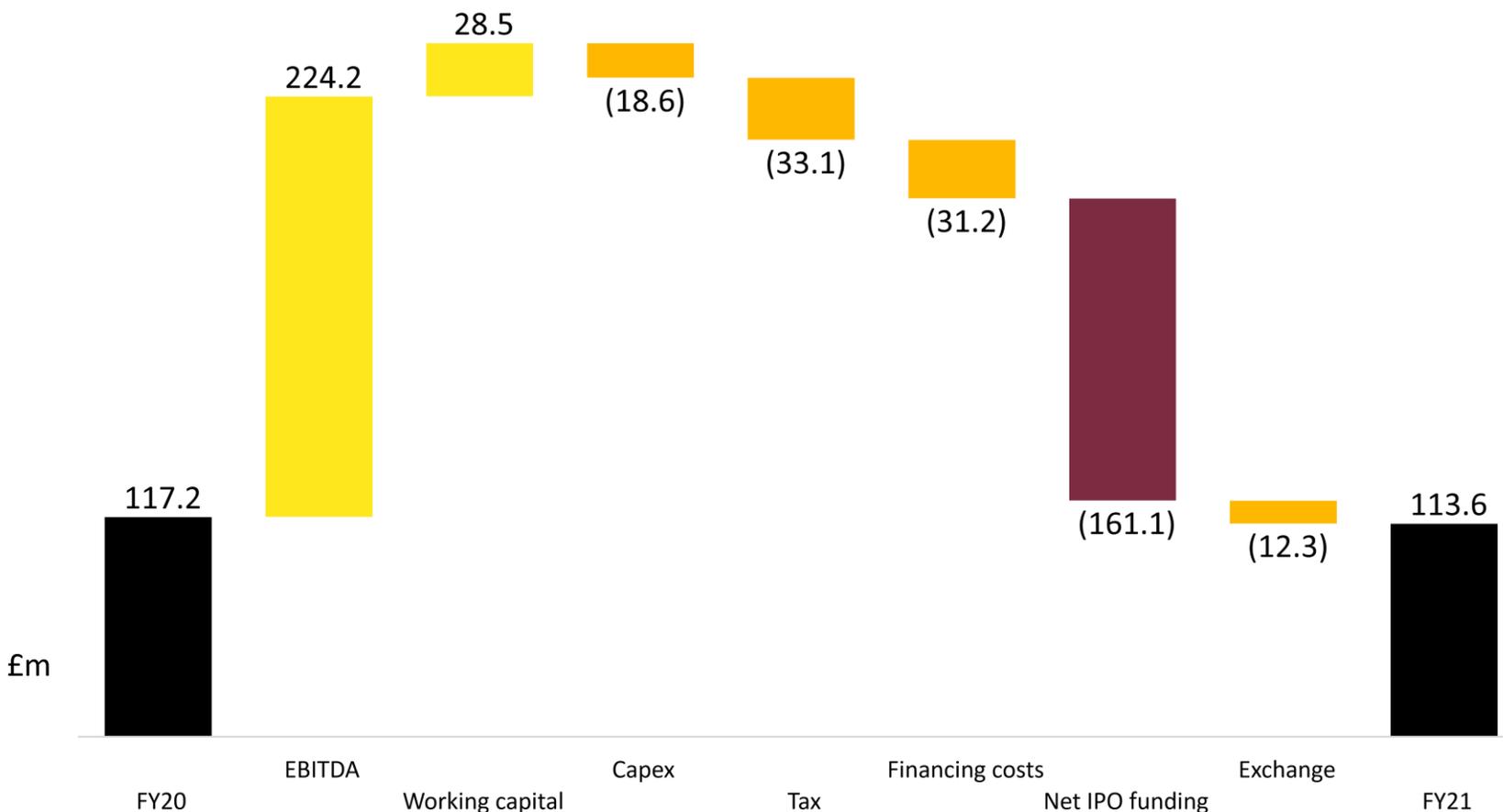
(£M)	FY21	FY20
EBITDA ¹	224.2	184.5
Change in working capital	28.5	(20.6)
Capex	(18.6)	(21.9)
Operating cash flow¹	234.1	142.0
<i>% conversion</i>	<i>104%</i>	<i>77%</i>

Capex breakdown (£M)	FY21	FY20
Stores	7.7	6.8
IT	7.9	9.2
Other	3.0	5.9
Total Capex	18.6	21.9
<i>% revenue</i>	<i>2.4%</i>	<i>3.3%</i>

- Very good cash conversion
 - Timing of inventory purchases and payment normalisation post Covid-19
 - Focus on trade debtor collection
- Capex low due to project deferrals
 - Will return to 3.0% to 3.5% of revenue

¹ Excluding exceptionals

CASH FLOW BRIDGE



- In line with guidance

IPO funds flow

	£m
New financing	300
Repay – bank debt	(93)
– preference shares	(341)
Exceptionals	(27)
<u>Own resources</u>	<u>161</u>

- Net gearing¹ 1.2x
- New debt £300m (€ denominated), with £200m working capital facility
 - Five year bullet, net gearing covenant
 - Interest cost 2.75%²

¹ Including IFRS16 leases

² Variable on EUROBOR plus amortisation of fees of £1.2m p.a. 19

H1 FY22

- Increase in operating costs including c.£5m of discretionary spend which was deferred through FY21
- Annualisation of Plc and LTIP costs, c.£5m cost headwind in H1
- Cash outflow of c.£100m due to normal seasonal timing of inventory flow
- Current trading in line with our expectations

FY22

- High-teens revenue growth
- 20 to 25 new own stores
- First dividend for H1 FY22 paid in January 2022, with one-third/two-third split. Target a progressive dividend, with payout ratio of 25% to 35%

Other technical guidance in appendix

MEDIUM-TERM

- Mid-teens revenue growth
- Targeting a 40% ecommerce mix (of Group revenue), and 60% DTC mix (of Group revenue)
- Journey to a 30% EBITDA margin



AGENDA

Introduction – Kenny Wilson, CEO

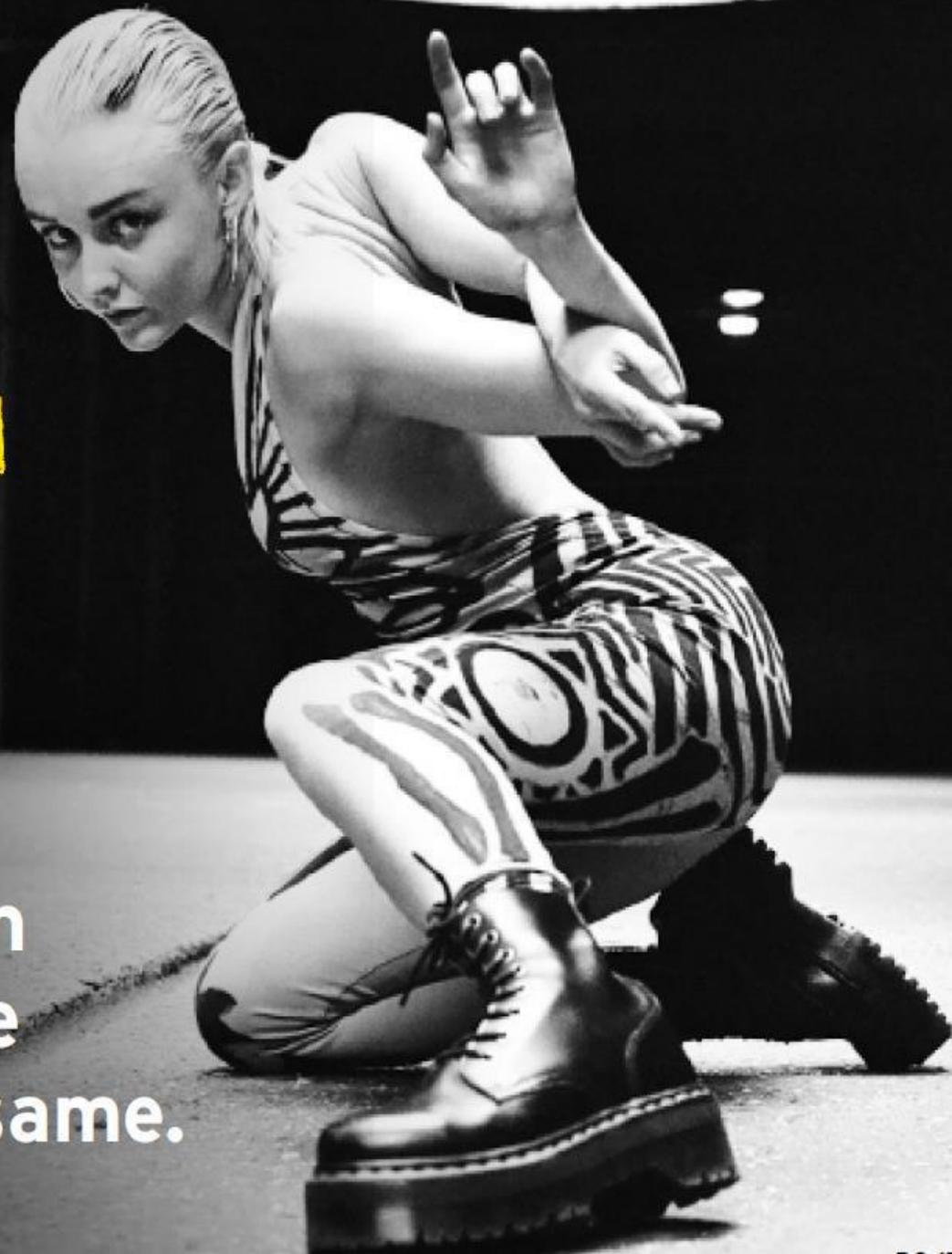
Financials – Jon Mortimore, CFO

Review of the year – Kenny Wilson, CEO

OUR ESSENCE

Rebellious
Self-Expression

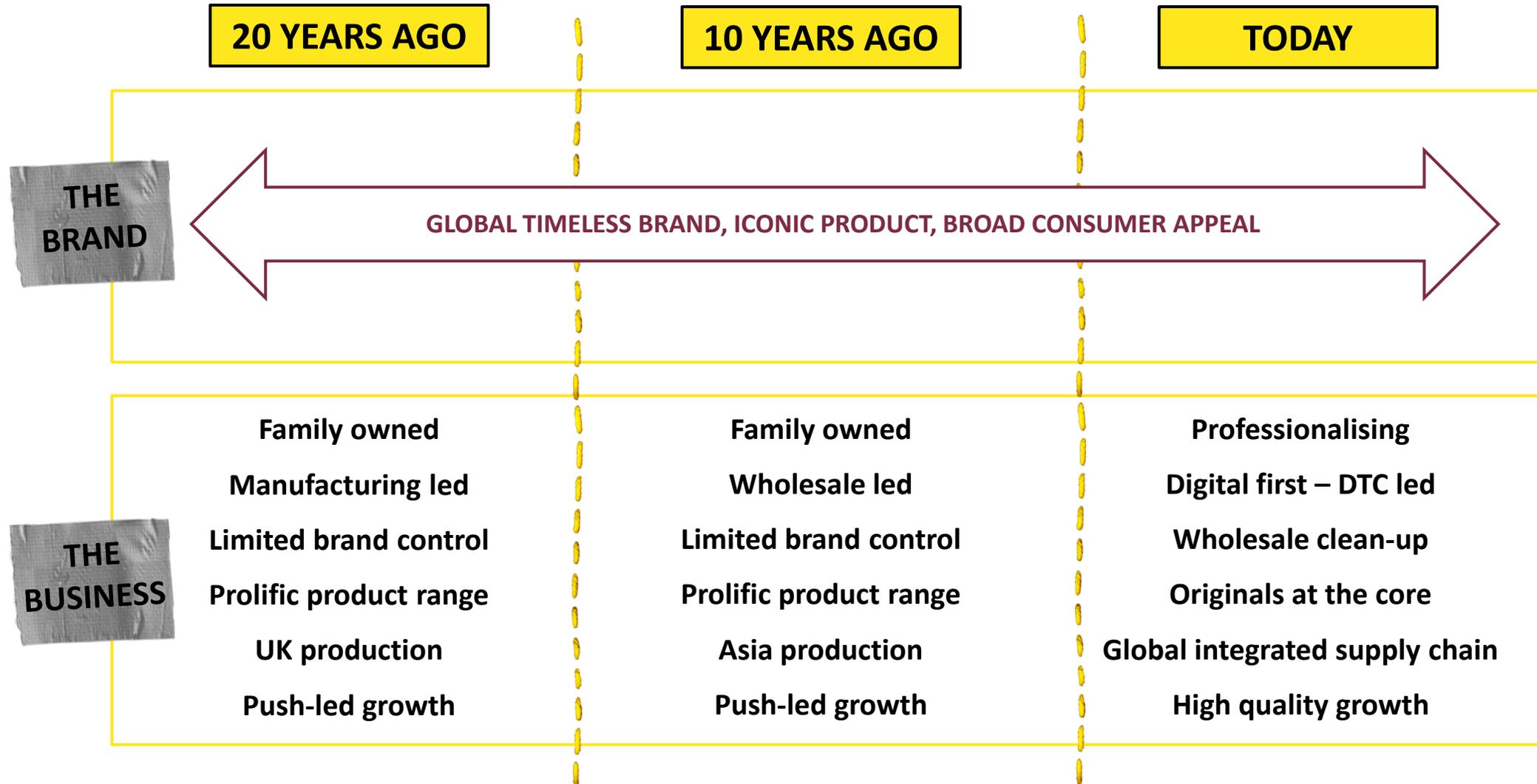
+ Meaning we do things in our own unique, disruptive way and unite with those who want to do the same.



WE'RE ON A JOURNEY



Building a great business around a great brand



PRODUCT STRATEGY: ORIGINALS AT THE EPICENTRE



SANDALS¹ 6%

Expanding our offering with a sandal collection that stays true to our design essence

ORIGINALS 57%

1460 43%

The core of the product strategy, informing the aesthetics of all other categories

COLLABORATIONS² 1%

Curated projects to connect with informed consumers

FUSION 30%

Amp up or down products anchored in core brand DNA

THE ORIGINAL ICONS

1490 BOTTE À 10 CÉILLETS
La 1490 a d'abord été adoptée par de nombreuses sous-cultures comme les punks et les goths des années 70. Ce modèle a depuis été porté par une multitude de jeunes rebelles.

1460 BOTTE À 8 CÉILLETS
La 1460 tient son nom de sa date de création - la première paire sortit des chaînes de production de Dr. Martens à Wellington le 8 août 1960. Si la boot est devenue l'un des éléments de l'univers de travailler, elle devient également le symbole de deux mouvements tribus et de contre-cultures à travers le monde entier.

2976 CHELSEA BOOT
Dr. Martens commença à produire la 2976 au début des années 70. L'origine de la chelsea boot remonte pourtant à l'ingénieur victorien. Son look utilitaire et son aspect pratique en font un modèle classique incontournable.

3988 BROGUE
La brogue 3988 a été lancée au milieu des années 60. Elle remonte au franc succès après des sous-cultures et associations des années 70. Aujourd'hui la 3988 est un produit incontournable de tout vestiaire féminin et masculin. Certains vont même l'associer à un moyen d'expression personnelle.

1461 CHAUSSURE À 3 CÉILLETS
La chaussure 1461 est née peu après le modèle 1460. Initialement conçue comme une chaussure de travail elle a ensuite séduit les étudiants, manoiriens et musiciens des années 70. Dr. Martens et la 1461 est un produit incontournable de tout vestiaire féminin et masculin. Certains vont même l'associer à un moyen d'expression personnelle.

CASUAL 5%

Alternative expression through a casual contemporary lens

ACCESSORIES 3%

Authentic extensions of the brand

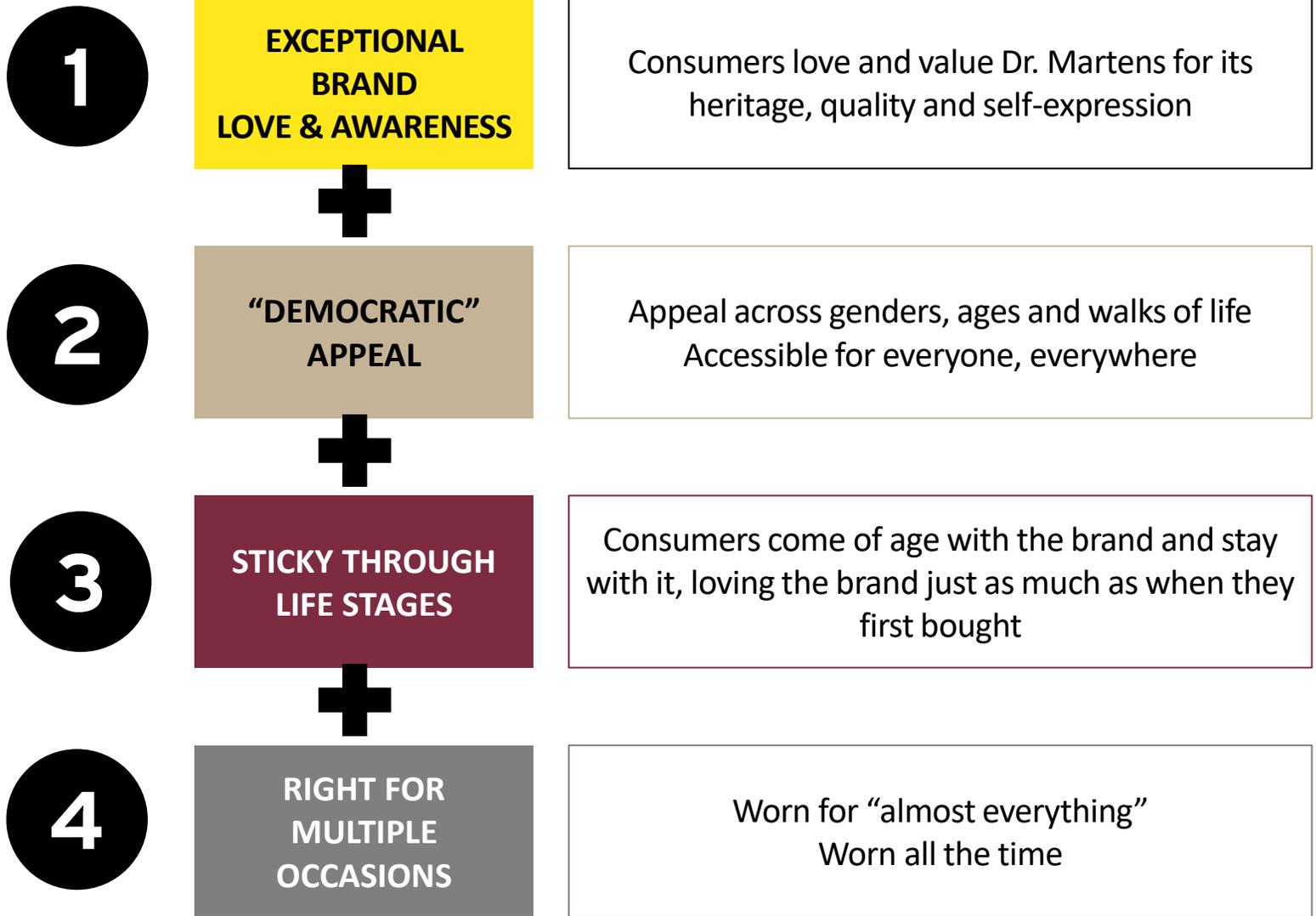
KIDS 5%

Mini-me's for rebels of the future

¹ Sandals are included within Fusion revenue

² Collaborations are included within Originals and Fusion revenue

OUR 'BRAND LOVE' FORMULA



#1 NPS
Across 7 core markets

49%
Female¹

>60%
Repeat Purchasers¹

36%
Wear With Almost Everything¹

¹ UK figures as example

GOALS

OUR PURPOSE IS TO EMPOWER REBELLIOUS SELF-EXPRESSION
OUR RESPONSIBILITY IS TO ACT AS BRAND CUSTODIANS, ALWAYS FOCUSING ON LONG-TERM VALUE
THIS IS WHERE DR. MARTENS IS HEADING. THIS IS WHAT WE'RE WORKING TOWARDS TOGETHER

D

DTC ACCELERATION

WHAT
CONTROL OUR OWN DESTINY

- FOCUS AREAS**
- Fuel ecommerce growth
 - Drive retail growth
 - Elevate the brand across all touchpoints

O

OPERATIONAL EXCELLENCE

WHAT
UNLOCK VALUE & ENABLE GROWTH

- FOCUS AREAS**
- Build a best-in-class integrated supply chain
 - Transform IT into a key business enabler

C

CONSUMER CONNECTION

WHAT
BUILD MEANINGFUL RELATIONSHIPS WITH CONSUMERS

- FOCUS AREAS**
- Create deeper connections with more consumers
 - Continue to sharpen our product strategy
 - Accelerate our sustainability journey

S

SUSTAINABLE GLOBAL GROWTH

WHAT
GROW OUR BUSINESS IN THE RIGHT WAY

- FOCUS AREAS**
- Prioritise resource towards key global markets
 - Establish strong foundations in China
 - Grow quality wholesale

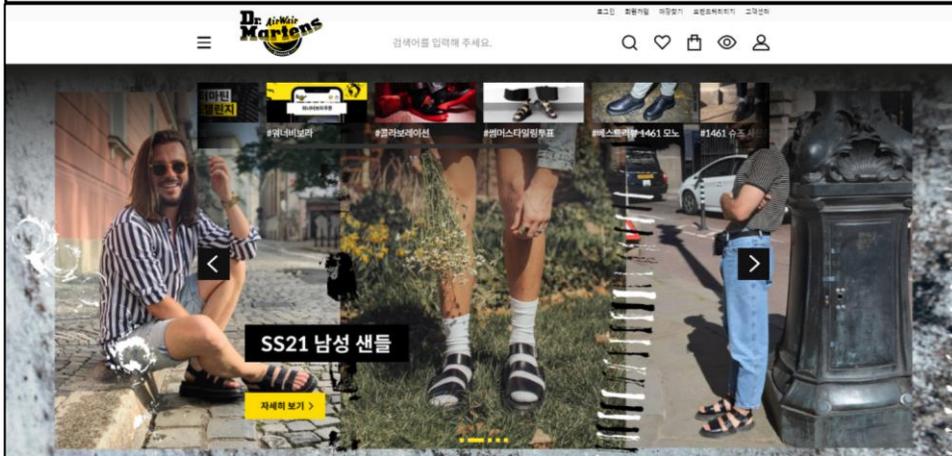
ECOMMERCE: REVENUE UP 73%

FY21 PERFORMANCE

- 13 directly-controlled .com local country sites
- Strong performance of regional trading teams
- DC picking optimised for ecommerce

FY22 FOCUS

- Continue to drive localisation and personalisation



South Korea .com website

RETAIL: REVENUE DOWN 40%

FY21 PERFORMANCE

- Retail impacted by Covid-19
- 18 new store openings
- Stores continue to support ecommerce

FY22 FOCUS

- Healthy pipeline of new store openings, with 20-25 planned for FY22



New store in Rome

WHOLESALE: PARTNER RELATIONSHIPS

FY21 PERFORMANCE

- Continued rationalisation and elevation of wholesale base
- Wholesale revenue per account up 15%

FY22 FOCUS

- Further shop-in-shop and branded area roll-outs



Citadium shop in shop, Paris

DISTRIBUTORS: SUCCESSFUL CONVERSIONS

FY21 PERFORMANCE

- First full year of Germany post conversion and successful conversion of Nordics
- Laid foundations for Italy and Spain conversion

FY22 FOCUS

- Delivery of DOCS strategy in Italy and Spain



Barcelona showroom

SUPPLY CHAIN: STRONG AVAILABILITY**FY21 PERFORMANCE**

- Benefits from move to multi-country sourcing and country diversification
- New third-party DC in New Jersey opened
- Efficiencies achieved ahead of plan

FY22 FOCUS

- Building capacity and capability to enable growth
- New third-party DC in LA opened

IT: A KEY ENABLER OF GROWTH**FY21 PERFORMANCE**

- Rapidly deployed technology enabling home working
- Continued investment in cyber security

FY22 FOCUS

- Roll out of Microsoft dynamics for APAC



Third-party DC in New Jersey, USA

TOUGH AS YOU

Dr. Martens have always united with disruptive people who want to do things their own way. This initiative is a powerful articulation of rebellious self-expression



1

DEMOCRATIC BRAND

Diverse and inclusive authentic Dr. Martens wearers to inspire others

2

TRUE TO OUR HERITAGE

Key movements reinterpreted to inspire new tribes

3

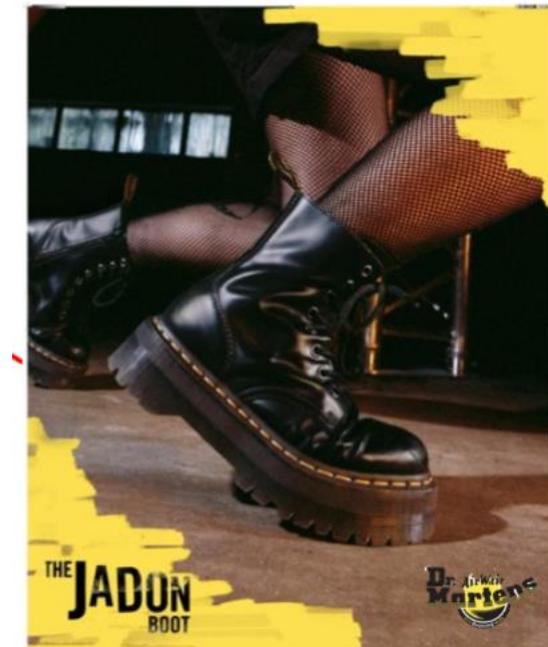
ROOTED IN ICONS

Featuring the big three 1460, 1461 and 2976

4

ONE GLOBAL BRAND

Globally consistent, locally relevant



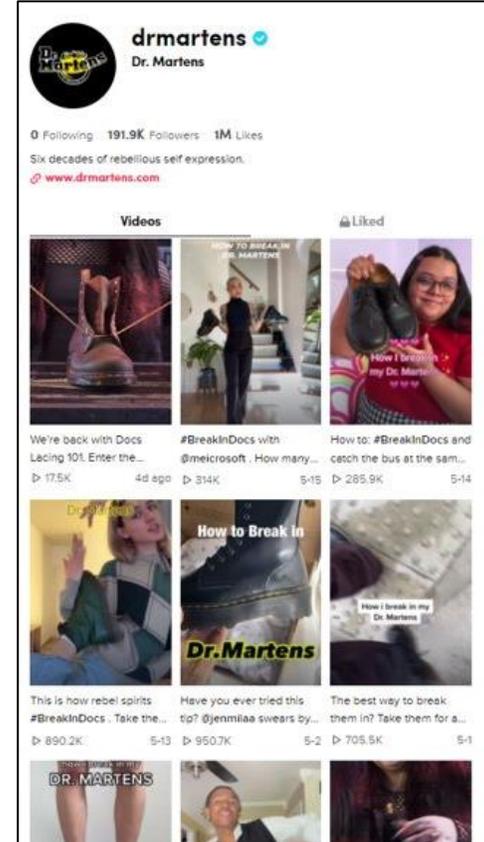


HIGHLY ENGAGED SOCIAL COMMUNITY



LEADING SOCIAL ENGAGEMENT

- Almost 9 million Instagram and Facebook followers globally
- Leading Instagram engagement, more than double nearest peers
- Launch of TikTok to great reception: over 1 million likes within the first 8 weeks





OUR SUSTAINABILITY JOURNEY



Our journey:

- Principles of durability & timeless design
- 2019 launched first sustainability strategy
- Invested in our team and capability
- Gap & materiality analysis to inform targets



FY21 key achievements:

- >98% leather from medal-rated tanneries
- 50% recycled plastic into heel loops
- >90% Tier 1 suppliers independently audited and all beat required CSR audit



SUSTAINABILITY TARGETS



2028

100% packaging made from recycled/sustainably sourced material

Zero waste to landfill across the value chain



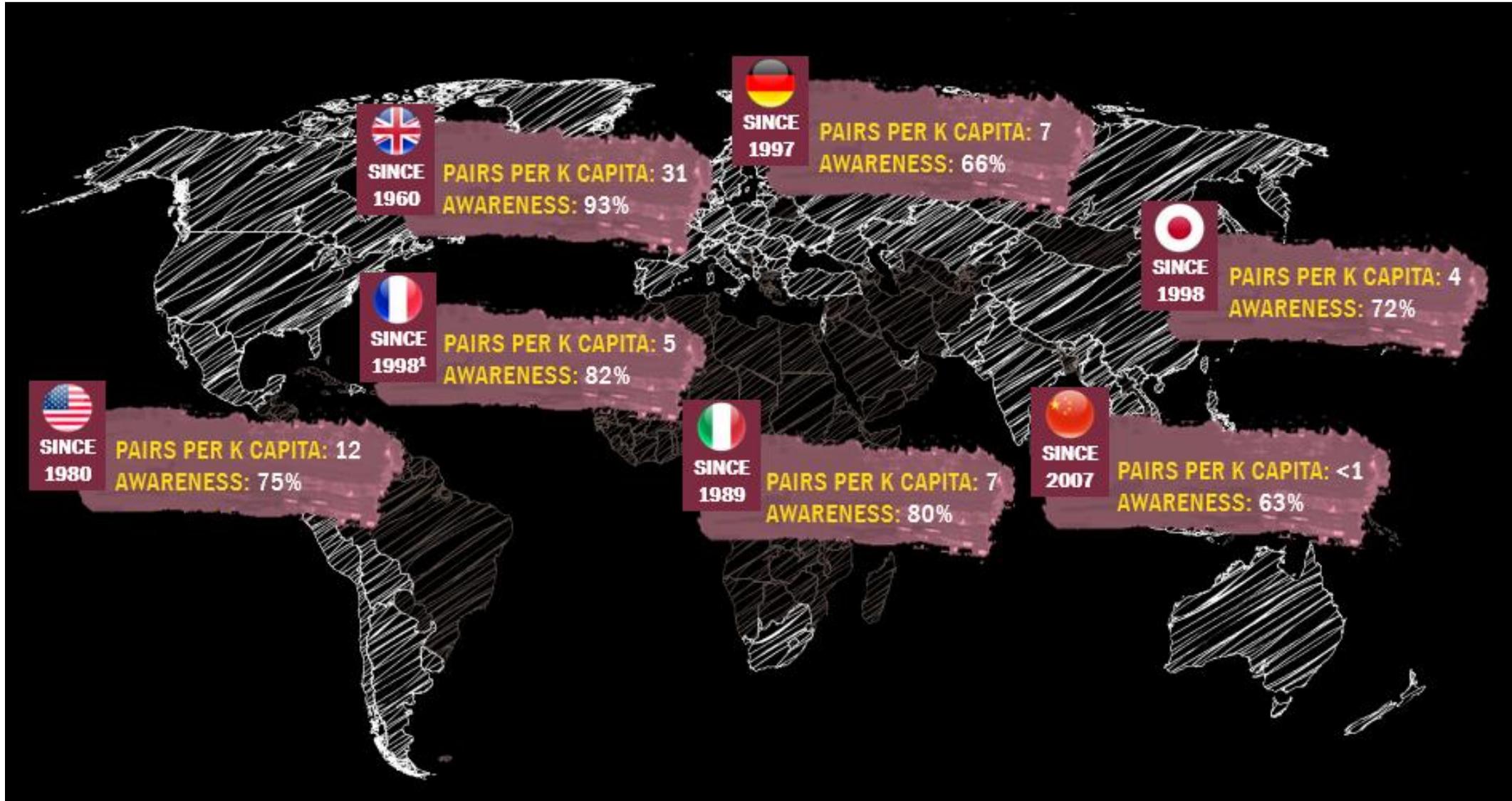
2030

Achieve net zero
Remove fossil-based chemicals from our products



2040

100% products sold have a sustainable end of life option
All footwear made from sustainable materials, without compromising quality



LOOKALIKE MODELLING OVERVIEW

1

CONSTRUCTING THE
LOOKALIKES MODEL

2

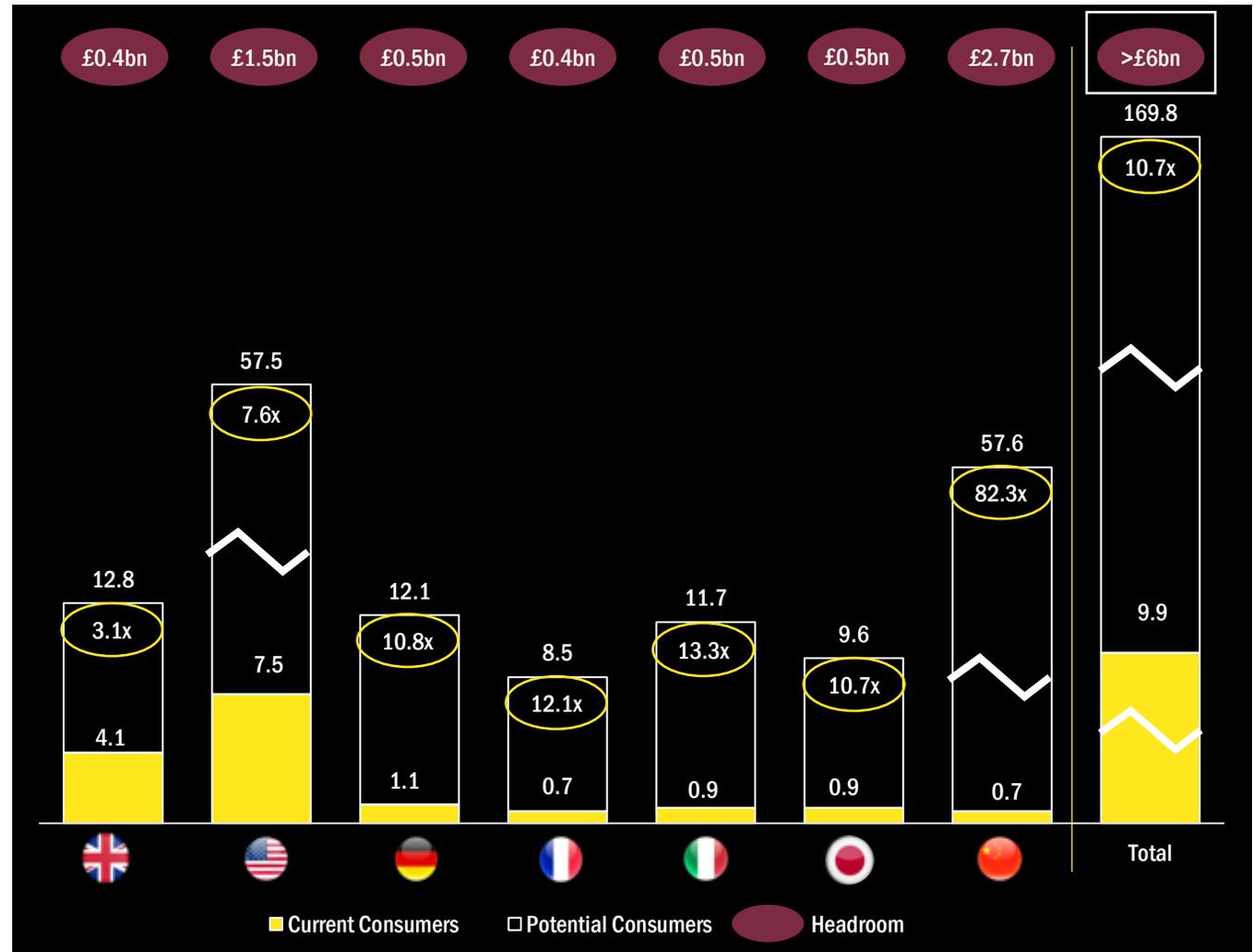
QUANTIFYING
LOOKALIKES

3

QUANTIFYING HEADROOM

Modelling note: Headroom for growth increases as markets mature and the attitudinal profiles of consumers broadens, therefore increasing the number of lookalikes

HEADROOM FOR GROWTH: SAME BRAND, SAME PRODUCT, SAME STRATEGY



- 1** Resilience through Covid-19 – focused on cash, invested in our brand and kept people safe
- 2** Delivering strong results; FY21 revenue +15%, EBITDA +22%
- 3** DOCS strategic framework unchanged
- 4** Launching sustainability targets
- 5** Confidence in the year ahead and beyond; guidance reiterated



APPENDIX

- IR CONTACT DETAILS
- FY22 TECHNICAL GUIDANCE
- EBITDA BRIDGE
- EXCEPTIONAL CHARGES
- BALANCE SHEET
- PRODUCT: HIGHLY PROFITABLE BOOT
- 1460: BIRTH OF AN ICON
- EXCEPTIONAL BRAND LOVE AND AWARENESS
- DEMOCRATIC APPEAL



IR CONTACT DETAILS



Bethany Barnes
Director of Investor Relations

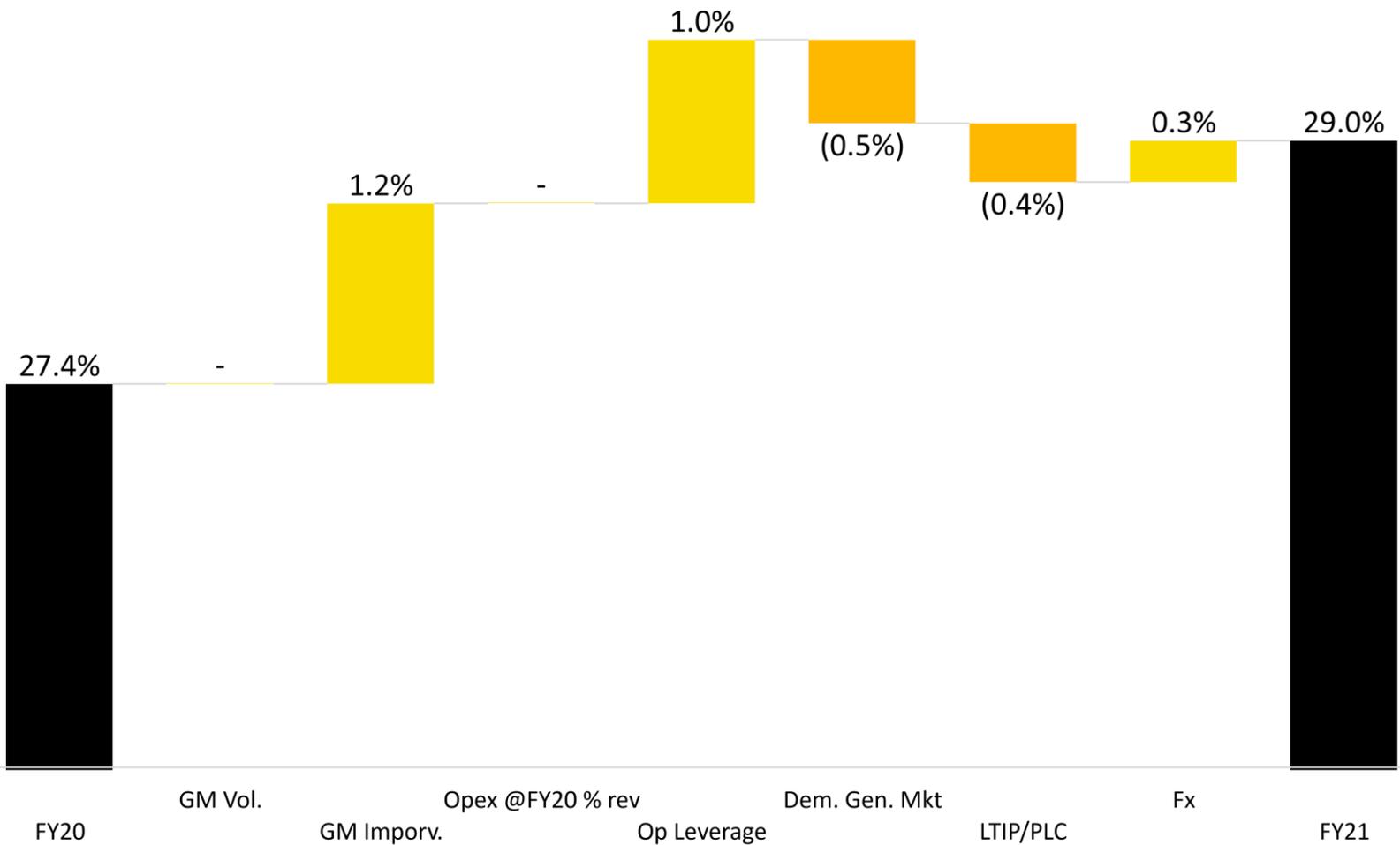
Bethany.Barnes@drmartens.com
Mobile: +44 7825 187465

- High teens revenue growth year on year, as we lap the Covid-19 impact experienced in FY21
- New own store openings of 20 to 25 stores
- Depreciation and amortisation of £42m to £44m, including the impact of IFRS16
- Net finance costs of £15m to £17m
- Underlying tax rate of c.21%
- Capital expenditure of between 3.0% and 3.5% of revenue
- Year-end leverage of around 1x, including IFRS16 leases
- We expect to pay our first dividend for the first half of FY22 in January 2022 with a one-third, two-third split of dividend payments across the fiscal year. We continue to plan to target a progressive dividend with a payout ratio of between 25% to 35% of net income

For the first half of FY22 specifically, we anticipate:

- An increase in operating costs including c.£5m of discretionary spend which was deferred through FY21 due to the pandemic
- The annualisation of Plc and LTIP costs, representing a c.£5m headwind in the first half
- A cash outflow of c.£100m, due to the normal seasonal timing of shipments and payments

EBITDA MARGIN BRIDGE



- EBITDA¹ margin up 1.6%pts, mainly gross margin improvement

¹ Before exceptionals of £80.5m related to IPO

EXCEPTIONALS: ALL IPO RELATED



	£m
IPO Bonus for all (Inc. NI)	49
IFRS2 charge	12
Fees	20
	81
Funded by:	
- EBT ¹ sale of shares	42
- IFRS2 non-cash charge	12
- Company cash	27
	81

- Exceptional charge of £81m
- Net cash cost of £27m, compared to guidance of £30m-£35m

¹ Employee Benefit Trust

BALANCE SHEET



(£M)	31 MARCH 2021	31 MARCH 2020
Freeholds	6.1	6.0
Right-of-use assets	77.4	82.0
Other fixed assets	46.6	43.2
Working capital	25.5	69.6
Deferred tax	7.2	7.4
Operating net assets	162.8	208.2
Goodwill	240.7	240.7
Cash	113.6	117.2
Bank debt ¹	(281.6)	(94.3)
Lease liabilities	(84.8)	(88.4)
Preference shares	-	(312.9)
Net assets	150.7	70.5

¹ Bank debt net of £5.9m unamortised debt issue costs

PRODUCT: HIGHLY PROFITABLE BOOT



ICONIC 1460 BOOT



1460 Net Revenue By Channel (UK)

(£)	DTC	Wholesale
UK Retail Price	149	n.a.
Net Revenue	c.124	c.50

Revenue per pair from distributors c.£40

1/4/1960: BIRTH OF AN ICON

WHAT MAKES THE 1460 A TRUE ICON...



£ 0.8bn

- Invented perfectly six decades ago
- Legendary cult status
- Immediately recognisable
- Beyond fashion trends
- Canvas for self-expression

...LIKE FEW OTHER CLASSICS



Last FY Revenue¹

EXCEPTIONAL BRAND LOVE AND AWARENESS



							
NPS Rank	#1	#1	#1	#1	#1	#1	#1
NPS vs. Peers ¹	+61%	+24%	+50%	+37%	+26%	+193%	+29%
Awareness	93%	75%	66%	82%	80%	72%	63%
Proud to Wear DM	67%	82%	62%	67%	65%	71%	83%

Source: Third party consumer survey on the footwear market. Note: Analysis refers to L24M purchasers unless otherwise stated; ¹ Refers DM NPS vs. average of Nike, Adidas, Vans, Timberland & Converse.

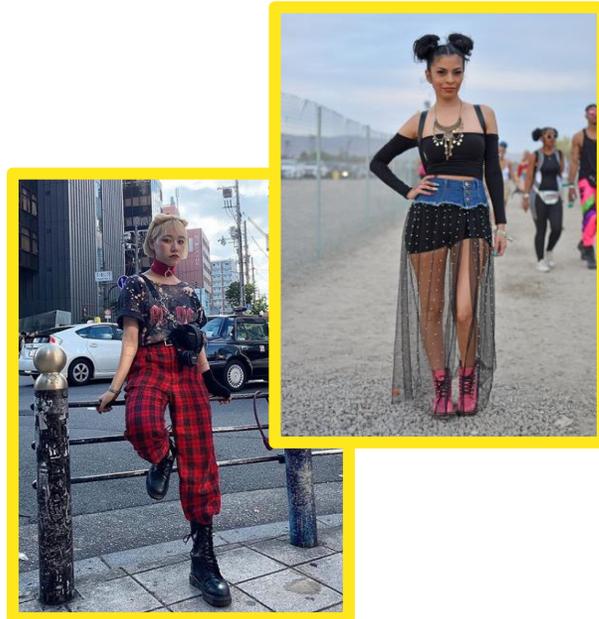
DEMOCRATIC APPEAL

TO TALK TO EVERYONE; YOU NEED TO TALK TO SOMEONE



BULLSEYE OF THE CONSUMER STRATEGY WHILE SPEAKING TO A HUGE BROADER AUDIENCE

ALTERNATIVE EXPRESSIVE



“A STATEMENT ABOUT MY UNIQUE STYLE”

“GOING AGAINST THE GRAIN”

“MY STYLE EXPRESSES WHO I AM”

STYLISH COMFORT



“STICK WITH GOOD BRANDS”

“RANGE OF STYLES IN MY WARDROBE”

“COMFORTABLE & DURABLE”