



SPOTLIGHT ON CONVERSION MARKETS

6TH JULY 2022





KENNY WILSON
CEO

INTRODUCTION

AGENDA

INTRODUCTION – KENNY WILSON, CEO

FINANCIAL RECAP – JON MORTIMORE, CFO

CONVERSION MARKET STRATEGY – LORENZO MORETTI, EMEA PRESIDENT

OWN RETAIL EXPANSION – NATALIE SCHNEIDER, EMEA RETAIL DIRECTOR

WHOLESALE STRATEGY – MIKE STOPFORTH, EMEA SALES DIRECTOR

ITALY EXPERIENCE SO FAR – LORENZO MORETTI, EMEA PRESIDENT

WRAP UP – KENNY WILSON, CEO

Q&A

WHO YOU'LL BE HEARING FROM TODAY



Kenny Wilson, CEO



Jon Mortimore, CFO



Lorenzo Moretti, EMEA President



Mike Stopforth, EMEA Sales Director



Nathalie Schneider, EMEA Retail Director



Giorgio Trevisan, Italy Sales Manager

CUSTODIAN

noun

Definition:

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

EMEA AND AMERICAS ARE KEY GROWTH DRIVERS MEDIUM TERM



EMEA

CONVERSION MARKETS
PRIMARY GROWTH
ACCELERATOR

UK GROWING IN LINE
WITH EMEA, ONGOING
RANGE AWARENESS
OPPORTUNITY

AMERICAS

SIGNIFICANT
OPPORTUNITY TO DRIVE
DTC FURTHER,
UNDERPINNED BY
STRONG WHOLESALE

NEXT PRIORITY STATES:
TEXAS, FLORIDA,
COLORADO AND
PENNSYLVANIA

APAC

STRONG BRAND HEALTH
IN JAPAN WITH
SIGNIFICANT
OPPORTUNITY: E.G.
FRANCHISE STORE
TRANSFER

CHINA: DISCIPLINED
APPROACH, BUILDING
FOR THE LONG TERM

INTRODUCTION TO A CONVERSION



**CONVERSION
OCCURS AT END
OF DISTRIBUTOR
CONTRACT**

**PRE CONVERSION:
TRADE
ECOMMERCE AND
CAN OPEN STORES**

**IMMEDIATE
PRIORITIES:
RECRUIT TEAM
AND RESET
WHOLESALE BASE**

WHY CONVERT A MARKET?



**CONTROL AND
INVEST IN THE
BRAND**

**VAST UNTAPPED
GROWTH
OPPORTUNITY**

**DRIVE
PROFITABILITY**

CONVERSION UNLOCKS ABILITY TO IMPLEMENT DOCS STRATEGY



GOALS

OUR GOAL IS TO HAVE THE WORLD WEAR DMs WHEN THEY HAVE THEIR MOMENT OF REBELLIOUS SELF-EXPRESSION
OUR DOCS STRATEGY IS ABOUT SELLING MORE PAIRS OF BOOTS, SHOES AND SANDALS, TO MORE CONSUMERS, THROUGH OUR OWN CHANNELS, IN OUR 7 PRIORITY MARKETS.

D

DIRECT-TO-CONSUMER
FIRST

BUILD BRAND EQUITY
& DRIVE MARGIN
EXPANSION

O

ORGANISATIONAL
& OPERATIONAL
EXCELLENCE

ENABLE GROWTH &
UNLOCK VALUE

C

CONSUMER
CONNECTION

ACQUIRE NEW
CONSUMERS & DRIVE
LOYALTY

S

SUPPORT BRAND
EXPANSION WITH
B2B

MANAGE B2B
HOLISTICALLY &
PURPOSEFULLY

WHAT

WHERE WE ARE ON THE JOURNEY

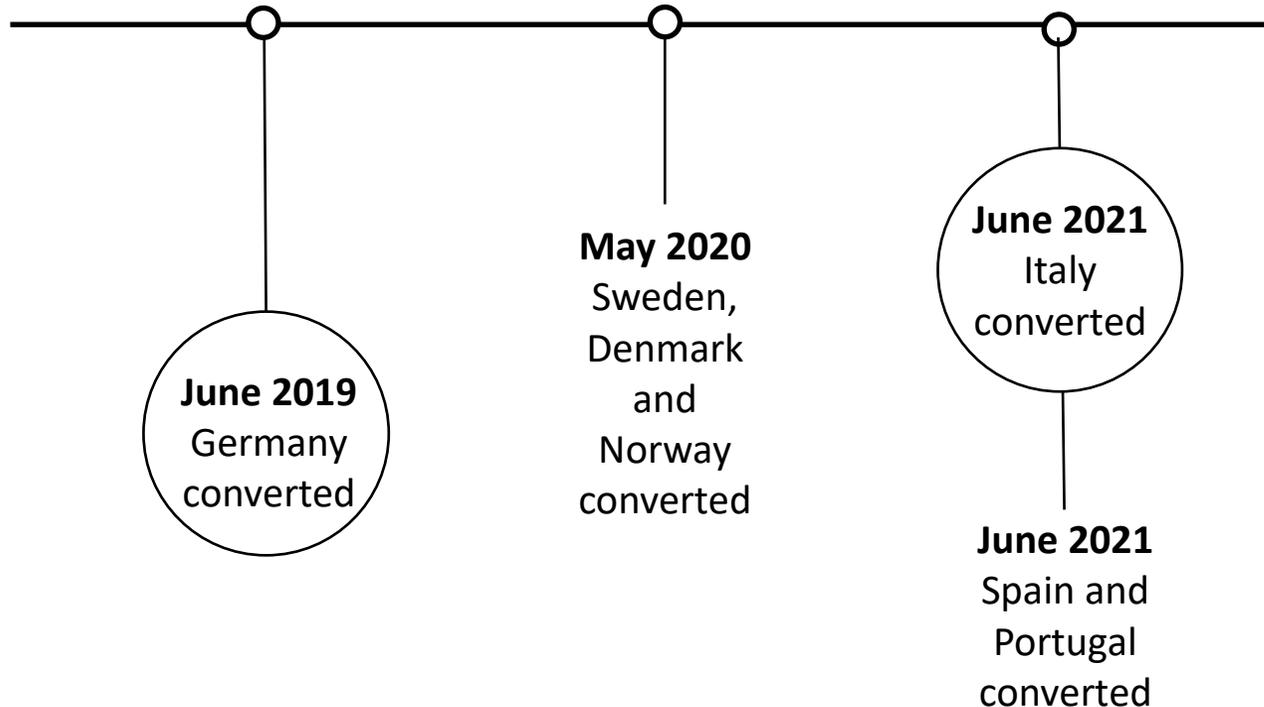


2019

2020

2021

REMAINING DISTRIBUTORS



Contracts expire 2022 – 2025

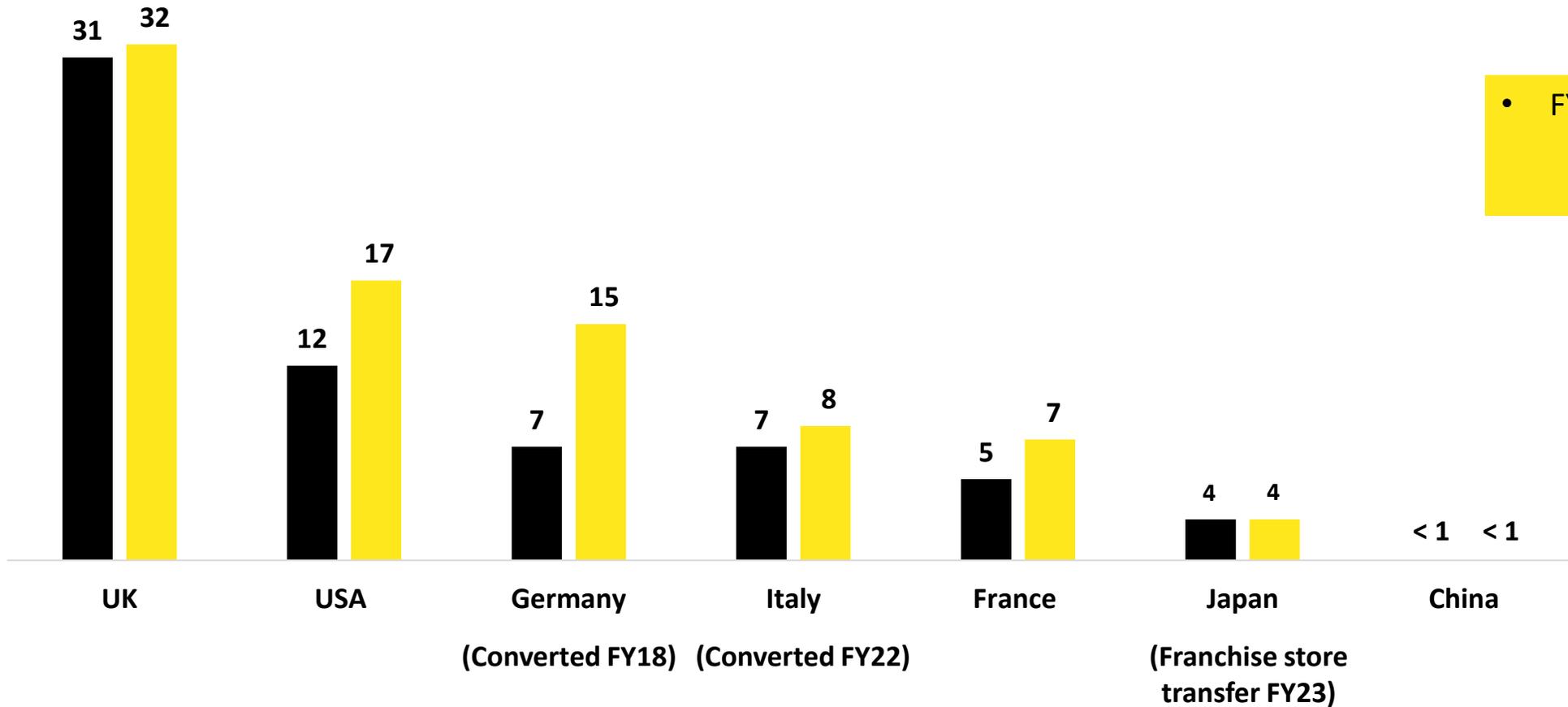
Australia
Greece, Cyprus, Romania
Indonesia
Israel
Malaysia
Poland and Eastern Europe
Singapore and Philippines
Taiwan
Thailand

DR. MARTENS HAS VAST UNTAPPED OPPORTUNITY FOR GROWTH



Pairs/Capita ('000s)

■ FY20 ■ FY22



- FY22 pairs/capita ('000s)
 - Iberia 2
 - Nordics 5

TRANSFORMING BRAND PRESENTATION POST CONVERSION



BEFORE



AFTER

KADEWE



GÖRTZ





JON MORTIMORE
CFO

RECAP ON FINANCIALS

DTC SIGNIFICANTLY MORE PROFITABLE THAN WHOLESALE



1460 Net Revenue Per Pair By Channel (UK)

	DTC	Wholesale	Distributor
UK Retail Price	£149	n.a.	n.a.
Net Revenue	c.£124	c.£50	c.£40



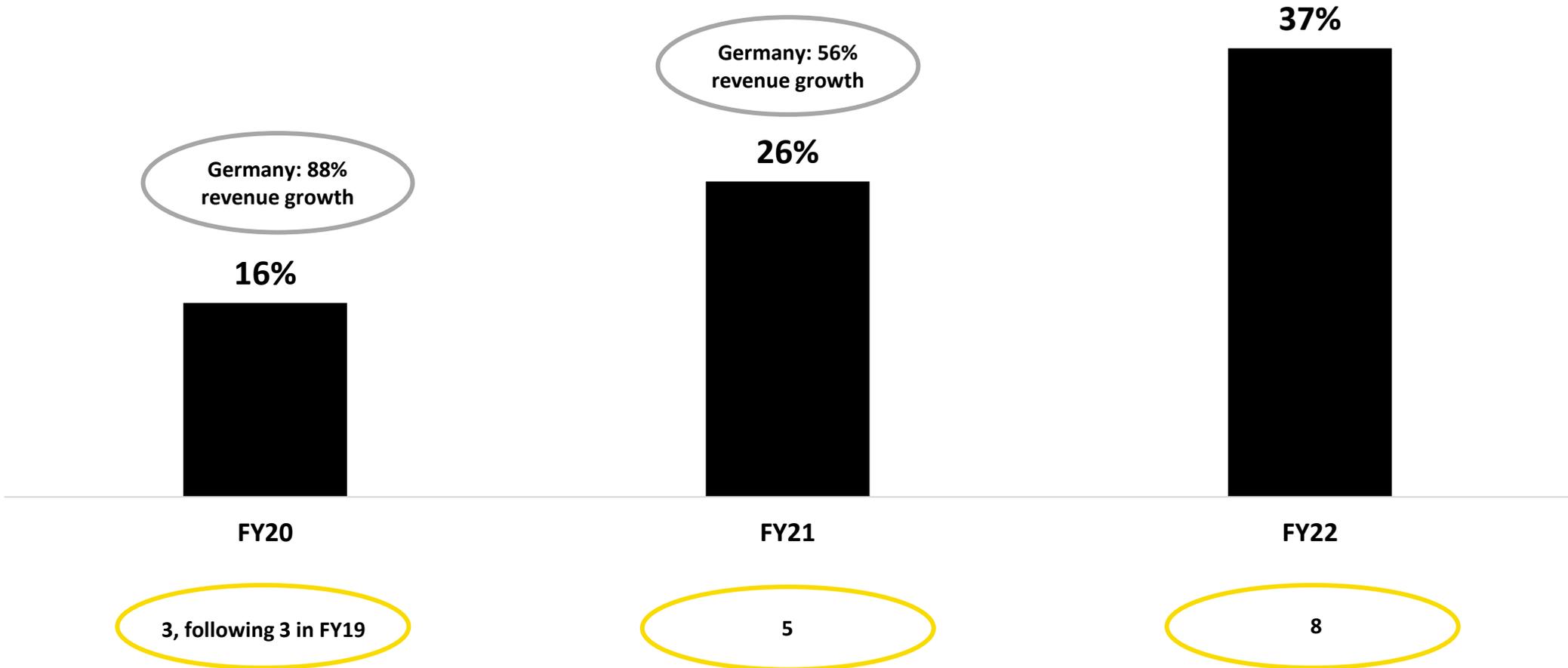
**DTC DRIVES
2.5x REVENUE &
4x GROSS PROFIT**

CONVERSION MARKETS AN INCREASING PART OF EMEA REVENUE



% of EMEA revenue generated by conversion markets

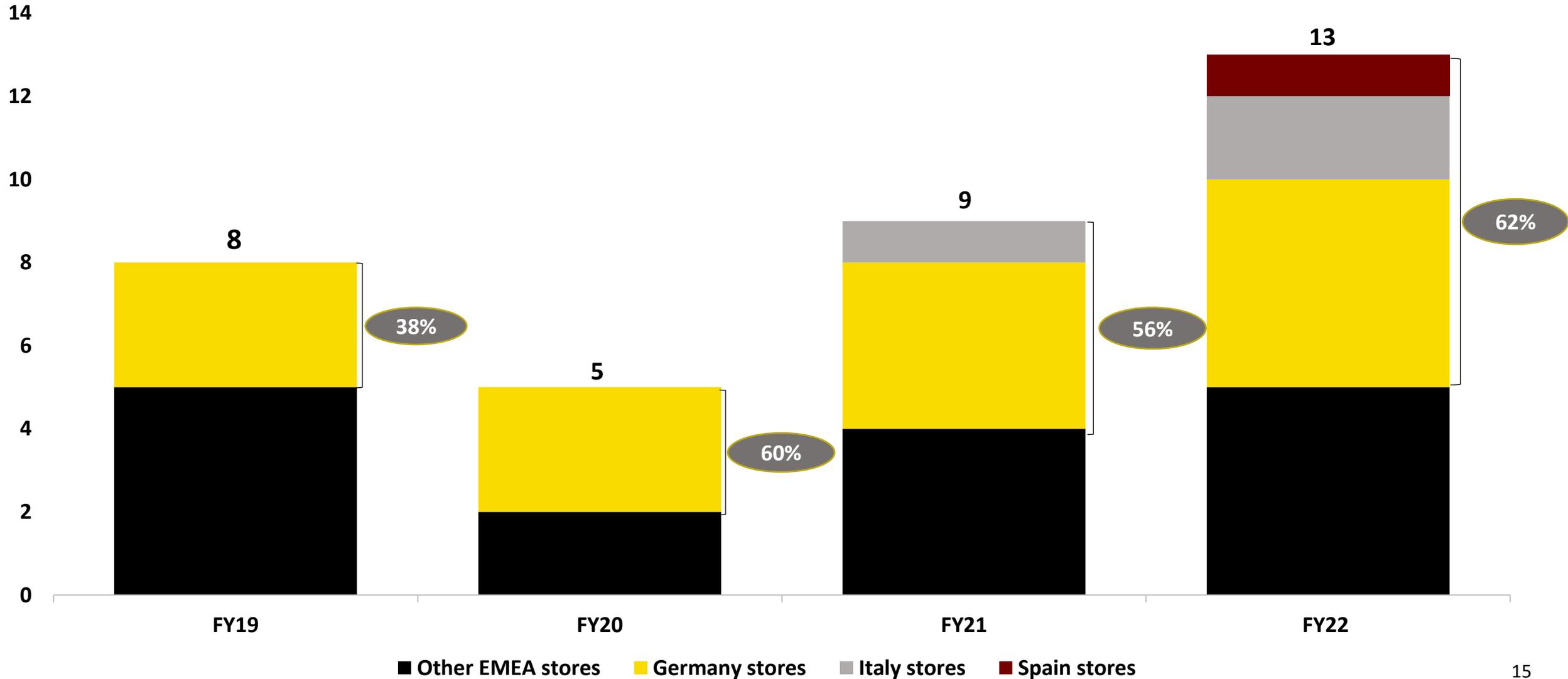
Italy: 62% revenue growth
Iberia: 38% revenue growth
Germany: 25% revenue growth



New stores in conversion markets:

FY20: Germany; FY21: Germany and Nordics; FY22: Germany, Nordics, Italy, Spain, Portugal

NEW STORES DRIVEN BY CONVERSION MARKETS



Percentage figures are proportion of EMEA new stores from conversion markets

LOW CAPITAL, HIGH RETURNING ACTIVITY



IMMATERIAL CAPITAL OUTLAY

No transaction cost

Purchase of inventory at
cost price

STRONG RETURNS OF RETAIL EXPANSION

At least 25% 4-wall ROS

Leases with 5yr break

Capex per store c.£0.5m

Cash payback <2years

CAPTURE IN-MARKET MARGIN FOR OPEX NEEDS

Overindex group
marketing as % sales

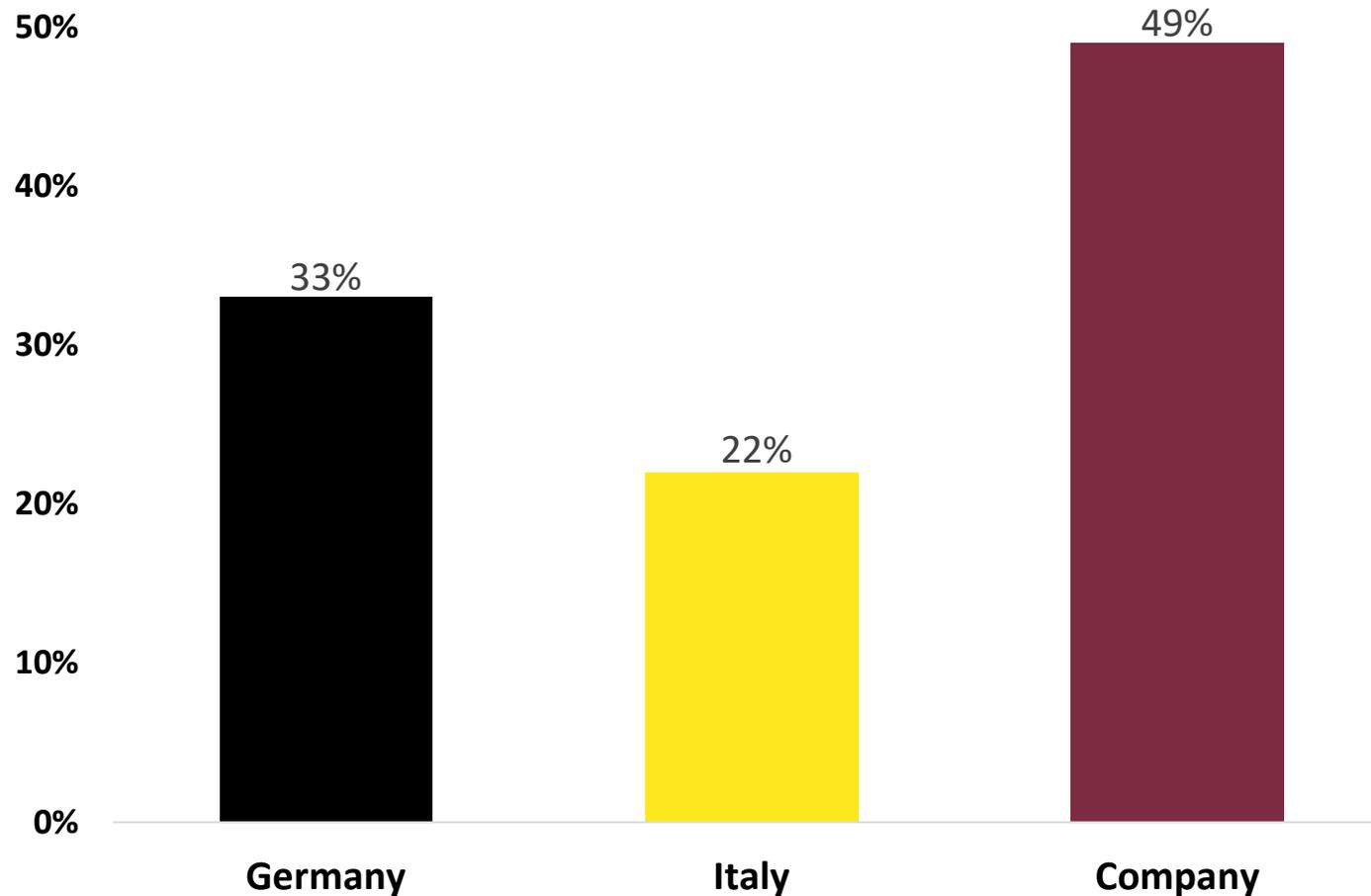
Investment in teams

CAPTURE GROWTH OPPORTUNITY AND GROW DTC MIX

MULTI-YEAR GROWTH OPPORTUNITY



FY22 DTC Mix



- Company DTC mix of 49%
- 60% milestone
- Italy at 22% and Germany at 33%
- Germany held back by Covid-19 restrictions
- Implementation of our DOCS strategy will improve DTC mix and grow profitability



**DTC DRIVES
2.5x REVENUE &
4x GROSS PROFIT**

**DTC
PROFITABILITY
4x**

**MULTI-YEAR
OPPORTUNITY**

DTC MIX UPSIDE



LORENZO MORETTI
EMEA PRESIDENT

CONVERSION MARKET
STRATEGY



EMEA LEADERSHIP TEAM



**LORENZO MORETTI, EMEA
PRESIDENT**



**MATT HILL, EMEA FINANCE
DIRECTOR**



**MIKE STOPFORTH, EMEA
SALES DIRECTOR**



**NATHALIE SCHNEIDER, EMEA
RETAIL DIRECTOR**



**LYNN RITSON, EMEA DIGITAL
DIRECTOR**



**MANU MEIJER, EMEA HEAD
OF MARKETING**



**GILL REYNOLDS, EMEA
HEAD OF OPERATIONS**



**TOM MALONE, EMEA HEAD
OF PRODUCT**



**HENRY SANDBACH, EMEA
HEAD OF HR**



**CLARE FORBES, EMEA HEAD
OF IT**



**PETER O'KEEFE, EMEA HEAD
OF LEGAL**



**GIORGIO TREVISAN, ITALY
SALES MANAGER**

KEY COMPONENTS OF A CONVERSION



INVESTMENT IN THE BRAND WITH CUSTODIAN MINDSET

**DEDICATED
IN-MARKET
TEAMS**

**ECOMMERCE
COMBINED WITH
RETAIL ROLLOUT**

**WHOLESALE
RESET**

REVENUE GROWTH BUILDING BLOCKS



CAPTURE THE DISTRIBUTOR MARGIN

Immediate start in year 1 of conversion



RESET WHOLESALE

Clean up account base and grow from brand enhancing position

Steady medium-term growth



GROW ECOMMERCE

Digital-first approach

Generates increasing growth over the medium term

**VIRTUOUS CYCLE
UNDERPINNED
BY ONGOING
INVESTMENT IN
THE BRAND**



OWN RETAIL ROLLOUT

Establishing estate of profitable brand beacons

Generates good medium-term growth

TRIED AND TESTED APPROACH



**LEARNINGS
FROM GERMANY
CONVERSION**

**THE IMPORTANCE
OF HAVING A
GREAT IN-
MARKET TEAM**

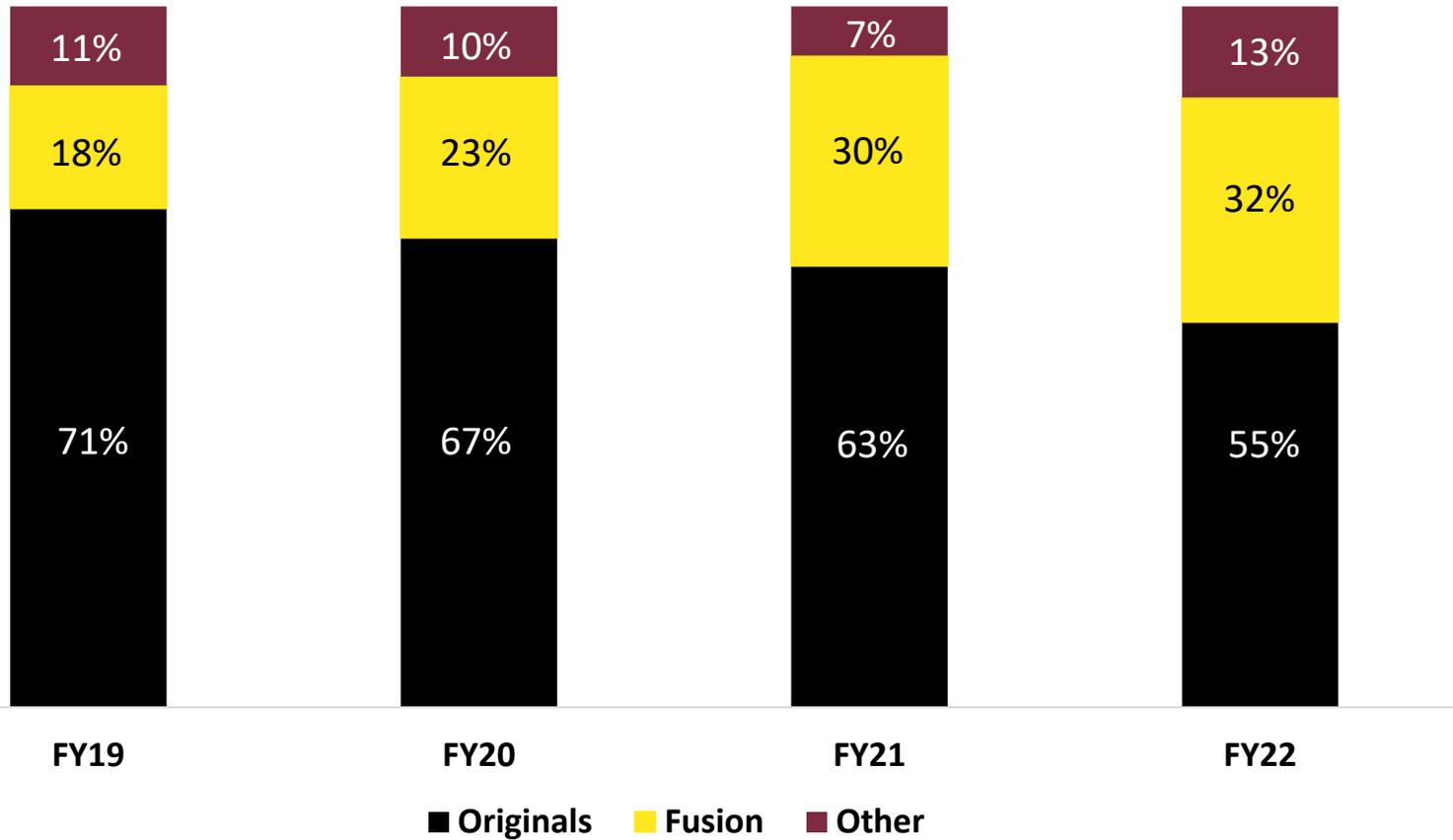
**LOW EXECUTION
RISK**

PRODUCT DIVERSIFICATION: ALL CATEGORIES GROW



Germany Revenue by product mix

3 YEAR
PAIRS
CAGR 35%

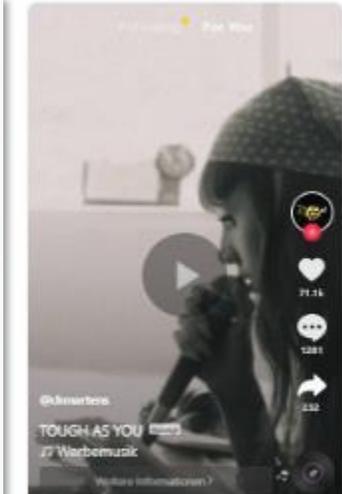


- All categories have grown in absolute terms
- Reduced reliance on relatively few lines
- UK FY22:
 - Originals 49%
 - Fusion 31%

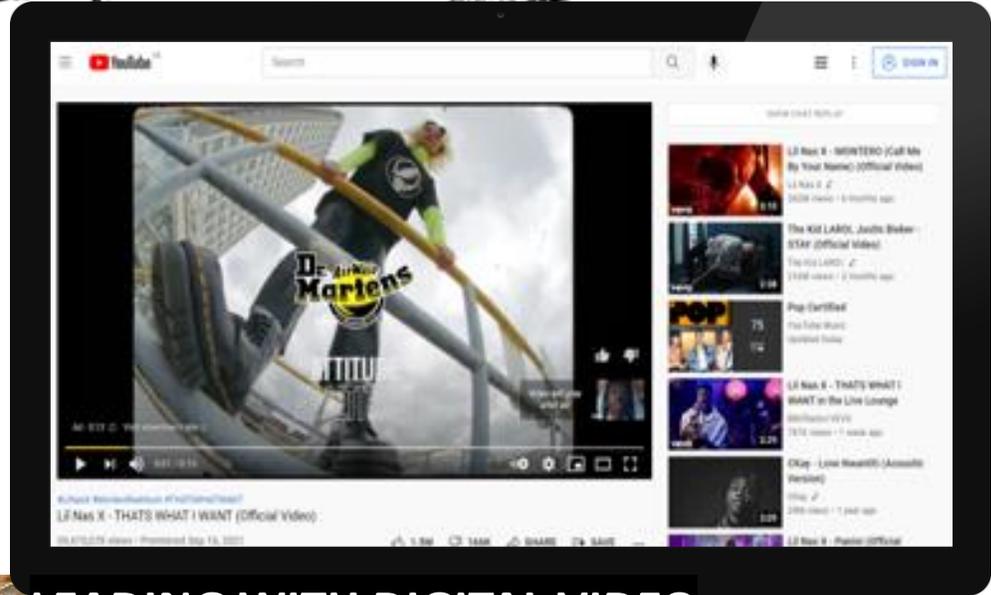
INCREASED BRAND MARKETING ...



**SOCIAL MEDIA
PRODUCT
CAMPAIGNS**



**'TOUGH AS YOU' – LAUNCH
MOMENT**



LEADING WITH DIGITAL VIDEO



DIGITAL CUBE IN BERLIN



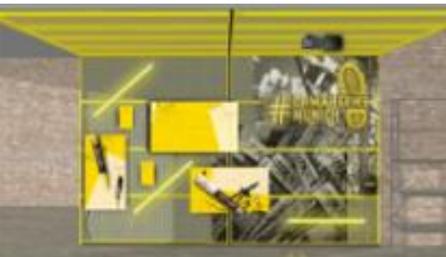
HANNOVER STORE

... WHICH GROWS BRAND AWARENESS AND FAMILIARITY



	GERMANY			GLOBAL AVERAGE
	Q4 2021	Q4 2022	CHANGE	Q4 2022
Brand awareness	56%	66%	+10ppts	72%
Brand familiarity	26%	36%	+10ppts	47%
Last 24m purchased	5%	8%	+3ppts	8%

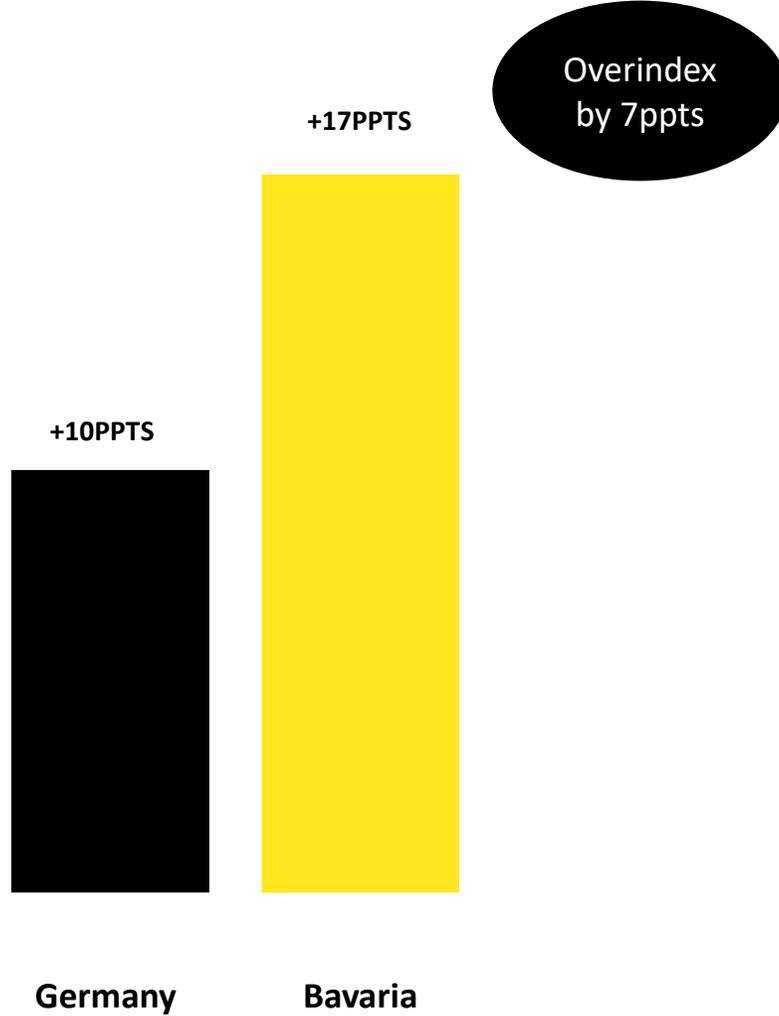
MUNICH: MARKETING COMBINED WITH STORE OPENINGS ...



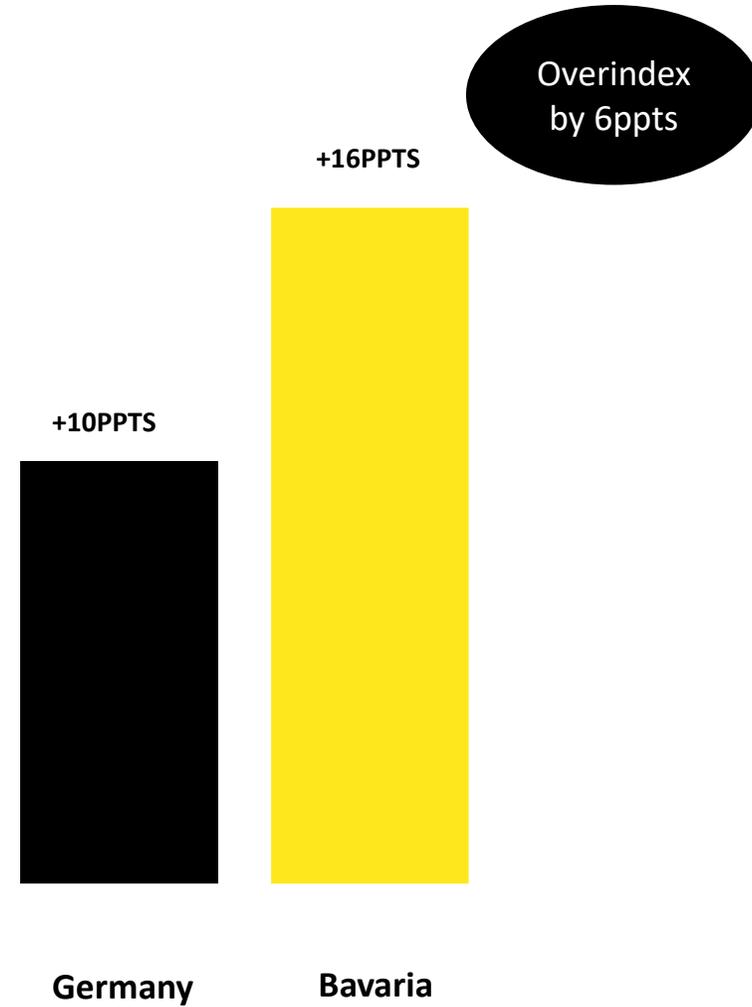
... LEADING TO IMPROVED BRAND METRICS



BRAND AWARENESS



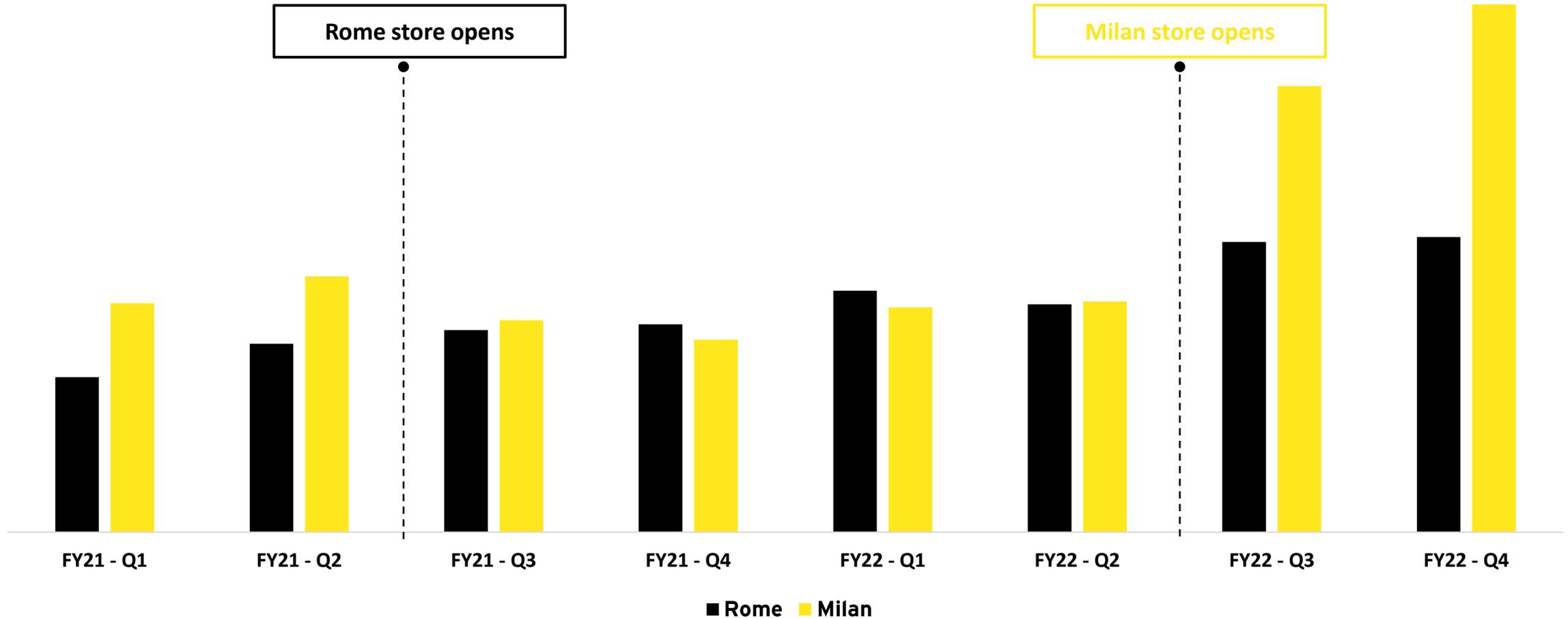
BRAND FAMILIARITY



ECOMMERCE BOOSTED BY STORE OPENINGS



Ecommerce web sessions



TRIED AND TESTED APPROACH



**LEARNINGS FROM
GERMANY
CONVERSION**

**THE IMPORTANCE
OF HAVING A
GREAT IN-MARKET
TEAM**

**LOW EXECUTION
RISK**

NATHALIE SCHNEIDER
EMEA RETAIL
DIRECTOR

OWN RETAIL
EXPANSION



RATIONALE FOR NEW STORES



**PROFITABLE
BRAND
BEACONS**

**DRIVE
ECOMMERCE
TRAFFIC**

**STRONG
FINANCIAL
RETURNS**

PRIORITISATION APPROACH TO STORE ROLLOUTS



**TIERED APPROACH
BASED ON:**

SPEND/POPULATION DATA

ECOMMERCE DEMAND

**PRESENCE OF OTHER
LEADING BRANDS**

LOCAL INSIGHT

**TIER 1 -
TARGET FIRST**

**TIER 2 -
SECONDARY FOCUS**

CURRENT GERMAN STORE ESTATE

- | | |
|------------|-----------|
| Frankfurt | Stuttgart |
| Berlin (2) | Leipzig |
| Cologne | Dortmund |
| Dusseldorf | |
| Hamburg | |
| Munich (2) | |
| | |
| Bonn | |
| Nuremberg | |
| Munster | |
| Hannover | |

IN-STORE TEAMS ARE OUR TRUE BRAND AMBASSADORS



OUR BRAND

Inspiring consumers through product discovery and strong storytelling

EXPERIENCES

Engaging customers throughout their time in store

CAPABILITIES

Our retail teams, training programmes and selling tools

A FEW OF OUR LEADING STORES



HAMBURG



MUNICH



BARCELONA

RATIONALE FOR NEW STORES



**PROFITABLE
BRAND
BEACONS**

**DRIVE
ECOMMERCE
TRAFFIC**

**STRONG
FINANCIAL
RETURNS**



MIKE STOPFORTH
EMEA SALES
DIRECTOR

WHOLESALE
STRATEGY



TRANSFORMING THE WHOLESALE ACCOUNT BASE

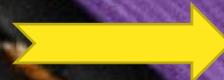


DISTRIBUTOR APPROACH

MINIMAL BRAND INVESTMENT

TOP SELLERS ONLY, NARROW
PRODUCT RANGE

WIDE ACCOUNT BASE



DIRECTLY RUN

ELEVATED BRAND PRESENTATION

EXPANDED AND MANAGED PRODUCT
RANGE

FEWER BUT BETTER STRATEGIC
PARTNERS

AT POINT OF CONVERSION

No of accounts (k)	Germany	Italy	Iberia
Inherited	0.5	1.1	0.3
Closed	(0.2)	(0.7)	(0.2)
Opened	0.1	0.1	0.1
Net	0.4	0.5	0.2

SHOWROOMS ARE A KEY PLATFORM FOR THE BRAND IN MARKET



BERLIN



BARCELONA



STOCKHOLM



DUSSELDORF



MILAN

WHOLESALE ACCOUNTS: SEGMENT TO GROW



GERMANY EXAMPLE ACCOUNT



AMP
Contemporary boutiques & concept stores



IGNITE
Premium trend-led retailers



Peek & Cloppenburg

**YELLOW
STITCH**
Multi-brand specialty retailers



ONLY|GO

EXAMPLE PRODUCT



1461 ATMOS COLLAB



AUDRICK QUAD NEOTERIC



1460 BLACK SMOOTH

AMP WHOLESALE EXPERIENCES



FIRMAMENT

BSTN

TITOLO

LISTENER

SOTO



IGNITE WHOLESALE EXPERIENCES



LUDWIG BECK



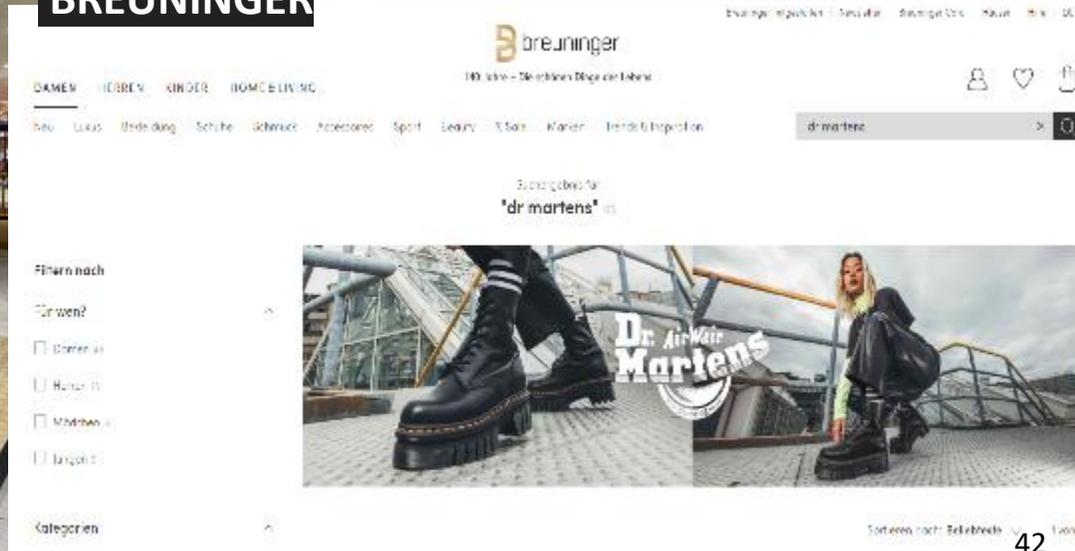
OBERPOLLINGER



KADEWE



BREUNINGER



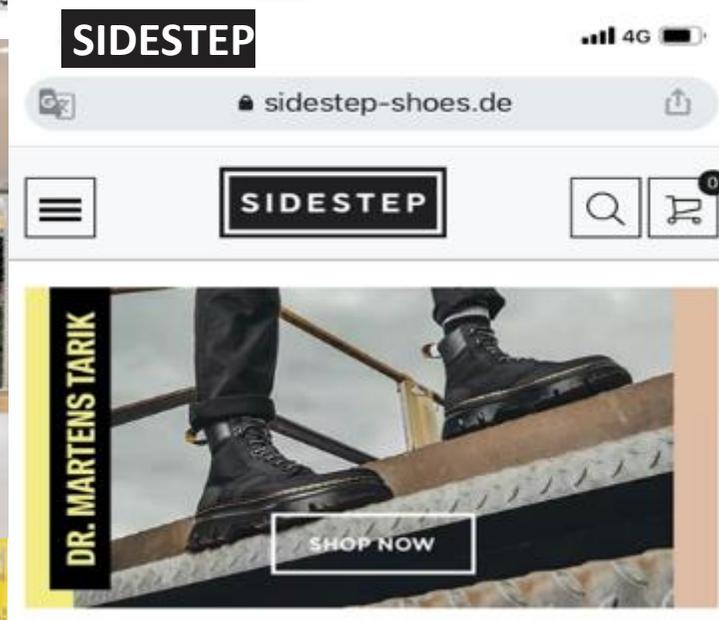
YELLOW STITCH WHOLESALÉ EXPERIENCES



PEEK AND CLOPPENBURG



SIDESTEP



TRETTNER



GORTZ



ABOUT YOU

**ELEVATED BRAND PRESENTATION
EXPANDED AND MANAGED PRODUCT RANGE
FEWER BUT BETTER STRATEGIC PARTNERS**

**LORENZO MORETTI
EMEA PRESIDENT**

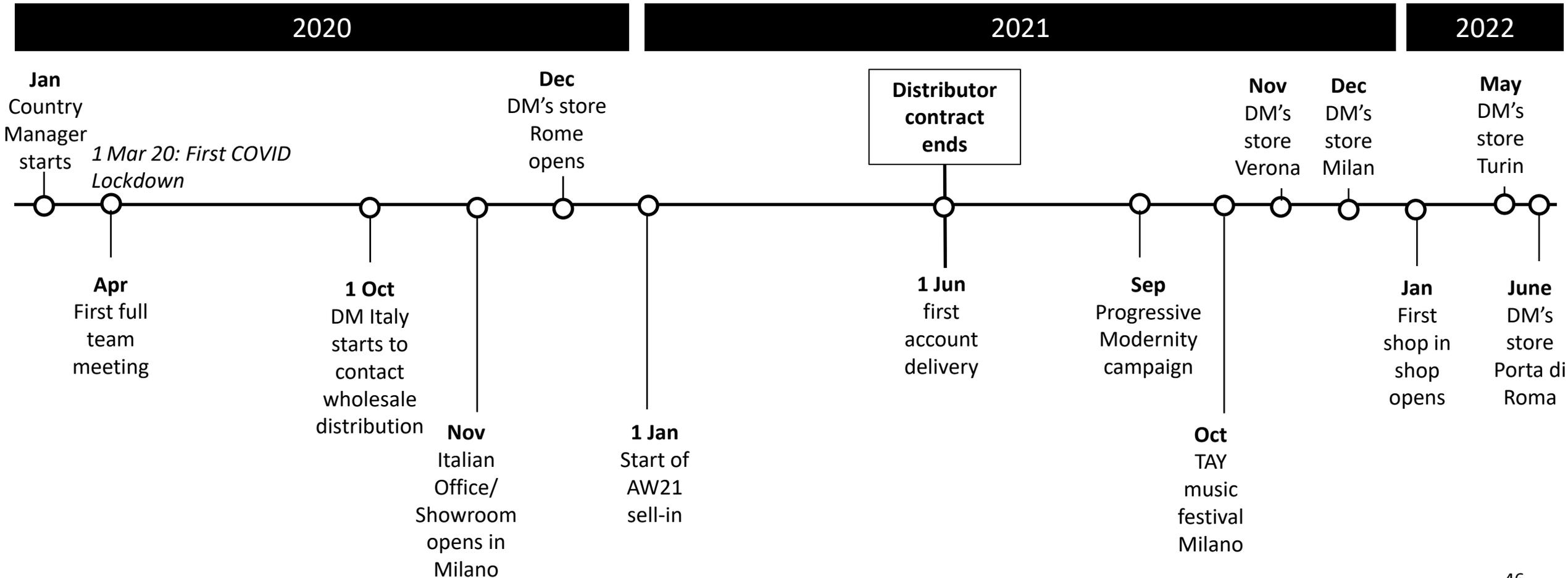
**ITALY EXPERIENCE SO
FAR**



THE ITALY JOURNEY SO FAR



FY22 H2 revenue growth of 122%



THE TEAM DRIVING GROWTH



**GIORGIO TREVISAN, ITALY
SALES MANAGER**



**EMMA RAMELLA,
MARKETING MANAGER**



RAFFAELLA FALCO, HR LEAD



**LETIZIA BEGHI, SENIOR
CREDIT CONTROLLER**



**ANNALISA DAL ZOTTO, DIGITAL
TRADE & VM ASSISTANT**



**DANIEL IZZO, RETAIL
MANAGER**



**MANUEL BISSI, EXPANSION
MANAGER**



**JACOPO MESISCA, KEY
ACCOUNT MANAGER**



**FRANCESCO VOLPI, TERRITORY
ACCOUNT MANAGER**



**SILVIA GOTTARDO, TERRITORY
ACCOUNT MANAGER**

IMPLEMENTING DOCS IN ITALY



D

**DIRECT-TO-CONSUMER
FIRST**

**BUILD BRAND EQUITY
& DRIVE MARGIN
EXPANSION**

- Accelerate ecommerce
- Expand and elevate own retail

O

**ORGANISATIONAL
& OPERATIONAL
EXCELLENCE**

**ENABLE GROWTH &
UNLOCK VALUE**

- Build a great team
- Optimise 'go to market' approach
- Enable delivery proposition

C

**CONSUMER
CONNECTION**

**ACQUIRE NEW
CONSUMERS & DRIVE
LOYALTY**

- Reposition the brand
- Get relevant products in the right places for Italian consumers
- Our community is the voice of our brand

S

**SUPPORT BRAND
EXPANSION WITH
B2B**

**MANAGE B2B
HOLISTICALLY &
PURPOSEFULLY**

- Prioritise key markets: Milan and Rome
- Build efficient partnerships with key wholesale accounts

WHAT

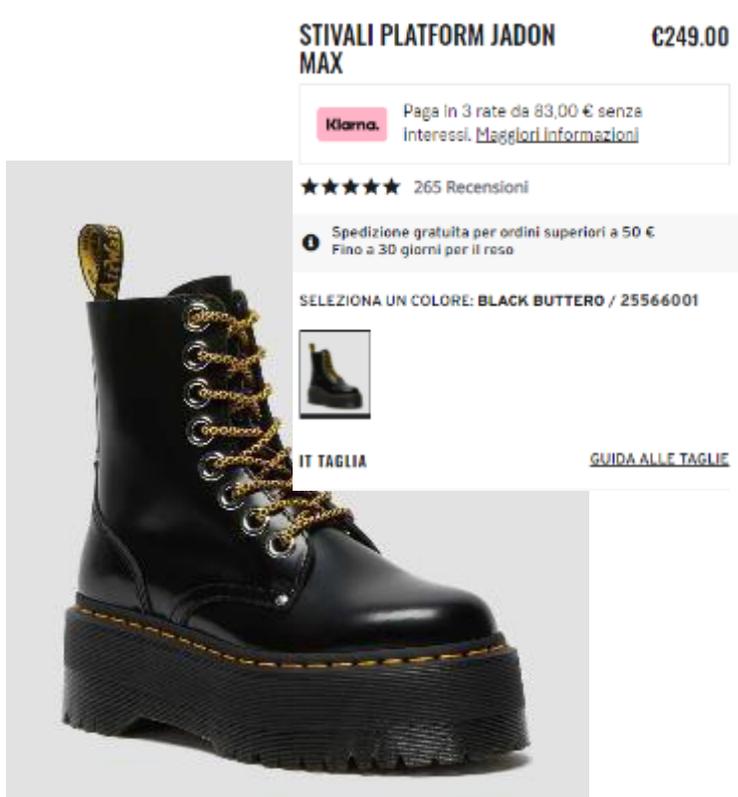
FOCUS AREAS



USING LOCALISATION TO DRIVE ECOMMERCE



ENHANCING PAYMENT METHODS



STIVALI PLATFORM JADON MAX €249.00

Klarna. Paga in 3 rate da 83,00 € senza interessi. [Maggiori informazioni](#)

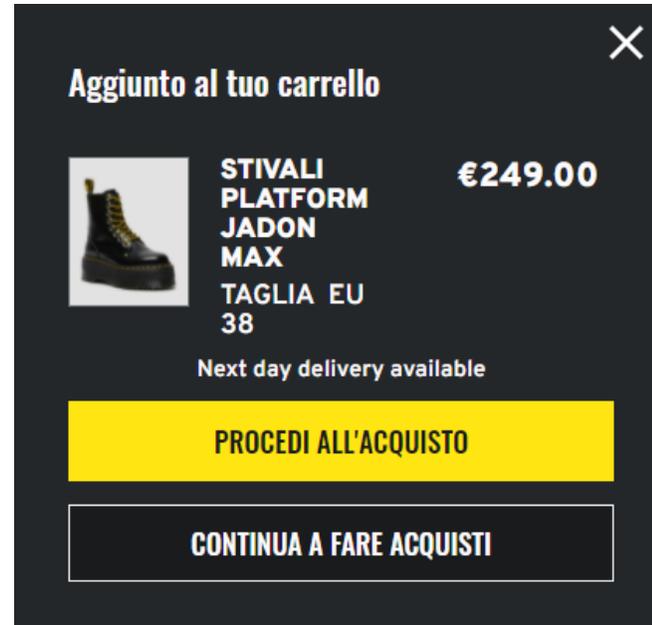
★★★★★ 265 Recensioni

Spedizione gratuita per ordini superiori a 50 €
Fino a 30 giorni per il reso

SELEZIONA UN COLORE: **BLACK BUTTERO / 25566001**

IT TAGLIA [GUIDA ALLE TAGLIE](#)

IMPLEMENTING A/B TESTING



Aggiunto al tuo carrello

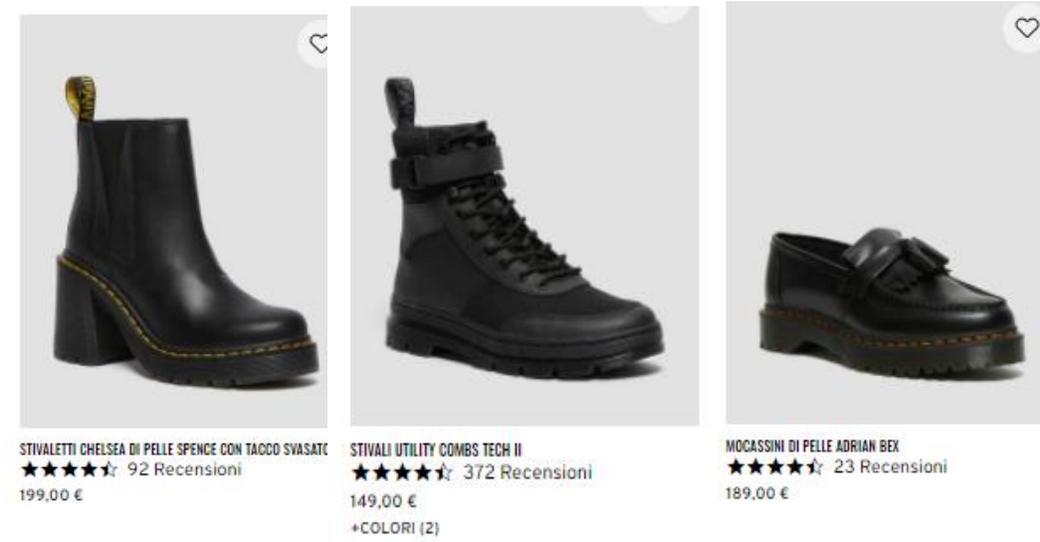
STIVALI PLATFORM JADON MAX €249.00
TAGLIA EU 38

Next day delivery available

PROCEDI ALL'ACQUISTO

CONTINUA A FARE ACQUISTI

DRIVING CONSUMER INSIGHTS



STIVALETTI CHELSEA DI PELLE SPENCE CON TACCO SVASATO
★★★★☆ 92 Recensioni
199,00 €

STIVALI UTILITY COMBS TECH II
★★★★☆ 372 Recensioni
149,00 €
+COLORI (2)

MOCASSINI DI PELLE ADRIAN BEX
★★★★☆ 23 Recensioni
189,00 €

Improving our payment methods offers us the opportunity to capture a wider customer base

Implementing A/B testing in the Italian strategy allowing us to drive localisation

Tools such as “email when back in stock” give us insight on missed demand opportunities and areas for further growth

D

PROFITABLE BRAND BEACONS: NOW AT FIVE STORES



ROME x2



VERONA



ROME x2



TURIN



MILAN





OUR PEOPLE MAKE US GREAT



**VERONA
TEAM**



ROME TEAM



TURIN TEAM



**ITALY OFFICE
TEAM**

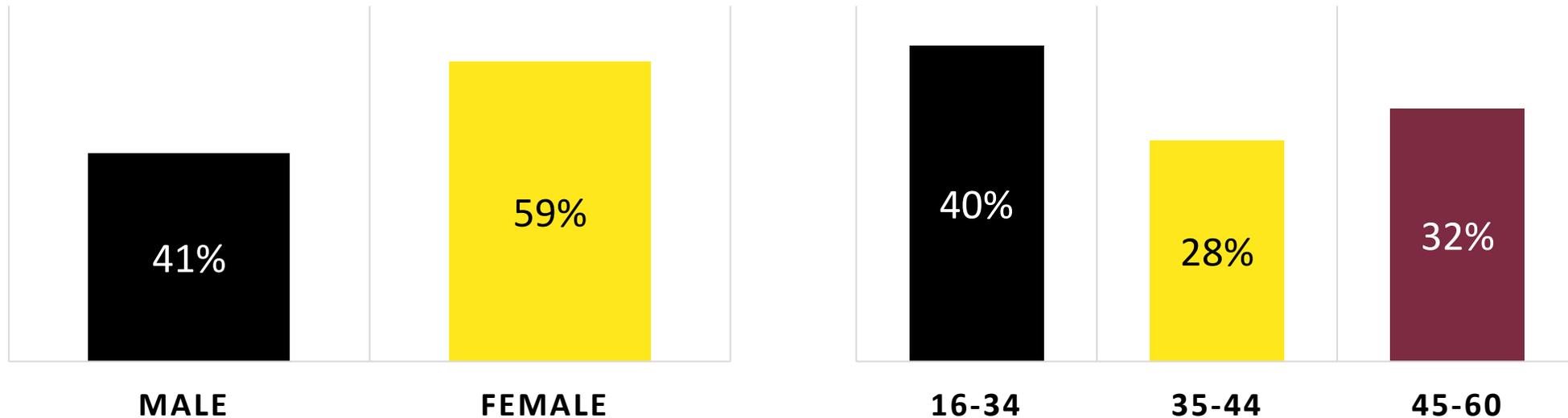
MILAN TEAM





FOR EVERYONE...

...OF ALL AGES



Italian consumers skew slightly more female, younger, higher earning and more urban

Italian consumers are loyal with a net intent to repurchase of 62% over the next 5-10 years

DMs consumers in Italy use multiple online and offline channels



EXPANDING THE PRODUCT RANGE



OPTIONS SOLD IN

AW20: 290

AW21: 380

AW22: 515

1460 BLACK SMOOTH

AW20: 40%

AW21: 19%

AW22: 11%

Product codes to reach 50%

AW20: 3

AW21: 7

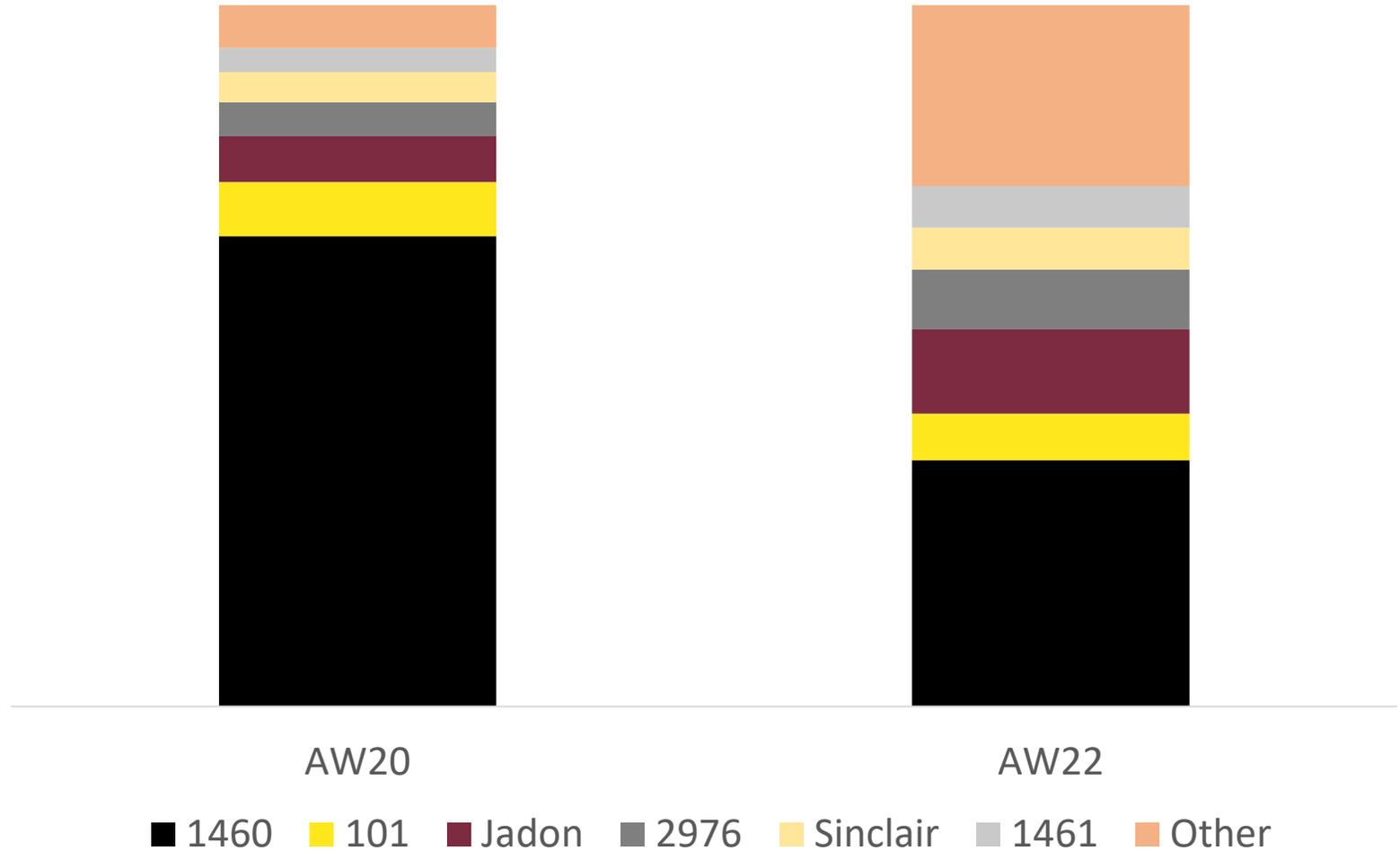
AW22: 15

Product codes to reach 80%

AW20: 14

AW21: 34

AW22: 66





'TOUGH AS YOU' FESTIVAL



TOUGH

16-17 OTTOBRE

AS YOU

CIRCOLO MAGNOLIA

FEST

MILANO

LIVE. WORKSHOP. TALK.

ASCOLTA. FAI. DIFFONDI. / FAME. SETE. AMORE

- + 1200 ATTENDEES – 2 SOLD OUT DAYS
- + 130 ARTISTS, TECHIES AND STAFF INVOLVED
- + 29 EMERGING MUSIC PROJECTS MENTORED
- + 55M REACH
- + 79% of ATTENDEES BETWEEN 15 – 29 y/o
- + 38% MEN, 32% WOMEN, 30% NON-BINARY





HIGH EXISTING BRAND AWARENESS, FOCUS ON RANGE



	ITALY		GLOBAL AVERAGE
	Q4 2022	CHANGE SINCE CONVERSION	Q4 2022
Brand awareness	83%	+6ppts	72%
Brand familiarity	62%	+7ppts	47%
Last 24m purchased	12%	+2ppts	8%

S

TRANSFORMED WHOLESALE PRESENTATION



BEFORE



LA RINASCENTE BEFORE



UN-AUTHORISED

AFTER



LA RINASCENTE AFTER



**BANANA MOON
BARI**

A pair of Dr. Martens boots with a camouflage pattern and white stars, set against a background of similar patterned paper or fabric. The boots are positioned diagonally across the frame.

BEGAN EARLY
CONFIDENTLY CUT WHOLESAL ACCOUNTS
IMPLEMENTED 'ITALY DOCS'
EXCELLENT START
CONFIDENCE IN FUTURE

KENNY WILSON
CEO

WRAP UP



CONTROLLING THE BRAND AND DRIVING MULTI-YEAR GROWTH



**CONTROL AND
INVEST IN THE
BRAND**

**VAST UNTAPPED
GROWTH
OPPORTUNITY**

**DRIVE
PROFITABILITY**

A close-up photograph of a person's feet wearing black leather boots and colorful, textured socks. The feet are resting on a brown leather chair. The background is a warm, orange-toned wall.

ANY QUESTIONS?