



27 January 2022

Dr. Martens plc

Trading statement for the three months ended 31 December 2021

GOOD Q3 DRIVEN BY VERY STRONG ECOMMERCE AND RETAIL

“We delivered a good performance during our largest quarter, with Direct to Consumer (“DTC”) revenues growing 33% versus Q3 last year to 64% revenue mix. We continued to put our long-term custodian approach at the heart of decision making and proactively managed the business against a changing Covid backdrop, prioritising the higher margin DTC channels in line with our strategy. We remain confident in achieving market expectations for the full year and I would like to thank everyone at Dr. Martens for their exceptional hard work and dedication.” **Kenny Wilson, Chief Executive Officer**

	Q1	Q2	Q3	FY22 YTD
Group revenue	£147.3m	£222.6m	£307.0m	£676.9
% change yoy	+52%	+1%	+11%	+14%
% change yoy CC	+64%	+6%	+15%	+20%
% change LY-1	+31%	+43%	+21%	+30%
Revenue by channel				
Ecommerce: % change yoy	+11%	+8%	+16%	+13%
: % change LY-1	+155%	+94%	+85%	+97%
Retail: % change yoy	n/a	+49%	+72%	+81%
: % change LY-1	(6%)	+8%	+16%	+9%
Wholesale: % change yoy	+50%	(10%)	(14%)	(1%)
: % change LY-1	+19%	+44%	(10%)	+15%

Group highlights:

- Q3 Group revenue was in line with our expectations at £307.0m, up 11% year on year (15% on a constant currency basis). On a two-year basis (Q3 FY22 compared to Q3 FY20 - “LY-1”), revenue was up 21%.
- Q3 is typically the strongest DTC period. We delivered DTC revenue growth of 33% (50% LY-1). Ecommerce grew strongly in addition to a very good recovery of retail, resulting in improved DTC mix, up 10pts to 64%. As planned, the prioritisation of inventory into DTC, due to the impact of Covid on both manufacturing and global shipping, led to the lower performance of wholesale.
- By region, EMEA recorded strong growth and Americas delivered a solid Q3 with a very good DTC performance, which was partially offset by wholesale. APAC revenues were impacted by renewed Covid restrictions across the region.

Channel performance

Our ecommerce revenue performance remained strong, with revenue growth of 16% against a tough comparative given the significant restrictions and closures within the store network in Q3 FY21, and up 85% LY-1. In the quarter, ecommerce revenue mix improved by 2pts to 39%, which represents 30% revenue mix YTD.

Q3 retail revenue accelerated on the prior quarters, up 72% year-on-year (up 16% LY-1) with strong in-store conversion and improved footfall. The emergence of the Omicron Covid variant curtailed the improving trends through December, with increased trading restrictions, although these were fewer than in Q3 FY21.

In the period we opened 11 new own stores, including 2 stores in Italy (in Verona and Milan) and 4 stores in USA. At the end of Q3 we had 158 own stores globally, having opened 24 YTD.

As planned, wholesale revenues were down 14% year-on-year (down 10% LY-1) as we prioritised inventory to DTC due to manufacturing and shipping delays caused by Covid. The vast majority of Q4 pairs have now been manufactured and are in transit by sea to our distribution centres.

Regional performance

EMEA was strong, with revenue up 40% (45% constant currency). This was driven by solid ecommerce growth and recovery of retail, together with a good wholesale performance. We saw excellent revenue growth in Italy, following conversion to a directly operated model earlier this financial year, in line with the trend seen in Germany in its first year of conversion.

In Americas, we achieved a very good DTC performance, which was partially offset by the expected impact on wholesale from global shipping delays. This resulted in Americas revenue up 4% (6% constant currency).

APAC revenues were most impacted by Covid, with revenue declining by 28% (24% constant currency). We saw particular weakness in our distributor markets, where third-party stores were impacted by renewed restrictions, most notably in Australia and China.

Outlook

We had a very strong DTC peak trading period, with February and March now being our quieter trading months. We remain confident in achieving market expectations for our first full year as a listed business, subject to no significant Covid impact in Q4.

Enquiries

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Analyst and Investor conference call

Kenny Wilson, CEO, and Jon Mortimore, CFO, will host a conference call with Q&A for analysts and investors at 9.30am UK time. This can be accessed via <https://www.drmartensplc.com/investors/>

FY21 Quarterly performance

For reference, 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.