EXCELLENT RESULTS; DELIVERING ON OUR STRATEGY

Further progress against all strategic priorities as the power of the brand continues to achieve strong and sustainable, global growth

Dr. Martens has today announced full year results for the year to 31 March 2018. The company has delivered double digit revenue and EBITDA growth across all regions, with the EMEA region performing very strongly, and has made significant progress against its strategic priorities, particularly in growing its Direct to Consumer channels.

FINANCIAL HIGHLIGHTS

+ **Another year of strong performance**
  + 20% growth in group revenue to £348.6m with good growth across all channels (2017: £290.6m)
  + Like-for-like retail revenue growth of 7%
  + EBITDA up 33% to £50.0m and EBITDA margin up 1.4bps to 14.3%

+ **All channels performing well; DTC driving growth**
  + Direct to Consumer (DTC) revenue up 26% to £140.7m
    + Retail revenue up 23% to £97.1m
    + E-commerce revenue up 35% to £43.6m
  + Wholesale revenue up 16% to £207.9m

+ **Significant progress against strategic priorities**
  + **DTC** channels - now represent 40% of total revenue, up from 38% in 2017
    + Commitment to consumer-centricity in our existing store base is delivering results, with like-for-like retail revenue up 7%
    + Continued investment in global store base, with 25 new stores openings in the year in key target locations including nine in the UK, seven across continental Europe, three in New York and three in Japan
    + Year-end total owned stores globally of 94
    + E-commerce (DrMartens.com) performed well in all markets, with group revenue up 35% to £43.6m
    + Re-launch of the brand in China, with new online and offline partners
  + Broad-based growth - all regions seeing double digit increases in revenue and EBITDA
    + Performance in EMEA was excellent, with sales up 32% to £155.9m and EBITDA up 45% to £24.9m

- **Strong wholesale performance** – the result of increased focus on larger, "best fit, partner" accounts
- **Continued investment in operational efficiency** - our new ERP system build has now been implemented across EMEA, with the Americas and Asia to follow in 2019 and 2020 respectively

Paul Mason, Chairman of Dr. Martens, said:

"This has been a fantastic year for Dr. Martens. We've delivered another set of strong results with broad-based growth across all regions and channels and double-digit revenue and EBITDA performances. This, in the context of the wider macroeconomic uncertainty that exists in a few of our key markets, is testament to both the strength of our brand, our heritage and consumer proposition and the execution of our strategy.

There is still significant scope for growth across our markets, particularly via our Direct to Consumer channels, and this will remain a strategic priority in the years ahead. We will continue to focus on our four strategic pillars of focusing on our product, consumer centricity, balanced global growth and operational efficiency.

We are delighted to have recently welcomed Kenny Wilson to the business as Chief Executive, who brings with him over 20 years of experience leading high profile, consumer brands. Kenny is the right person to lead this iconic brand as it enters the next phase of its great history."

Kenny Wilson, CEO of Dr. Martens said:
"Dr. Martens has delivered another outstanding year. We are an iconic brand that does things in our own unique, disruptive way and that is unifying our consumers across the globe. The business' investment in our DTC channels, both in terms of retail stores and E-commerce, is bearing fruit, and these will remain priority channels for us.

My first few months at the business have been thoroughly inspiring and I look forward to getting to know more of the team over the coming months as we work hard towards delivering our ambitious strategy. We have an amazing culture and the opportunity for growth is significant."

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CORE PRIORITIES

Dr. Martens' aim is to continuously improve our relevance with consumers, building on our iconic heritage to grow our brand equity whilst generating sustainable financial growth.

To support this aim we have identified four strategic pillars, which represent our core priorities for the coming years.

Focus on product: Ensure we continue to deliver authentic products consumers love to wear.

Consumer Centricity: Grow our DTC channels and deliver a seamless consumer experience across those channels.

Balanced Global Growth: Expand in both existing markets, and improve control of distribution in all markets.

Operational Efficiency: Continuously improve the effectiveness of our supply chain to become more efficient, more responsive, and more sustainable.

OPERATIONAL PERFORMANCE

During the year, Dr. Martens opened 25 new stores, including nine in the UK, seven in Continental Europe, three in the US (New York) and six in Asia. Over the same period the company closed two stores, bringing the total number of owned stores in Dr Martens' estate to 94.

FINANCIAL PERFORMANCE

Total revenue grew by 20% to £348.6m and EBITDA grew by 33% to £50.0m. DTC revenue rose by 26% to £140.7m, with retail revenue growing by 23% to £97.1m and E-commerce by 35% to £43.6m. Within that, like-for-like retail revenue growth was 7%. Following an increased focus on larger and "best fit, partner" accounts, wholesale revenue grew 16% to £207.9m, with strong growth across all regions. Gross margin improved 2.2% to 53.4% (£186.0m) due to improved channel mix and stronger product mix.

MANAGEMENT

Dr. Martens was pleased to announce a number of key management appointments this year. In July, we welcomed Kenny Wilson as group Chief Executive. Kenny has extensive experience of leading high-profile consumer brands, including Levi's, where he spent 19 years and rose to become President of the Brand in Europe. He joined from Cath Kidston, where he was CEO.

We were also delighted to welcome Geert Peeters as Chief Operating Officer and Sean O'Neill as Chief Digital Officer. Both Geert and Sean are fantastic additions to our already strong management team and will help accelerate Dr. Martens global expansion plans.

EMEA

Dr. Martens' performance in EMEA was excellent, with revenue up 32% to £155.9m (2017: £118.3m) and EBITDA up 45% to £24.9m (2017: £17.2m).

Revenue in DTC channels grew by 37% with retail up 35% and E-commerce up 43%. Like-for-like own store retail revenue increased 6% on a constant currency basis, reflecting the business' commitment to offering the best in-store experience and our focus on merchandising all our products in as compelling a way as possible. In line with Dr. Martens' commitment to launching new stores in key target locations, the region opened 16 new stores (nine in the UK and seven in continental Europe), bringing the total own store count to 36 in the UK and 15 in Continental Europe. Wholesale revenue grew 28% with good growth across all territories.

In line with our strategic pillar of growing our DTC channels across the world, we also served notice to not renew our third-party distribution contract in Germany and will take the market under direct control from Summer 2019.

AMERICAS

Revenue in the Americas region grew strongly, up 11% to £117.4m (2017: 106.0m), with EBITDA increasing 11% to £18.5m (2017: £16.6m).

The region's strong performance was driven by its DTC channels, which delivered good revenue growth of 22%. Like-for-like retail revenue growth was 4% and E-commerce revenue rose by 23%. Dr. Martens opened three new stores in key locations in New York, one in Queens and two in New Jersey, bringing the total in the region to 22.

Following the repositioning of wholesale accounts in the previous year, wholesale revenue grew 5% in the year.

ASIA

Revenue in Asia was up 13% to £75.3m (2017: £66.4m) and EBITDA grew 27% to £17.1m (2017: £13.5m), primarily driven by another strong year by our business in Japan.

Japan performed strongly across all channels, with total revenue up 30% to £28.7m. In the year, Dr. Martens opened three new stores (taking the total to 11 own stores), which helped drive exceptional retail revenue growth of 90%, with own store like-for-like sales up 17%. E-commerce sales grew by 31% and wholesale sales by 13%.

As anticipated, South Korea saw slower growth, mainly due to geo-political tension resulting in a reduction in inbound tourism. Despite this, total revenue grew by 7% to £24.6m (2017: £22.9m) with wholesale growth offsetting lower own store and concession revenue.

The company has also undertaken a re-launch of the brand in China, with our own website on Tmall (drmartens.world.tmall.com), and now trades from 25 branded partner stores.

OUTLOOK

We continue to perform very well and our relentless focus on our core strategic priorities and broad geographic base means that the company is well placed to continue to achieve sustainable, global growth. Our investment in our DTC channels is proving effective and the business expects to continue to grow its store estate in a targeted, measured way over the coming year. The investment in our new ERP system will also help to support sustained growth across all our channels.

Trading since the year-end has been in line with trends seen in 2018, with strong overall momentum across all channels.

– Ends –

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 with musical movements. Dr. Martens have since transcended their working class roots while still celebrating their proud heritage and, nearly 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. Dr. Martens currently trades in 58 countries worldwide.