30 November 2023

Dr. Martens plc

First half results for the six months to 30 September 2023

Strategic progress despite challenging USA backdrop

"We saw a mixed trading performance in the first half of the year. We made good progress with our strategic priorities, continuing to invest in the business and our people to drive sustainable long-term growth. During the period we focused on controlling the controllables: we delivered significant supply chain savings, successfully transformed our North America distribution network, opened 25 new stores, and launched a Dr. Martens UK repair service. The DOCS strategy of brand control and prioritising more profitable sales via our own stores and websites continued to deliver, with Direct to Consumer ("DTC") revenues up 11% in constant currency, representing half of Group revenues.

We saw a continued strong DTC performance in EMEA and APAC. In the USA, where there is an increasingly difficult consumer environment, our results have been more challenged, led by weakness in wholesale. We have strengthened the Americas leadership team and they are taking action, including refocusing marketing and improving our ecommerce trading capabilities. It is likely, however, that given the challenging backdrop it will take longer to see an improvement in USA results than initially anticipated. Notwithstanding the clear challenges we face in the USA market we remain very confident in our iconic brand and the significant growth opportunity ahead of us.

I am delighted that I'll be joined by Giles Wilson as Chief Financial Officer and Ije Nwokorie as Chief Brand Officer in the new year, bolstering our leadership team. I would like to take this opportunity to thank the dedicated and passionate people of Dr. Martens for their exceptional hard work in H1 and their continued support as we enter the busiest period of the year."

Kenny Wilson, Chief Executive Officer

£m	H124	H123	% change Actual	% change CC[2]
Revenue	**395.8**	418.6	*-5%*	*-3%*
DTC revenue mix	**50%**	43%	*+7%pts*	
EBITDA[1]	**77.6**	88.8	*-13%*	
EBITDA margin	**19.6%**	21.2%	*-1.6%pts*	
Profit Before Tax	**25.8**	57.9	*-55%*	
Profit After Tax	**19.0**	44.7	*-57%*	
Basic EPS (p)	**1.9**	4.5	*-58%*	
Dividend per share (p)	**1.56**	1.56	-	

1. EBITDA – Earnings before exchange gains/losses, finance income/expense, income tax, depreciation and amortisation
2. Constant currency applies the same exchange rate to the FY23 and FY24 results, based on FY23 budgeted rates

- H1 revenue down 5% (3% constant currency (CC)), primarily driven by weakness in USA wholesale
  - DTC revenue up 9% (11% CC) to 50% mix. Retail revenue up 15% (17% CC) and ecommerce up 3% (5% CC)
  - Wholesale revenue impacted by planned strategic decisions to reduce volumes into EMEA etailers and exit of the China distributor, together with a weaker USA wholesale performance than previously anticipated
  - Regional shape of performance in line with expectations, with good growth in EMEA (revenue up 9% or 8% CC), a strong performance in Japan DTC (revenue up 41% CC) and America revenue down 18% (15% CC), driven by wholesale
- New marketing brand platform "Made Strong" launched, with high impact city activations in New York, London and Tokyo
- 14XX capsule collection unveiled, the first step of a faster pace of product innovation, driving brand energy. Strong product pipeline for AW24
- Opened 25 new own stores globally
- Successful rollout of omnichannel offer in UK, with positive initial results. Rollout across core EMEA markets in 2024
- Transformed our North America distribution network with automation of LA DC, expansion of New Jersey DC and relocation of Canadian DC to Toronto
- Launched Authorised Repair service to UK consumers in October
- Strategic supply chain savings drove both a gross margin improvement of 2.8%pts (to 64.4%) and resulted in EBITDA margin performance ahead of guidance
- Profit before tax was down 55% to £25.8m, reflecting the EBITDA performance together with higher depreciation and amortisation as a result of continued investment into IT projects, DCs and new stores
- Interim dividend held flat year-on-year and £50m buyback programme progressing well

Current trading and guidance

Trading in the second half to date has been mixed, with the start of the Autumn/Winter season impacted by warm weather across all three regions and weaker traffic overall. However, in both EMEA and APAC, we have seen improved trading in more recent weeks. We expect trading for the remainder of the full year in these two regions to be broadly in line with previous expectations.

In the USA, the consumer environment has become more challenging in recent months. Although we have seen some encouraging signs in very recent DTC trading, including over the Black Friday weekend, we expect that it will take longer to see a material improvement in USA performance than initially anticipated. The most challenging part within our USA business is wholesale, with widespread macro-economic caution amongst our wholesale customers resulting in a weaker order book than in prior years. Wholesale customers have low in-market inventory levels of our products and therefore we can expect them to re-order, however the timing and level of these re-orders are unpredictable, reducing visibility in our wholesale business.

There is a large part of the financial year still ahead of us, however, given the backdrop, we expect that full year revenue will decline by high single-digit percentage year-on-year, on a constant currency basis. Assuming this revenue outturn, we expect FY24 EBITDA to be moderately below the bottom end of the range of consensus expectations, with PBT also impacted by c.£5m higher net finance costs in addition to this lower EBITDA *.

Given macro-economic uncertainty, we are withdrawing our previous guidance of high single-digit revenue growth in FY25. Our medium-term expectations are unchanged, underpinned by the significant white-space growth opportunity and our iconic brand and product range.

**Sell-side consensus FY24 EBITDA range £223.7m to £240.0m and PBT range £128.7m to £148.0m.*

Detailed technical guidance is on page 12.

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Presentation of interim results

Kenny Wilson, CEO and Jon Mortimore, CFO will be presenting the H124 results at 09:30 (UK time) on 30 November 2023. The presentation will be streamed live and the link to join is https://www.drmartensplc.com. A playback of the presentation will be available on our corporate website after the event, at https://www.drmartensplc.com/investors/results-centre.

About Dr. Martens

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

Cautionary statement relating to forward-looking statements

Announcements, presentations to investors, or other documents or reports filed with or furnished to the London Stock Exchange (LSE) and any other written information released, or oral statements made, to the public in the future by or on behalf of Dr. Martens plc and it group companies ("the Group"), may contain forward-looking statements.

Forward-looking statements give the Group's current expectations or forecasts of future events. An investor can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as 'aim', 'ambition', 'anticipate', 'estimate', 'expect', 'intend', 'will', 'project', 'plan', 'believe', 'target' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. In particular, these include statements relating to future actions, future performance or results of current and anticipated products, expenses, the outcome of contingencies such as legal proceedings, dividend payments and financial results. Other than in accordance with its legal or regulatory obligations (including under the Market Abuse Regulation, the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Conduct Authority), the Group undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. The reader should, however, consult any additional disclosures that the Group may make in any documents which it publishes and/or files with the LSE. All readers, wherever located, should take note of these disclosures. Accordingly, no assurance can be given that any particular expectation will be met and investors are cautioned not to place undue reliance on the forward-looking statements.

Forward-looking statements are subject to assumptions, inherent risks and uncertainties, many of which relate to factors that are beyond the Group's control or precise estimate. The Group cautions investors that a number of important factors, including those referred to in this document, could cause actual results to differ materially from those expressed or implied in any forward-looking statement. Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made and are based upon the knowledge and information available to the Directors on the date of this report.

BUSINESS REVIEW

We achieved a lot in the first half of FY24 and our DOCS strategy continues to drive results. We delivered a good performance in EMEA, with growth well-balanced across our home UK market and our core continental Europe markets, as we continue to benefit from the multi-year growth opportunity from converting markets from distributor to directly-operated. In APAC, Japan accounts for the vast majority of our profits and here we saw a strong DTC performance, following the successful integration of the recently transferred 14 Japanese franchise stores.

At our full year results in June, we discussed the execution issues that had impacted our FY23 USA performance, and the actions that the new Americas leadership team were taking to address these. Since then, those actions have been completed, and the team have refocused the marketing plan and better allocated spend to ensure boots messaging is at the core. While it is still early days, reaction to our New York launch of the Made Strong brand platform and 14XX collection were very encouraging. We have also implemented a number of website upgrades, the majority of which went live on 1st November. Again, there is more to come but this was an important step in improving our website trading capability.

Over recent months, however, the consumer environment in the USA has evolved and become more challenging. We are seeing a weaker boots market in the USA overall, which is exacerbating the macro-economic factors. We have also had to contend with warm weather in October, impacting the Autumn/Winter season. Our busiest period is still ahead of us and we will continue to take action to reignite the USA boots category and meet the challenge of the prevailing conditions.

Our USA wholesale business was impacted both by the planned reduction of orders to two large USA customers, together with deeper inventory destocking than previously anticipated across our customer base, driven by macro-economic uncertainty. Throughout, we have adopted a long-term mindset, ensuring that the wholesale channel inventory position is managed down in line with sales. At the end of October, the average inventory position of our top ten USA wholesale customers was down 20%. It is clear in customer interactions that this inventory destocking is widespread across the industry.

We were pleased to recently announce the **appointment of Giles Wilson as CFO and Ije Nwokorie as Chief Brand Officer (CBO)**. Giles has significant listed company experience and will join in 2024 (date to be confirmed) to replace Jon Mortimore who is retiring, as previously announced. The creation of a CBO role is an important step in our journey to become a £2bn revenue brand. Ije Nwokorie, who has served as a Non-Executive Director since IPO, will be stepping down from the Board and joining as CBO in February. He joins from Apple Inc, where he has been Senior Director, Apple Retail, since January 2018. He will oversee the Global Marketing, Product and Strategy functions and will be responsible for setting the overall brand strategy, vision and direction.

We **launched our new marketing brand platform, 'Made Strong'**, in October, with very encouraging initial feedback. Made Strong brings our brand purpose to life for today's wearers, reframing our role as a catalyst to empower rebellious self-expression. During the launch, we held a number of high impact city activations across London, New York and Tokyo. The launch saw strong engagement on social media channels and drove a step forward in earned PR coverage.

Our product strategy is centered on 'icons and innovation', meaning that we aim to grow revenue of our iconic continuity products through constant innovation around this core, to drive brand heat and newness. We aim to grow all three categories of boots, shoes and sandals simultaneously. Overall, pairs were down 9%, however this was predominantly due to the reduction in the wholesale business. Total DTC pairs, a far more relevant metric, was up 12%. All three categories saw DTC volume growth, with sandals up 8%, shoes up 26% and boots up 6%.

Alongside the launch of Made Strong, we **launched a capsule collection of our new Amp category: 14XX**. Amp and 14XX represent the pinnacle of our creative expression, with cutting-edge innovation at the forefront while still remaining true to our product handwriting and design principles of durability and versatility. The capsule collection is made of up three new products, built around our original 1460 boot, 1461 shoe and 2976 Chelsea boot. In Autumn/Winter 24 we will launch a larger 14XX range to consumers. The purpose of these collections is to create a 'trickle down' effect, creating demand for the mainline product range amongst new and existing consumers.

Collaborations play a crucial role in our product strategy, creating energy and buzz while being an incubator for future product success. We had a number of successful collaborations in Spring/Summer 23, including A-COLD-WALL*, Wacko Maria and BT21 XXXXX. In 2023 we are celebrating 10 years of the Jadon, our biggest product within our Fusion category and one of our four icon products, with a sell-out collaboration with Marc Jacobs. Since September, we've launched our first collaboration with Denim Tears using the 1460 boot and penton loafer silhouettes as the canvas, as well as highly successful collaborations with Supreme, Warner Bros. and Born X Raised, all of which signify big cultural brand moments.

During the half we completed the **transformation of our North American distribution network**, with automated picking implemented in our LA DC, a significant expansion of our New Jersey DC, enabling picking for all three channels, and the opening of a new DC in Toronto, moving from our previous west-coast Canadian facility, with the new facility servicing both wholesale and DTC orders. This new North American DC network improves both distribution costs and delivery speeds.

We achieved significant supply chain savings in the half. This is as a result of the transformation we have been executing in the supply chain over recent years, steadily increasing direct control over our supply chain inputs from c.10% five years ago to c.70% control today. This has enabled improved quality and consistency, diversification of risk from single point dependency and direct negotiation of costs. The savings delivered in the half as a result of this strategy include lower costs for leather (due to competition between tanneries), factory benchmarking to align profit, re-negotiation of our inbound shipping contract and optimisation and re-tender of retail outbound freight. This also enabled us to directly benefit from weaker macro demand for raw materials and lower global freight costs.

We have a number of significant technology projects underway, which will drive efficiency savings and underpin future growth. We have now implemented an order management system ("OMS") in EMEA and at the end of FY23 we started a trial of omnichannel offerings, 'click and collect', 'ecom return to store' and 'store stock look-up' in the UK. Following this successful trial, we rolled these services out across UK stores in August and September, with positive initial results. For instance, repurchase following a return in-store is approximately double the ecommerce rate. We intend to roll out these omnichannel services across the rest of our core EMEA markets in 2024, starting with Germany. In Japan we began trialling virtual sizing functionality and expanded staff recommendations on-line.

We have also begun work to build a Customer Data Platform which will give us a single view of the consumer across both DTC channels. This will allow us to drive more consumer-first initiatives, a key pillar of our DOCS strategy. In supply chain, we have commenced the project to implement a modern supply and demand planning system, which is so far progressing well. This will drive working capital savings from FY26 onwards and improve availability and accuracy of product forecasting.

Finally, we made good progress on our sustainability agenda. Our Science Based Targets were verified and approved by the Science Based Target Initiative in October. We have committed to reducing our absolute greenhouse gas emissions aligned with the Science Based Targets initiative to achieve near-term reduction targets by 2030 and Net Zero by 2040. In October we launched our Authorised Repair service to consumers in the UK. The service enables consumers to repair their Dr. Martens products, working with a third-party repair partner and using our own machines and materials. Whilst early days, we are pleased with initial consumer reaction and will look to roll this out in our other key markets in the future. Work on launching our own resale trial in the USA, named ReWair, is ongoing and we expect to launch this during 2024.

FINANCE REVIEW

Total revenue declined 5% (3% CC) with growth in DTC offset by weaker wholesale revenues. EBITDA was £77.6m, 13% lower than last year, with margins 1.6%pts lower at 19.6%. The first half of the financial year is typically a lower margin period due to higher margin DTC trading being weighted to the second half. Profit before tax was £25.8m (H1 FY23: £57.9m), down 55%, reflecting lower EBITDA, increased depreciation and amortisation charges and higher rate-led interest costs.

As described in the outlook, there is considerable macroeconomic uncertainty. However, we remain confident in our long-term growth prospects and the cash generative nature of the business. The balance sheet is strong. As a result, the Board has maintained the interim dividend at 1.56p, in line with H1 last year.

£m (unaudited)		**H1 FY24**	H1 FY23	*% change Actual*	*% change CC[4]*
Revenue	Ecommerce	**91.7**	88.8	*3%*	*5%*
	Retail	**104.7**	91.0	*15%*	*17%*
	DTC	**196.4**	179.8	*9%*	*11%*
	Wholesale[3]	**199.4**	238.8	*-17%*	*-15%*
		395.8	418.6	*-5%*	*-3%*
Gross margin		**254.9**	257.8	*-1%*	
Opex		**(177.3)**	(169.0)	*-5%*	
EBITDA[1]		**77.6**	88.8	*-13%*	
Profit before tax		**25.8**	57.9	*-55%*	
Earnings per share (p)		**1.9**	4.5	*-58%*	
Dividend per share (p)		**1.56**	1.56	-	
Key statistics	*Pairs sold (m)*	***5.7***	*6.3*	*-9%*	
	No. of stores opened[2]	***25***	*21*	*+4*	
	DTC mix %	***50%***	*43%*	*+7pts*	
	Gross margin %	***64.4%***	*61.6%*	*+2.8pts*	
	EBITDA[1] margin %	***19.6%***	*21.2%*	*-1.6pts*	

1. EBITDA – Earnings before exchange gains/losses, finance income/expense, income tax, depreciation, amortisation and impairment.
2. Own stores on streets and malls operated under arm's length leasehold arrangements.
3. Wholesale revenue including distributor customers.
4. Constant currency applies the same exchange rate to the FY24 and FY23 non-GBP results, based on FY24 budgeted rates.
5. Alternative Performance Measures are used as we believe they provide additional useful information on underlying trends.

PERFORMANCE BY CHANNEL

Revenue decreased by 5%, or 3% CC, to £395.8m, with a good DTC performance offset by a decline in wholesale. Wholesale was impacted both by the planned strategic decisions to reduce the volume sold into EMEA etailers and cease the distributor contract in China, and by weaker wholesale in Americas. DTC mix was up 7%pts to 50% of Group revenues.

Ecommerce revenue grew 3% to £91.7m (5% CC) which represented a revenue mix of 23%, up 2%pts. We had very strong growth in both EMEA (up 19% CC) and APAC (up 18% CC), with America down 10%. We saw traffic growth in EMEA and APAC, whilst in America traffic declined. Ecommerce conversion improved in all three regions.

Retail revenue grew 15% to £104.7m (17% CC). Growth compared to last year was led by new and maturing stores (stores opened last year) across all geographies, with continued footfall recovery in EMEA and APAC, offset by footfall decline in America. We also benefitted from the transfer of 14 Japan franchise store at the end of FY23. During the half, we have opened 25 new stores and closed four stores, to end H1 with 225 own stores.

Wholesale revenue was down 17% to £199.4m (15% CC). As previously announced, we took three strategic decisions which impacted wholesale revenues this year, but will create a strong platform for future growth. Firstly, we significantly reduced the quantity and range of product sold into EMEA etailers, in order to ensure scarcity of supply in the region and migrate sales to our own websites. Secondly, we ceased sales to our distributor in China ahead of the contract ending in June 2023. In the Americas we worked with two large wholesale accounts who had excess inventory, reducing shipments through the first half in order to rightsize their inventory positions. In addition to these strategic decisions, we also saw industry-wide destocking amongst USA wholesale customers.

The total number of wholesale accounts globally remained broadly flat at 1.9k after closing c.150 accounts and opening a similar number, as we continued to elevate distribution of the brand. Total revenues per account declined by 5%, with growth in EMEA offset by lower revenue per account in America.

PERFORMANCE BY REGION

£m (unaudited)		H1 FY24	H1 FY23	% change Actual	% change CC
Revenue:	EMEA	**194.2**	179.0	*9%*	*8%*
	America	**147.7**	179.7	*-18%*	*-15%*
	APAC	**53.9**	59.9	*-10%*	*-3%*
		395.8	418.6	*-5%*	*-3%*
EBITDA[1]:	EMEA	**55.8**	52.8	*6%*	
	America	**28.6**	41.4	*-31%*	
	APAC	**12.2**	13.1	*-7%*	
	Support costs[2]	**(19.0)**	(18.5)	*-3%*	
		77.6	88.8	*-13%*	
EBITDA[1] margin by region:	EMEA	***28.7%***	*29.5%*	*-0.8pts*	
	America	***19.4%***	*23.0%*	*-3.6pts*	
	APAC	***22.6%***	*21.9%*	*+0.7pts*	
	Total	***19.6%***	*21.2%*	*-1.6pts*	

1. EBITDA – Earnings before exchange gains/losses, finance income/expense, income tax, depreciation, amortisation and impairment.
2. Support costs represent group related support costs not directly attributable to each regions operations and including Group Finance, Legal, Group HR, Global Brand and Design, Directors and other group only related costs and expenses.

EMEA revenue grew by 9% to £194.2m (8% CC). DTC grew by 21% (20% CC) with retail and ecommerce up 22% (21% CC) and 20% (19% CC) respectively. DTC mix increased by 5%pts. There was good DTC growth in all core markets (UK up 8%, France up 19%, Germany up 29% and Italy up 62%, all CC). Wholesale was marginally down as expected, due to the strategic decision to reduce volume to etailers.

During the first half we opened 11 new stores: four stores in Italy, two stores in Belgium, two stores in Germany, two stores in UK and our first store in Denmark. Included in the new store openings were three locations that were closed and stores relocated to more prominent positions in Belgium and the UK.

EMEA EBITDA was up 6% to £55.8m (H1 FY23: £52.8m), with EBITDA margin 28.7%, 0.8%pts lower than last year, impacted by FX on purchases and the temporary cost base drag of recently opened stores.

America revenue was down 18% to £147.7m (15% CC). DTC revenue was down 7% (3% CC) with retail up 5% CC and ecommerce down 10% CC with lower footfall and traffic in retail and ecommerce respectively, only partly mitigated by new and maturing stores and better conversion across both channels. DTC mix increased by 6%pts. Wholesale revenue declined 22% CC, due to both the strategic decision to manage down inventory of some of our larger wholesale customers, as well as industry-wide destocking resulting in weak order book momentum. We maintained a disciplined approach to wholesale, and at the end of October the average position of our top ten USA wholesale customers was down 20% on the prior year.

During the first half we opened seven new stores including in LA, Washington DC, San Antonio and Denver.

America EBITDA was 31% lower at £28.6m with EBITDA margin 3.6%pts lower than last year, reflecting lower revenue together with incremental inventory storage costs in LA of £7.0m.

APAC revenue was down 10% to £53.9m (3% CC). We saw lower revenue in China due to the planned exit of the distributor contract in June, which also drove APAC wholesale revenue down 29% CC. APAC DTC revenues grew 26% CC, improving DTC mix by 14%pts, with both retail and ecommerce growing double-digit. This was led by Japan with DTC revenues up 41% CC following the transfer of 14 franchise stores at the end of FY23.

During the first half we opened seven new stores including three stores in Shanghai (including one outlet), two in Japan and one in both South Korea and Hong Kong.

APAC EBITDA was down 7% to £12.2m (H1 FY23: £13.1m) and EBITDA margin up 0.7%pts due to increased mix from Japan (our most profitable market), partly offset by lower EBITDA in China.

RETAIL STORE ESTATE

During the period, we opened 25 (H1 FY23: 21) new own retail stores (via arm's length leasehold arrangements) and closed four stores as follows:

		31 March 2023	Opened	Closed	30 September 2023
EMEA:	UK	33	2	(2)	33
	Germany	17	2	-	19
	France	16	-	-	16
	Italy	6	4	-	10
	Spain	4	-	-	4
	Other	12	3	(1)	14
		88	11	(3)	96
America:		54	7	-	61
APAC:	Japan	40	2	-	42
	China	5	3	-	8
	South Korea	11	1	-	12
	Hong Kong	6	1	(1)	6
		62	7	(1)	68
Total		204	25	(4)	225

The Group also trades from 26 (FY23: 28) concession counters in department stores in South Korea and a further 82 (FY23: 119) mono-branded franchise stores around the world with 15 in China (FY23: 55, the decline being due to the end of the distribution contract), 16 in Japan (FY23: 16), 21 across Australia and New Zealand (FY23: 20), 23 across other South East Asia countries and the balance in the Nordics and Canada (FY23: 21).

QUARTERLY REVENUE PERFORMANCE

Ecommerce revenue was up in Q1 and flat in Q2, in part driven by a stronger comparative in Q2. In retail, revenue grew double-digit in Q1 and mid-single digit in Q2, driven by a slowdown in the pace of traffic recovery. Both EMEA and APAC were impacted by strategic decisions, of reducing EMEA etailer volumes and ceasing the distributor in China respectively; these were mainly seen during Q1. In Americas, revenue was down in both quarters as expected, driven by wholesale.

Year on Year Change (unaudited)		**Q1 FY24**		**Q2 FY24**		**H1 FY24**	
		Actual	**CC**	**Actual**	**CC**	**Actual**	**CC**
Total revenue		-11%	-11%	-2%	1%	-5%	-3%
Revenue:	Ecommerce	7%	7%	-	4%	3%	5%
	Retail	27%	27%	6%	10%	15%	17%
	DTC	17%	17%	3%	7%	9%	11%
	Wholesale[1]	-41%	-41%	-5%	-2%	-17%	-15%
Region:	EMEA	-1%	-3%	14%	13%	9%	8%
	America	-26%	-27%	-12%	-6%	-18%	-15%
	APAC	12%	16%	-22%	-14%	-10%	-3%

1. Wholesale revenue including distributor customers.

EBITDA ANALYSIS

Gross margin improved by 2.8%pts to 64.4% as follows:

	%pts Increase
Price, net COGS inflation	+0.7pts
New & Maturing Stores	+1.0pts
Supply chain savings	+1.1pts
	+2.8pts

In the half, the average price increase was 4.5% and COGS inflation was approximately 6%, with the incremental margin benefit of +0.7%pts funding all opex inflation (of around 5%). Supply chain savings in the period were approximately £10m, improving gross margin by 1.1%pts.

Operating expenses increased by 5% to £177.3m as follows:

	Increase/(Decrease)	
	£m	*%*
New & Maturing Stores	7.3	*4%*
Marketing Spend	(2.2)	*-1%*
Volume & Other	(3.8)	*-2%*
Base	1.3	*1%*
Additional USA storage costs	7.0	-
Increase	**8.3**	***5%***

Excluding additional USA storage costs, the cost base increased by 1% with new store annualisation offset by the timing of the autumn brand marketing campaign moving from September/October last year to October/November this year, combined with good cost control across all other categories including lower volume-related costs and retail outbound freight savings. The additional USA storage costs of £7.0m were all in relation to temporary space rented in LA, which will annualise at around £15m, as previously guided.

EBITDA decreased by 13% to £77.6m (H1 FY23: £88.8m) resulting in an EBITDA margin movement of 1.6%pts to 19.6%.

EBITDA MARGIN	% pts YoY
Price net inflation	-
New & Maturing Stores[1]	-0.9pts
Supply chain savings	+1.1pts
Other investments	-0.1pts
Base	**+0.1pts**
Additional USA storage costs[2]	-1.7pts
Movement	**-1.6pts**

1. Incremental OPEX from new stores net gross margin benefit from space. During the first half we opened 25 new stores compared to 21 in H1 last year and 31 in H2 in the prior year. In the year of opening, a store takes approximately six to 12 months to break even EBITDA, as a result a store opening increases the cost base faster than revenue in the year of the store opening before positive returns are generated, broadly in year two.
2. Incremental stock holding costs in America.

Before additional USA storage costs, underlying EBITDA margin was marginally up, driven by the supply chain savings.

Exchange

The profit and loss figures are prepared on an average actual currency basis for the period. These exchange rates are calculated monthly and applied to revenue and profits generated in that month, such that the actual figures translated across the year are dependent upon monthly trading profiles as well as exchange movement. In addition, all distributor revenues are invoiced in USD. To aid comparability of underlying performance, we have also calculated constant currency performance for revenue. This is calculated by translating non-UK revenues at the same exchange rate year on year.

We have a natural GBP/Euro vs USD hedge. The UK is our second-largest market after the USA but only comprised 18% of global revenues in H1. Due to our balanced global trading footprint with 37% of revenues in America and 31% in Continental Europe, we have a strong natural hedge which protects group EBITDA should the USD strengthen against GBP and Euro. Approximately 93% of COGS purchases are paid in USD such that an appreciation of USD compared to GBP and Euro leads to higher purchase costs in EMEA but is broadly offset by a corresponding translation benefit from USA derived cash flows, such that USA revenue and EBITDA is higher and funds lower EMEA EBITDA. This hedge effect also operates should the USD depreciate against GBP/Euro.

The major exchange rates that impact the Group are £/$, £/€ and £/¥. The following table summarises average exchange rates used in the year:

	£/$			£/€			£/¥		
	FY24	FY23	%	**FY24**	FY23	%	**FY24**	FY23	%
H1	**1.26**	1.22	*3%*	**1.16**	1.17	*-1%*	**178**	163	*9%*
H2		1.19			1.14			163	
FY		1.21			1.16			163	

EARNINGS

The following table analyses the results for the year from EBITDA to profit before tax.

£m (unaudited)	**H1 FY24**	H1 FY23
EBITDA[1]	**77.6**	**88.8**
Depreciation and amortisation	**(37.9)**	(23.3)
Exchange gains/(losses)	**0.6**	(0.2)
Net interest cost on bank debt	**(9.1)**	(4.7)
Amortisation of loan issue costs/interest on lease liabilities	**(5.4)**	(2.7)
Profit before tax	**25.8**	**57.9**
Tax	**(6.8)**	(13.2)
Earnings	**19.0**	**44.7**

1. EBITDA – Earnings before exchange gains/losses, finance income/expense, income tax, depreciation, amortisation and impairment.

Depreciation and amortisation charged in the period was £37.9m (H1 FY23: £23.3) with the increase due to the annualisation of new store openings in prior year, increased DC space in North America and investment in the IT infrastructure including the implementation of the OMS and omnichannel capabilities in EMEA.

Profit before tax declined by 55% to £25.8m (H1 FY23: £57.9m) with profit after tax of £19.0m (H1 FY23: £44.7m). This was primarily due to lower EBITDA together with higher depreciation and amortisation costs.

Interest costs have increased due to higher interest rates on the bank debt (being 3.4%pts higher than last year at 6.2%) and a lower average cash balance.

Depreciation and amortisation charged in the period was £37.9m (H1 FY23: £23.3m), and is analysed as follows:

£m (unaudited)	**H1 FY24**	**H1 FY23**
Amortisation of intangibles[1]	**4.6**	**3.4**
Depreciation of plant and equipment[2]	**7.9**	**6.3**
	12.5	**9.7**
Depreciation of right-of-use assets[3]	**25.4**	**13.6**
Total	**37.9**	**23.3**

1. Mainly represented by IT related spend with the average term of 3 to 7 years.
2. Mainly represented by new store fit out costs with the average term of 5 years.
3. Mainly represented by depreciation of IFRS 16 capitalised leases with the average term of 4.9 years and 301 properties (H1 FY23: 5.4 years and 210 properties).

In the year we recognised an exchange gain of £0.6m (H1 FY23: loss £0.2m) which was predominantly due to the revaluation of Euro denominated bank debt and working capital.

The tax charge was £6.8m (H1 FY23: £13.2m) with an effective tax rate of 26.4% (H1 FY23 22.8%) which is slightly higher than the UK corporate tax rate of 25.0%, due mainly to non-UK tax rates and deferred tax on temporary differences. The tax rate was higher than last year due to the increase in UK tax rate from 19.0% to 25.0% on 1 April 2023.

Earnings per share was 1.9p (H1 FY23: 4.5p). The total number of diluted shares is detailed in note 6 in the financial statements. The following table summarises these EPS figures:

Unaudited		**H1 FY24 pence**	H1 FY23 pence	*% change*
Earnings per share	Basic	**1.9**	4.5	*-58%*
	Diluted	**1.9**	4.5	*-58%*

EPS and diluted EPS for the current and prior year are presented as the same amount due to the minimal dilutive impact of share options on the total diluted share number.

OPERATING CASH FLOW

£m (unaudited)	H1 FY24	H1 FY23
EBITDA[1]	**77.6**	88.8
Increase in inventories	**(55.5)**	(120.9)
Increase in debtors	**(28.5)**	(7.2)
(Increase)/decrease in creditors	**(3.6)**	27.7
Total change in net working capital	**(87.6)**	(100.4)
Share-based payments	**1.9**	3.0
Capital expenditure	**(16.3)**	(19.3)
Operating cash outflow[2]	**(24.4)**	(27.9)
Operating cash conversion[2]	*(31%)*	*(31%)*

1. EBITDA – Earnings before exchange gains/losses, finance income/expense, income tax, depreciation, amortisation and impairment.
2. Alternative Performance Measures as defined in the Glossary on pages 29 and 30.

Operating cash outflow was £24.4m (H1 FY23: £27.9m) representing a cash conversion of EBITDA of negative 31%, in line with H1 FY23.

Trade debtor days increased from 48 days to 53 days, primarily due to customer mix with a higher proportion of EMEA debtors (with payment terms closer to 60 days) than America (with payment terms closer to 30 days).

Capex was £16.3m (H1 FY23: £19.3m) and represented 4.1% of revenue (H1 FY23: 4.6%). The breakdown in capex by category is as follows:

£m	H1 FY24	H1 FY23
Retail stores	**8.8**	7.7
Supply Chain	**0.1**	3.2
IT/Tech	**7.4**	8.4
	16.3	19.3

Net cash flow after interest
Net cash flow after interest costs is summarised below:

£m (unaudited)	H1 FY24	H1 FY23
Operating cash flow[1]	**(24.4)**	(27.9)
Net interest paid	**(7.3)**	(2.1)
Payment of lease liabilities	**(25.3)**	(12.7)
Taxation	**(15.4)**	(14.1)
Free cash outflow	**(72.4)**	(56.8)
Repurchase of shares	**(20.4)**	-
Net revolving credit facility drawdown	**25.0**	-
Dividends paid	**(42.8)**	(42.8)
Net cash outflow	**(110.6)**	(99.6)
Opening cash	**157.5**	228.0
Net cash exchange translation	**(1.2)**	4.6
Closing cash	**45.7**	133.0

1. Operating cash flow and free cash flow are Alternative Performance Measures defined in the Glossary on pages 29 and 30.

Net interest paid was £7.3m, higher than H1 FY23 by £5.2m due to the timing of interest payments and higher interest rates, which were partially offset by higher interest receivables from cash investments. The increase in lease liabilities was due mainly to the increased number of retail stores opened in the period under lease arrangements and increased space across the DC network.

Funding and Leverage
The Group is funded by cash, bank debt and equity. Further details on the capital structure and debt are given in note 9 of the interim financial statements. The Group's bank debt is denominated in Euros to reflect the excess Euros the Group generates from trading in Continental Europe to fund interest costs (with USD revenue generated broadly funding USD purchase of inventory and GBP generated broadly funding GBP related costs). The bank debt falls due for repayment in full on 2 February 2026. The Group also has a revolving credit facility of £200.0m which also expires on 2 February 2026 with £25.0m drawdown during the period (expected to be fully repaid before this financial year end) and £5.1m utilised in relation to certain guarantee arrangements primarily for landlord guarantees.

The group financing arrangements have a total net leverage covenant test every six months. The total net leverage test is calculated with a full 12 months of EBITDA and net debt being inclusive of IFRS 16 lease liabilities at the balance sheet date. At 30 September 2023 the Group had total net leverage of 2.0 times (H1 FY23: 1.1x, FY23: 1.2x) giving us significant headroom against our covenant test. If this was calculated using average cash throughout the year, (reflecting the Groups intra-year cash swing) average gearing would be approximately 1.7x.

Pensions
Dr Martens Airwair Group Limited and Airwair International Limited (subsidiaries of the Group) operate a defined benefit pension scheme in the UK, which was closed to new members in 2002, and provides both pensions in retirement and death benefits to members. At the most recent triennial valuation date (June 2022), on an actuarial funding valuation basis as agreed with the Trustees, the scheme had assets with a value of £55.4m and estimated future liabilities (technical provisions) of £48.5m, resulting in a surplus of £6.9m.

A detailed description of all pension commitments, including the IAS 19 accounting valuation (which is prepared on a different valuation basis of liabilities to the actuarial funding valuation basis, the latter being used to agree with the pension trustees whether cash contributions are or are not required to be made and the former being purely for accounting purposes), is given in note 29 of the Group Annual Report. The surplus under the scheme is not recognised as an asset benefitting the Group on the balance sheet on the basis that the Group is unlikely to derive any economic benefits from that surplus. At 30 September 2023 (H1 FY24), the scheme had assets of £43.6m (H1 FY23: £48.5, FY23: £49.5m).

The Group also operates a defined contribution scheme for its employees and during the year the Group contributions to this scheme were £2.6m (H1 FY23: £2.3m). At 30 September 2023, this scheme had assets of £25.1m (H1 FY23: £19.9m).

BALANCE SHEET

£m	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Audited) 31 March 2023
Freehold property	7.4	6.8	7.4
Right-of-use assets	195.0	133.9	144.1
Other fixed assets	81.8	65.3	78.8
Inventory	314.5	261.4	257.8
Debtors	119.8	113.9	92.2
Creditors[2]	(132.8)	(186.4)	(133.7)
Working capital	301.5	188.9	216.3
Other[1]	13.2	13.6	5.2
Operating net assets	598.9	408.5	451.8
Goodwill	240.7	240.7	240.7
Cash	45.7	133.0	157.5
Bank debt[3]	(317.5)	(297.0)	(296.8)
Unamortised bank fees	2.9	4.1	3.4
Lease liabilities	(207.1)	(142.8)	(152.4)
Net assets	363.6	346.5	404.2

1. Other includes investments, deferred tax assets, income tax assets, and provisions.
2. Include bank interest of £8.0m (Sep22: £3.3m, Mar23: £6.0m).
3. Includes drawdown of RCF of £25.0m

Net financing is summarised below:

£m	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Audited) 31 March 2023
Bank debt – Term	(292.5)	(297.0)	(296.8)
- RCF	(25.0)	-	-
Cash	45.7	133.0	157.5
Net bank debt	(271.8)	(164.0)	(139.3)
Lease liabilities	(207.1)	(142.8)	(152.4)
Net financing	(478.9)	(306.8)	(291.7)

Inventory
Given the high proportion of continuity products we sell, with four out of five pairs being black and having a strong product margin structure, we have minimal markdown risk below cost. Inventory levels are higher than optimal and we plan to right-size inventory through the course of FY25.

	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022
Inventory (£m)	314.5	261.4
Turn (x)[1]	1.2x	1.3x
Weeks cover[2]	45	40

1. Calculated as historic LTM COGS divided by inventory.
2. Calculated as 52 weeks divided by stock turn.

Equity of £363.6m can be analysed as follows:

£m	(unaudited) 30 September 2023
Share capital	9.9
Treasury shares	(2.0)
Hedging reserve	0.8
Capital redemption reserve	0.1
Merger reserve	(1,400.0)
Non-UK translation reserve	13.7
Retained earnings	1,741.1
Equity	**363.6**

Dr. Martens plc (the Company) has distributable reserves of £1,312.1m.

RETURNS TO SHAREHOLDERS

Our capital allocation philosophy guides our view of returns to shareholders and usage of excess cash. The first priority for investment is into the business and we will continue to invest in a targeted manner to support long-term growth and resilience of the Group. This is mainly represented by investment into marketing, logistics, people, systems and inventory. Beyond this, our priority is to return excess cash to shareholders, through a regular dividend and, when possible, further returns.

Dividends
The Board has approved and the Company has declared an interim dividend of 1.56p per share (H1 FY23: 1.56p). The interim dividend will be paid to shareholders on the register as at 5 January 2024 with payment on 2 February 2024.

£m (unaudited)	**H1 FY24**	H1 FY23	*% change*
Earnings	**19.0**	44.7	*-57%*
Equity dividends on ordinary shares declared and paid during the period:			
Final dividend (declared and paid): 4.28p (H1 FY23: 4.28p)	**42.8**	42.8	-
Proposed dividends			
(not recognised as a liability at H1 Sep 24 and H1 FY23)			
Interim dividend: 1.56p (H1 FY23: 1.56p)	15.4	15.6	*-1%*
Payout ratio %	**81%**	**35%**	*46pts*

Share Buyback
On 14 July 2023 Dr. Martens plc commenced a share buyback programme of £50m. Under the buyback programme shares are repurchased daily. All shares repurchased during a given week are cancelled collectively the following week. Treasury shares are a result of the timing delay between the repurchase and cancellation of these shares.

During the period, the Group repurchased 13.9m shares and cancelled £18.9m of shares (12.5m shares). The cash outflow was £20.4m. The average cost of shares purchased was £1.50.

DETAILED GUIDANCE FOR FY24

- Net new own store openings to be at the top-end of previous guidance; around 35
- Depreciation and amortisation to be around £70m, at the top end of previous guidance
- Net finance costs of c.£30m, compared to previous guidance of c.£25m, driven by higher interest rates and lower average cash than previously expected
- Blended tax rate of c.26%
- Capital expenditure of around £50m, at the bottom end of the previous guidance range of £50-£55m, due to timing of some project spend
- Operating cash conversion of around 80% of EBITDA, compared to previous guidance of more than 100% as we now anticipate that our inventory position with rightsize through the course of FY25

Principal risks
The Board has considered the principal risks and uncertainties which could impact the Group over the remaining half of the financial year. This review has highlighted an increase in macro-economic uncertainty since the FY2023 Annual Report and Accounts. The risk was previously embedded within 'Financial Risks' but it will now be disclosed separately. The principal risks are therefore summarised as follows: Macro-economic uncertainty; Brand and product; Social and environmental; People, culture and change; Supply chain; Information and cyber security; Financial; and Legal and compliance. These are detailed on pages 56 to 59 of the 2023 Annual Report, a copy of which is available on the Company's website at www.drmartensplc.com.

Consolidated Statement of Profit or Loss
For the six months ended 30 September 2023

	Notes	**Unaudited six months ended 30 September 2023 £m**	Unaudited six months ended 30 September 2022 £m	Audited year ended 31 March 2023 £m
Revenue	3	**395.8**	418.6	1,000.3
Cost of sales		**(140.9)**	(160.8)	(382.2)
Gross profit		**254.9**	257.8	618.1
Selling and administrative expenses		**(214.6)**	(192.5)	(441.9)
Finance income[3]		**1.7**	0.4	1.9
Finance expense[3]	4	**(16.2)**	(7.8)	(18.7)
Profit before tax		**25.8**	57.9	159.4
EBITDA[1]	3	**77.6**	88.8	245.0
Depreciation and amortisation[2]		**(37.9)**	(23.3)	(54.2)
Impairment		**-**	-	(3.9)
Exchange gains/(losses)[2]		**0.6**	(0.2)	(10.7)
Net finance expense		**(14.5)**	(7.4)	(16.8)
Profit before tax		**25.8**	57.9	159.4
Tax expense	5	**(6.8)**	(13.2)	(30.5)
Profit for the period		**19.0**	44.7	128.9

		Unaudited six months ended 30 September 2023	Unaudited six months ended 30 September 2022	Audited year ended 31 March 2023
Earnings per share				
Basic	6	**1.9p**	4.5p	12.9p
Diluted	6	**1.9p**	4.5p	12.9p

3. Alternative Performance Measure 'APM' as defined in the Glossary on pages 29 and 30.
4. Exchange gains(losses) were previously combined with depreciation and amortisation in Sep 22.
5. Finance income and expense were previously combined net in Sep 22.

The results for the periods presented above are derived from continuing operations and are entirely attributable to the owners of the Parent Company.

The notes on pages 18 to 27 form part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income
For the six months ended 30 September 2023

	Notes	**Unaudited six months ended 30 September 2023 £m**	Unaudited six months ended 30 September 2022 £m	Audited year ended 31 March 2023 £m
Profit for the period		**19.0**	44.7	128.9
Other comprehensive income/(expense)				
Items that may subsequently be reclassified to profit or loss				
Currency translation differences		**1.2**	17.3	5.5
Cash flow hedges: Fair value movements in equity		**(0.7)**	-	-
Cash flow hedges: Reclassified and reported in profit or loss		**2.3**	(3.9)	(0.6)
Tax in relation to unexercised share options	5	**(0.1)**	-	-
Tax in relation to cash flow hedges	5	**(0.3)**	-	0.2
		2.4	13.4	5.1
Total comprehensive income for the period		**21.4**	58.1	134.0

The notes on pages 18 to 27 form part of these consolidated financial statements.

Consolidated Balance Sheet
As at 30 September 2023

	Notes	**Unaudited 30 September 2023 £m**	Unaudited 30 September 2022 £m	Audited 31 March 2023 £m
Non-current assets				
Intangible assets[1]		**265.5**	265.1	265.6
Property, plant and equipment	8	**64.4**	47.7	61.3
Right-of-use assets	8	**195.0**	133.9	144.1
Investments		**1.0**	-	1.0
Deferred tax assets		**11.0**	11.0	11.8
		536.9	457.7	483.8
Current assets				
Inventories		**314.5**	261.4	257.8
Trade and other receivables		**121.6**	111.9	93.0
Income tax assets		**8.7**	10.8	-
Derivative financial assets		**1.0**	6.5	0.5
Cash and cash equivalents		**45.7**	133.0	157.5
		491.5	523.6	508.8
Total assets		**1,028.4**	981.3	992.6
Current liabilities				
Trade and other payables		**(124.8)**	(183.1)	(127.7)
Borrowings	9	**(33.0)**	(3.3)	(6.0)
Lease liabilities	12	**(40.0)**	(25.1)	(28.1)
Derivative financial liabilities		**(2.8)**	(3.6)	(1.3)
Income tax payable		**(0.8)**	(3.8)	(1.4)
		(201.4)	(218.9)	(164.5)
Non-current liabilities				
Borrowings[2]	9	**(289.6)**	(292.9)	(293.4)
Lease liabilities	12	**(167.1)**	(117.7)	(124.3)
Provisions	10	**(4.9)**	(3.6)	(4.4)
Derivative financial liabilities		**-**	(0.9)	-
Deferred tax liabilities		**(1.8)**	(0.8)	(1.8)
		(463.4)	(415.9)	(423.9)
Total liabilities		**(664.8)**	(634.8)	(588.4)
Net assets		**363.6**	346.5	404.2
Equity attributable to the owners of the Parent				
Share capital	14	**9.9**	10.0	10.0
Treasury shares[3]	15	**(2.0)**	-	-
Hedging reserve		**0.8**	(4.0)	(0.5)
Capital reserve – own shares		**-**	-	-
Capital redemption reserve		**0.1**	-	-
Merger reserve		**(1,400.0)**	(1,400.0)	(1,400.0)
Foreign translation reserve		**13.7**	24.3	12.5
Retained earnings		**1,741.1**	1,716.2	1,782.2
Total equity		**363.6**	346.5	404.2

1. Included in intangible assets is goodwill of £240.7m Sep 22: £240.7m, Mar 23: £240.7m).
2. Bank debt is net of £2.9m (Sep 22: £4.1m, Mar 23: £3.4m) of unamortised bank fees.
3. On 14 July 2023 Dr. Martens plc announced a share buyback programme. Treasury shares are a result of a timing delay between the repurchase of shares under this programme, and the subsequent cancellation of these shares.

The notes on pages 18 to 27 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
For the six months ended 30 September 2023

	Share capital	Treasury shares[1]	Hedging reserve	Capital reserve – own shares	Capital redemption reserve	Merger reserve	Foreign translation reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 31 March 2022	**10.0**	**-**	**(0.1)**	**-**	**-**	**(1,400.0)**	**7.0**	**1,711.3**	**328.2**
Comprehensive income		-							
Profit for the period	-	-	-	-	-	-	-	44.7	**44.7**
Other comprehensive income/(expense)	-	-	(3.9)	-	-	-	17.3	-	**13.4**
Total comprehensive income/(expense) for the period	-	-	(3.9)	-	-	-	17.3	44.7	**58.1**
Dividends paid	-	-	-	-	-	-	-	(42.8)	**(42.8)**
Share-based payments	-	-	-	-	-	-	-	3.0	**3.0**
At 30 September 2022	**10.0**	**-**	**(4.0)**	**-**	**-**	**(1,400.0)**	**24.3**	**1,716.2**	**346.5**
Comprehensive income									
Profit for the period	-	-	-	-	-	-	-	84.2	**84.2**
Other comprehensive income/(expense)	-	-	3.5	-	-	-	(11.8)	-	**(8.3)**
Total comprehensive income/(expense) for the period	-	-	3.5	-	-	-	(11.8)	84.2	**75.9**
Dividends paid	-	-	-	-	-	-	-	(15.6)	**(15.6)**
Share-based payments	-	-	-	-	-	-	-	(2.6)	**(2.6)**
At 31 March 2023	**10.0**	**-**	**(0.5)**	**-**	**-**	**(1,400.0)**	**12.5**	**1,782.2**	**404.2**
Comprehensive income									
Profit for the period	-	-	-	-	-	-	-	19.0	**19.0**
Other comprehensive income	-	-	1.3	-	-	-	1.2	(0.1)	**2.4**
Total comprehensive income for the period	-	-	1.3	-	-	-	1.2	18.9	**21.4**
Dividends paid	-	-	-	-	-	-	-	(42.8)	**(42.8)**
Share-based payments	-	-	-	-	-	-	-	1.9	**1.9**
Shares issued	-	-	-	-	-	-	-	-	**-**
Repurchase of ordinary share capital	-	(20.9)	-	-	-	-	-	(0.2)	**(21.1)**
Cancellation of repurchased ordinary share capital	(0.1)	18.9	-	-	0.1	-	-	(18.9)	**-**
At 30 September 2023	**9.9**	**(2.0)**	**0.8**	**-**	**0.1**	**(1,400.0)**	**13.7**	**1,741.1**	**363.6**

1. On 14 July 2023 Dr. Martens plc announced a share buyback programme. Treasury shares are a result of a timing delay between the repurchase of shares under this programme, and the subsequent cancellation of these shares.

The notes on pages 18 to 27 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the six months ended 30 September 2023

	Notes	**Unaudited six months ended 30 September 2023 £m**	Unaudited six months ended 30 September 2022 £m	Audited year ended 31 March 2023 £m
Profit after taxation		**19.0**	44.7	128.9
Add back: income tax expense	5	**6.8**	13.2	30.5
finance income		**(1.7)**	(0.4)	(1.9)
finance expense		**16.2**	7.8	18.7
depreciation, amortisation and impairment		**37.9**	23.3	58.1
net exchange (gains)/losses		**(0.6)**	0.2	10.7
share-based payments charge		**1.9**	3.0	0.5
Increase in inventories		**(55.5)**	(120.9)	(133.2)
Increase in trade and other receivables		**(28.5)**	(7.2)	(6.6)
(Decrease)/increase in trade and other payables		**(3.6)**	27.7	(6.1)
Change in net working capital		**(87.6)**	(100.4)	(145.9)
Cash flows from operating activities				
Cash (used in)/generated from operations		**(8.1)**	(8.6)	99.6
Taxation paid		**(15.4)**	(14.1)	(22.3)
Cash (used in)/generated from operating activities		**(23.5)**	(22.7)	77.3
Cash flows from investing activities				
Additions to intangible assets		**(4.5)**	(6.4)	(11.8)
Additions to property, plant and equipment		**(11.8)**	(12.9)	(39.6)
Finance income received		**1.8**	-	1.6
Capital contributions received for right-of-use assets		**-**	-	0.2
Purchase of equity investment		**-**	-	(1.0)
Cash used in investing activities		**(14.5)**	(19.3)	(50.6)
Cash flows from financing activities				
Finance expense paid	4	**(9.1)**	(2.1)	(7.2)
Payment of lease interest	12	**(4.6)**	(2.1)	(4.8)
Payment of lease liabilities	12	**(20.7)**	(10.6)	(29.1)
Repurchase of shares	15	**(20.4)**	-	-
Revolving credit facility drawdown		**30.0**	-	-
Revolving credit facility repayment		**(5.0)**	-	-
Dividends paid	7	**(42.8)**	(42.8)	(58.4)
Cash used in financing activities		**(72.6)**	(57.6)	(99.5)
Net decrease in cash and cash equivalents		**(110.6)**	(99.6)	(72.8)
Cash and cash equivalents at beginning of the period		**157.5**	228.0	228.0
Effect of exchange on cash held		**(1.2)**	4.6	2.3
Cash and cash equivalents at end of the period		**45.7**	133.0	157.5

The notes on pages 18 to 27 form part of these consolidated financial statements.

Consolidated Non-GAAP Statement of Cash Flows

	Notes	**Unaudited six months ended 30 September 2023 £m**	Unaudited six months ended 30 September 2022 £m	Audited year ended 31 March 2023 £m
EBITDA[1]	3	**77.6**	88.8	245.0
Change in net working capital[2]		**(85.7)**	(97.4)	(145.4)
Capital expenditure		**(16.3)**	(19.3)	(51.2)
Operating cash flow[1]		**(24.4)**	(27.9)	48.4
Net interest paid		**(7.3)**	(2.1)	(5.6)
Payment of lease liabilities and interest[3]	12	**(25.3)**	(12.7)	(33.9)
Taxation		**(15.4)**	(14.1)	(22.3)
Purchase of equity investment		**-**	-	(1.0)
Repurchase of shares	15	**(20.4)**	-	-
Net revolving credit facility drawdown		**25.0**	-	-
Dividends paid	7	**(42.8)**	(42.8)	(58.4)
Net cash flow		**(110.6)**	(99.6)	(72.8)
Opening cash		**157.5**	228.0	228.0
Net cash exchange		**(1.2)**	4.6	2.3
Cash and cash equivalents at end of the period		**45.7**	133.0	157.5

1. Alternative Performance Measures as defined in the Glossary on pages 29 and 30.
2. Included in working capital are share-based payments.
3. Includes interest of £4.6m (Sep 22: £2.1m, Mar 23: £4.8m).

Notes to the Consolidated Interim Financial Statements
For the six months ended 30 September 2023

1. General information

Dr. Martens plc (the 'Company') is a public company limited by shares incorporated in the United Kingdom, and registered and domiciled in England and Wales, whose shares are traded on the London Stock Exchange. The Company's registered office is: 28 Jamestown Road, Camden, London NW1 7BY. The principal activity of the Company and its subsidiaries (together referred to as the 'Group') is the design, development, procurement, marketing, selling and distribution of footwear, under the Dr. Martens brand.

2. Accounting policies

The principal accounting policies adopted in the preparation of the Consolidated Interim Financial Statements are the same as those set out in the Group's Annual Financial Statements for the year ended 31 March 2023 other than for the areas noted below. The interim financial information is presented in GBP and to the nearest million pounds (to one decimal place) unless otherwise noted.

Taxation

As per the requirements of IAS 34 (Interim Financial Reporting) paragraph 16A9a), the estimated effective tax rate for the full year has been applied to taxable profits.

Share buyback

Where the Company purchases any of its own equity instruments, for example, pursuant to the share buyback programme, the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the owners of the company. The repurchased shares are recognised as treasury shares until the shares are cancelled. As at 30 September 2023, the company still had control over whether the programme would continue and therefore, no liability is recognised.

Basis of preparation

The condensed Consolidated Interim Financial Statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority, and with UK-adopted International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The interim results for the six months ended 30 September 2023 and the comparatives for the six months ended 30 September 2022 are unaudited but have been reviewed by the auditors. A copy of their review report has been included at the end of this report.

The financial information for the year ended 31 March 2023 has been extracted from the Group financial statements for that period and does not constitute statutory accounts as defined in section 434 of the Companies Act. These published financial statements were reported on by the auditors without qualification or an emphasis of matter reference and did not include a statement under section 498(2) or (3) of the Companies Act 2006 and have been delivered to the Registrar of Companies.

The Consolidated Interim Financial Statements have been prepared under the historical cost convention, except for derivative financial instruments and pension scheme assets that have been measured at fair value.

In preparing the Consolidated Interim Financial Statements management has considered the impact of climate change, particularly in the context of the financial statements as a whole, in addition to disclosures included in the Strategic Report of the Group financial statements for the year ended 31 March 2023. Climate change remains as an emerging risk and is not expected to have a significant impact on the Group's going concern assessment to 31 March 2024.

Significant judgements and sources of estimation uncertainty

The Group's significant judgements and key sources of estimation uncertainty are consistent with those disclosed in the Group's latest audited financial statements.

Going concern

The interim consolidated financial information has been prepared on the going concern basis. The Directors' assessment is based on detailed trading and cash flow forecasts, including forecast liquidity and covenant compliance. The period of management's assessment is a 16-month period from the date of the signing of the consolidated financial statements (the going concern period) to 31 March 2025 and the going concern basis is dependent on the Group maintaining adequate levels of resources to operate during the period.

The Directors also considered the Group's funding arrangements at 30 September 2023 with cash of £45.7m, available undrawn facilities of £171.7m and bullet debt repayment of £292.5m not due until 2 February 2026.

FY24 started with a continuing challenging global macroeconomy and weak consumer sentiment particularly in America. Global recovery remains slow with growing divergences of impacts on our core markets making it a challenge to return to pre-pandemic growth.

The first half of FY24 was a difficult trading environment particularly in America with good DTC growth in a number of our core markets, particularly in EMEA, resulting in DTC mix expansion +7%pts. There was strong ecommerce growth in EMEA and APAC, with improved conversion and traffic growth. Retail growth was led by maturing stores with continued footfall recovery in EMEA and APAC, but footfall decline in America. We were encouraged to see that the underlying core fundamentals of the DOCS strategy continued to be in line with expectation. The H1 decline in revenue was mainly from lower wholesale with planned volume reduction of etailers in EMEA, a decision not to renew China distributor contract and lower wholesale revenues in America due to industry wide destocking. Gross margins growth was supported by strong supply chain savings of c.£10m with price increases finding inflation.

In EMEA inflation started to ease as a result of a decline of energy prices and moderating inflationary pressures. Russia's ongoing aggression against Ukraine however continues to pose risks and remains a source of uncertainty. Mounting climate risks, illustrated by extreme weather conditions and unprecedented wildfires and floods in the summer, also weigh on the outlook. In America, the landscape continued to be increasingly uncertain with weak consumer spending. The first half was also impacted by unseasonable warm weather. The consumer in America is very cautious and we do not expect significant improvement in the short/midterm, with a risk of customer sentiment deteriorating further given the recent conflict in the Middle East. In APAC the outlook remains more balanced with recovery from the pandemic slow and gradual.

2. Accounting policies (continued)

Going concern (continued)

As a result, the Directors will maintain a cautious outlook through the second half and beyond and will react appropriately to further developments and associated risks (across ecommerce, retail and wholesale channels). The Directors however remain confident in the long-term growth prospects, cash generative nature of the business, and strong balance sheet, with low risk from the higher than optimal inventory levels due the inventory profile of core product (minimal mark down risk). The Group is operationally strong with a long track record consistently generating profits and cash which is expected to continue over the short and long term. The principal measure of future strength is in relation to our brand and key metrics and brand survey together with our economic strength gives confidence on our future growth prospects.

The Directors analyse the prospects of the Group by reference to its current financial position, recent trading trends and momentum, detailed trading and cashflow forecasts including forecast liquidity and covenant compliance, strategy, economic model and the principal risks, monitoring a number of consumer confidence metrics across all core markets. Detailed forecasts are prepared and plans for the assessment period taking into account experiences of trading through the period to September 2023, including the impact of the continued current global economic uncertainty, high inflation on profitability, and cash flow and covenant compliance.

As part of the going concern assessment, management have modelled, and the Directors have reviewed a base case and a severe but plausible downside scenario with no planned cost or working capital mitigation (including the payment of dividends).

Our central planning assumptions in the base case are:
Micro:
- Store growth in key markets will continue to be led by traffic recovery back towards pre Covid-19 levels, though America will have the slowest recovery, with a step improvement in ecommerce awareness also continuing in conjunction with new store openings
- Price increases do not materially impact demand and funds inflation
- Inventory to be right sized for forward demand through FY25
- All DCs and factories remain open and operational throughout the year

Macro:
- No material change to the global political situation /war in Ukraine/Middle East
- No material deterioration in climate risk with respect to extreme weather
- Higher inflation to remain (with associated higher interest rates) with no marked stepped improvement in consumer confidence in EMEA or America

The severe but plausible downside scenario includes a low base case, where revenue and EBITDA have been reduced for risks and challenging trading environment identified above, to reflect further weakening of consumer demand, particularly America, with no mitigation (but includes dividend payments), and a decline in both revenue and EBITDA in FY25 to reflect continuation of weakened consumer demand.

Should this severe but plausible downside scenario occur then mitigating actions could also be taken including, (but not limited to) cancellation of pay awards, reduced capital expenditure and reduced marketing spend. Under this scenario dividends could be maintained but would be reviewed if required. In the severe but plausible downside scenario, the Group continues to have satisfactory liquidity and significant covenant headroom throughout the 16-month period under review. A more extreme downside scenario is not considered plausible.

In addition, a reverse stress test has been modelled to determine what could break covenant compliance estimates and liquidity before any mitigating actions. To model these reverse stress tests the impact on revenue of zero covenant headroom and zero liquidity was calculated at the end of FY25 from the base case. Under the covenant breach test, it is concluded that the business could weather extreme growth reductions without mitigation, -33pts of revenue growth in FY25 before covenants are breached. Similarly, the business would have to experience -87pts revenue growth reduction in FY25 before zero cash headroom is reached. Under both tests modelled, there were no mitigating actions (including dividend payments) modelled and the resulting revenues calculated and likelihood of occurring have been considered. The Directors have assessed the likelihood of occurrence to be remote.

In adopting the going concern basis for preparing the consolidated financial statements, the Directors have considered the business activities as well as the principal risks and uncertainties faced by the business. Based on the Group trading and cashflow forecasts, the Directors have reasonable expectation that the Group has an adequate level of resources to continue in operational existence during the period under review.

Adoption of new and revised standards

A number of new or amended standards became applicable for the current reporting period. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods:
- Amendments to IAS 1 – Classification of liabilities as current, and disclosure of accounting policies
- Amendments to IAS 8 – Definition of accounting estimates
- Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction.
- Amendments to IAS 12 – Pillar two model rules
- Implementation of IFRS 17.

New standards and interpretations not yet applied

The following new or amended IFRS accounting standards, amendments and interpretations are not yet adopted and it is expected that where applicable, these standards and amendments will be adopted on each respective effective date:
- Amendments to IAS 1 – Presentation of financial statements: non-current liabilities with covenants
- Amendments to IFRS 16 – Leases on sale and leaseback

These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods.

3. Segmental Analysis

IFRS 8 'Operating Segments' requires operating segments to be determined by the Group's internal reporting to the Chief Operating Decision Maker (CODM). The CODM has been determined to be both the CEO and CFO, who receive information on this basis of the Group's revenue in key geographical regions based on the Group's management and internal reporting structure. The CODM assesses the performance of geographical segments based on a measure of revenue and EBITDA[2]. To increase transparency the Group also includes additional voluntary disclosure analysis of global revenue within different operating channels. Included within EMEA is revenue attributable to Airwair International Limited and Airwair Wholesale Limited, the principal UK trading subsidiaries of Dr. Martens plc, with revenue from retail stores in Continental Europe and wholesale and export customers, America revenue is fully attributable to the USA and Canada, and APAC revenue is mainly attributable to Japan, Australia, China, Hong Kong and South Korea. The types of products from which each reportable segment derives its revenue are consistent across all segments. The Group typically generates approximately 60% of total revenue in the second half reflecting the peak Q3 DTC trading period and, as a result of the stronger gross margin structure of DTC compared to wholesale, EBITDA margins are higher in the second half of the year.

	Unaudited six months ended 30 September 2023 £m	Unaudited six months ended 30 September 2022 £m	Audited year ended 31 March 2023 £m
Revenue by geographical market[1]			
EMEA	**194.2**	179.0	443.0
America	**147.7**	179.7	428.2
APAC	**53.9**	59.9	129.1
Total revenue	**395.8**	418.6	1,000.3

1. Revenue by geographical market represents revenue from external customers, there is no inter-segment revenue.

	Unaudited six months ended 30 September 2023 £m	Unaudited six months ended 30 September 2022 £m	Audited year ended 31 March 2023 £m
EBITDA[2] by geographical market			
EMEA	**55.8**	52.8	146.1
America	**28.6**	41.4	100.1
APAC	**12.2**	13.1	33.8
Support costs	**(19.0)**	(18.5)	(35.0)
EBITDA[2]	**77.6**	88.8	245.0
Amortisation of intangibles	**(4.6)**	(3.4)	(8.4)
Depreciation of property, plant and equipment	**(7.9)**	(6.3)	(13.6)
Depreciation of right-of-use assets	**(25.4)**	(13.6)	(32.2)
Impairment of property, plant and equipment	**-**	-	(0.6)
Impairment of right-of use assets	**-**	-	(3.3)
Exchange gains/(losses)	**0.6**	(0.2)	(10.7)
Depreciation, amortisation, impairment & exchange gains/(losses)	**(37.3)**	(23.5)	(68.8)
Finance income and expense	**(14.5)**	(7.4)	(16.8)
Profit before tax	**25.8**	57.9	159.4

2. Alternative Performance Measure 'APM' as defined in the Glossary on pages 29 and 30.

	Unaudited six months ended 30 September 2023 £m	Unaudited six months ended 30 September 2022 £m	Audited year ended 31 March 2023 £m
Revenue by channel			
Ecommerce	**91.7**	88.8	279.0
Retail	**104.7**	91.0	241.7
DTC	**196.4**	179.8	520.7
Wholesale	**199.4**	238.8	479.6
Total	**395.8**	418.6	1,000.3

	Unaudited six months ended 30 September 2023 £m	Unaudited six months ended 30 September 2022 £m	Audited year ended 31 March 2023 £m
Non-current assets			
EMEA[1]	**163.2**	125.5	143.3
America	**105.4**	68.4	72.6
APAC	**16.6**	12.1	15.4
Goodwill	**240.7**	240.7	240.7
Deferred tax	**11.0**	11.0	11.8
Total non-current assets	**536.9**	457.7	483.8

1. Included in the EMEA non-current assets is £83.8m (Sep 22: £64.5m, Mar 23: £79.4m) in relation to the UK legal entities.

4. Finance expense

	Unaudited six months ended 30 September 2023 £m	Unaudited six months ended 30 September 2022 £m	Audited year ended 31 March 2023 £m
Bank debt and other charges[1,2]	**11.0**	5.1	12.7
Interest on lease liabilities	**4.6**	2.1	4.8
Amortisation of bank loan issue costs	**0.6**	0.6	1.2
Total financing expense	**16.2**	7.8	18.7

1. Bank debt and charges and other interest charges were £11.0m (Sep 22: £5.1m Mar 23: £12.7m), compared to interest paid in the period of £9.1m (Sep 22: £2.1m; Mar 23 £7.2m), with the difference of £1.9m (Sep 22: £3.0m; Mar 23: £5.5m) relating to timing of interest payments on the debt.
2. Interest income of £1.7m (Sep 22: £0.4m, Mar 23: £2.1m) was previously included within 'Bank debt and charges'.

5. Tax expense

The Group calculates the period tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of tax expense in the Consolidated Statement of Profit or Loss are:

	Unaudited six months ended 30 September 2023 £m	Unaudited six months ended 30 September 2022 £m	Audited year ended 31 March 2023 £m
Current tax			
Current tax on UK profit for the period	**5.5**	10.5	28.1
Adjustment in respect of prior periods	**(0.2)**	1.1	(1.7)
Current tax on overseas profits for the period	**1.5**	2.1	4.3
	6.8	13.7	30.7
Deferred tax			
Origination and reversal of temporary differences	**(0.1)**	(0.7)	(1.0)
Adjustment in respect of prior periods	**0.1**	0.2	0.8
	-	(0.5)	(0.2)
Total tax expense in the Consolidated Statement of Profit or Loss	**6.8**	13.2	30.5
Other Comprehensive Income			
Tax in relation to unexercised share options	**0.1**	-	-
Tax in relation to cash flow hedges	**0.3**	-	(0.2)
Total tax expense in the Consolidated Statement of Comprehensive Income	**7.2**	13.2	30.3

	Unaudited six months ended 30 September 2023 £m	Unaudited six months ended 30 September 2022 £m	Audited year ended 31 March 2023 £m
Factors affecting the tax expense for the period			
Profit before tax	**25.8**	57.9	159.4
Profit before tax multiplied by standard rate of UK corporation tax of 25% (Mar 23 and Sep 22: 19%)	**6.5**	11.0	30.3
Effects of:			
Non-deductible expenses	**0.4**	0.1	0.2
Effect of change in UK tax rate	**-**	-	0.1
Share based payments	**(0.1)**	-	0.1
Difference in foreign tax rates	**0.3**	0.9	0.8
Other adjustments	**(0.2)**	(0.1)	(0.1)
Adjustments in respect of prior periods[1]	**(0.1)**	1.3	(0.9)
Total tax expense in the Consolidated Statement of Profit or Loss	**6.8**	13.2	30.5
Effective tax rate	**26.4%**	*22.8%*	*19.1%*
Other Comprehensive Income			
Tax in relation to unexercised share options	**0.1**	-	-
Tax in relation to cash flow hedges	**0.3**	-	(0.2)
Total tax expense in the Consolidated Statement of Comprehensive Income	**7.2**	13.2	30.3

1. The adjustments in respect of prior periods are in relation to current and deferred tax on temporary differences.

Factors that may affect future tax charges

The Group is within the scope of the OECD Pillar two model rules. Pillar two legislation was recently substantively enacted in some of the territories in which the Group operates and will come into effect in these territories from 1 January 2024. On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The Group has applied the exception allowed by an amendment to IAS 12 to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes.

6. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders of the Parent Company divided by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

	Unaudited six months ended 30 September 2023 £m	Unaudited six months ended 30 September 2022 £m	Audited year ended 31 March 2023 £m
Profit after tax	**19.0**	44.7	128.9

	Unaudited six months ended 30 September 2023 No.	Unaudited six months ended 30 September 2022 No.	Audited year ended 31 March 2023 No.
Weighted average number of shares for calculating basic earnings per share (millions)	**998.8**	1,000.3	1,000.5
Potentially dilutive share awards (millions)	**3.2**	4.4	0.7
Weighted average number of shares for calculating diluted earnings per share (millions)	**1,002.0**	1,004.7	1,001.2

	Unaudited six months ended 30 September 2023	Unaudited six months ended 30 September 2022	Audited year ended 31 March 2023
Earnings per share			
Basic earnings per share	**1.9p**	4.5p	12.9p
Diluted earnings per share	**1.9p**	4.5p	12.9p

During the 6 months to 30 September 2023 the Group repurchased 13.9m shares. The cash outflow was £20.4m, with an additional £0.7m of accrued expenditure at period end, resulting in a total cost of £21.1m (including transaction costs of £0.2m) pursuant to the share buyback scheme that was announced on 14 July 2023.

7. Dividends

	Unaudited six months ended 30 September 2023 £m	Unaudited six months ended 30 September 2022 £m	Audited year ended 31 March 2023 £m
Equity dividends on ordinary shares declared and paid during the period/year:			
Final dividend paid for FY23: 4.28p (Sep 22 and Mar 23: 4.28p)	**42.8**	42.8	42.8
Interim dividend paid for FY24: nil (Sep 22: nil; Mar 23: 1.56p)	**-**	-	15.6
Total dividends paid during the period/year	**42.8**	42.8	58.4
Proposed dividends			
(not recognised as a liability Sep 23, Sep 22 or Mar 23)			
Interim dividend proposed of 1.56p (Sep 22: 1.56p, Mar 23: nil)	**15.4**	15.6	-
Final dividend proposed of nil (Sep 22: nil, Mar 23: 4.28p)	**-**	-	42.8
Total dividends proposed during the period/year	**15.4**	15.6	42.8
Dividends as a % of earnings	**81%**	35%	45%
Dividend per share			
Interim dividend	**1.56p**	1.56p	1.56p
Final dividend	**-**	-	4.28p
Total dividend per share	**1.56p**	1.56p	5.84p

The Board has approved and the Company has declared an interim dividend of 1.56 pence per share (H1 FY23: 1.56 pence) equating to a 81% (H1 FY23: 35%) earnings payout. The Dr. Martens plc International Share Incentive Plan Trust has waived all dividends payable by the Company in respect of the ordinary shares it holds. The interim dividend will be paid to shareholders on the register as at 5 January 2024 with payment on 2 February 2024.

Notes to the Consolidated Interim Financial Statements (continued)
For the six months ended 30 September 2023

8. Property, plant and equipment and right-of-use assets

Movements in property, plant and equipment since 31 March 2023 predominantly relate to additions of £11.0m and depreciation charged of £7.9m.

	Unaudited six months ended 30 September 2023 £m	Unaudited six months ended 30 September 2022 £m	Audited year ended 31 March 2023 £m
Net book value:			
Freehold property and improvements	**7.4**	6.8	7.4
Leasehold improvements	**41.5**	33.8	37.6
Plant and machinery	**12.0**	3.9	12.8
Office equipment	**3.5**	3.2	3.5
	64.4	47.7	61.3

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Right-of-use assets £m
Cost or valuation	
At 31 March 2022	**159.5**
Additions[1]	**66.3**
Reassessments of leases	**5.5**
Reclassification from intangible assets	**0.2**
Disposals	**(0.8)**
Exchange	**4.7**
At 31 March 2023	**235.4**
Additions[1]	**70.1**
Reassessment of leases[2]	**7.2**
Exchange	**(2.9)**
At 30 September 2023	**309.8**
Depreciation and impairment	
At 31 March 2022	**54.0**
Charge for the period	**32.2**
Impairment[3]	**3.3**
Exchange	**1.8**
At 31 March 2023	**91.3**
Charge for the period	**25.4**
Exchange	**(1.9)**
At 30 September 2023	**114.8**
Net book value	
At 30 September 2023	**195.0**
At 31 March 2023	144.1

1. Additions include £0.8m of direct costs (Sep 22: £0.8m, Mar 23: £3.2m) and £0.6m (Sep 22: £1.3m, Mar 23: £2.7m) in relation to costs of removal and restoring.
2. Lease reassessments relate to measurement adjustments for rent reviews and stores that have exercised lease breaks.
3. During FY23, impairment charge was mainly in relation to three stores in the US where footfall recovery, in their locality, was weak, and they were written down to £nil.

9. Borrowings

	Unaudited six months ended 30 September 2023 £m	Unaudited six months ended 30 September 2022 £m	Audited year ended 31 March 2023 £m
Current			
Revolving credit facility drawdown	**25.0**	-	-
Bank interest	**8.0**	3.3	6.0
Borrowings	**33.0**	3.3	6.0
Lease liabilities	**40.0**	25.1	28.1
Total current	**73.0**	28.4	34.1
Non-current			
Bank loans (net of unamortised bank fees)[2]	**289.6**	292.9	293.4
Lease liabilities	**167.1**	117.7	124.3
Total non-current	**456.7**	410.6	417.7
Total borrowings[1]	**529.7**	439.0	451.8

1. From total borrowings, only bank loans (excluding unamortised bank fees) and the revolving credit facility drawdown and lease liabilities are included in debt for bank loan covenant calculation purposes.
2. Bank debt is net of £2.9m (Sep 22: £4.1m, Mar 23: £3.4m) of unamortised bank fees.

9. Borrowings (continued)

Analysis of bank loan:			
Non-current bank loans (net of unamortised bank fees)	**289.6**	292.9	293.4
Add back unamortised bank fees	**2.9**	4.1	3.4
Total gross bank loan	**292.5**	297.0	296.8

On 29 January 2021, the Group entered into a Facilities Agreement comprising a new term B loan facility of €337.5m (equivalent to £300.0m at that date) and a new multi-currency revolving credit facility of £200.0m. These facilities have a maturity date of 2 February 2026. Included within this agreement is a committed ancillary facility of which £3.3m (Sep 22: £4.1m) has been utilised primarily related to landlord bank guarantees.

At 30 September 2023 the Group had utilised £25.0m (Sep 22: £nil, Mar 23: £nil) of drawn debt under the revolving credit facility to support short-term working capital requirements.

The Group value of the bank loan as at 30 September 2023 (excluding unamortised bank fees and accrued interest) of £292.5m (Sep 22: £297.0) is £7.5m lower (Sep 22: £3.0m lower) than the amount borrowed on 29 January 2021 due to an appreciation of the sterling Euro exchange rate movement. The Group's total gross bank borrowings (excluding lease liabilities) is denominated in Euros and loan repayments will occur in February 2026.

10. Provisions

Provisions as at 30 September 2023 of £4.9m (31 March 2023: £4.4m) consist of property provisions relating to the estimated repair and restoration costs for retail stores at the end of the lease. The provisions are not discounted for the time value of money as this is not considered materially different from the current cost.

11. Financial instruments

IFRS 13 requires the classification of financial instruments measured at fair value to be determined by reference to the source of inputs used to derive fair value.

The fair values of all financial instruments, except for leases, in both periods are materially equal to their carrying values. All financial instruments are classified as amortised cost with the exception of derivatives, cash amounts held within Money Market Funds, and investments in equity instruments which are measured at fair value. Derivatives and Money Market Funds are classified as Level 2 under the fair value hierarchy, and investments in equity instruments as Level 3, which is consistent with that defined in note 2.17 of the Group's consolidated financial statements for the year ended 31 March 2023.

	Unaudited 30 September 2023			
	Assets at amortised cost £m	Fair value through other comprehensive income £m	Fair value through profit or loss £m	Total £m
Assets as per Balance Sheet				
Investments	-	1.0	-	1.0
Trade and other receivables excluding prepayments and accrued income	110.5	-	-	110.5
Derivative financial assets – Current	-	1.0	-	1.0
Cash and cash equivalents	32.1	-	13.6[1]	45.7
	142.6	2.0	13.6	158.2

1. A proportion of cash is invested in high-quality overnight money market funds to mitigate concentration and counterparty risk.

	Liabilities at amortised cost £m	Fair value through other comprehensive income £m	Fair value through profit or loss £m	Total £m
Liabilities as per Balance Sheet				
Bank debt	289.6	-	-	289.6
Borrowings – Current	33.0	-	-	33.0
Lease liabilities – Current	40.0	-	-	40.0
Lease liabilities – Non-current	167.1	-	-	167.1
Derivative financial liabilities – Current	-	2.8	-	2.8
Trade and other payables excluding non-financial liabilities (mainly tax and social security costs)	110.5	-	-	110.5
	640.2	2.8	-	643.0

Notes to the Consolidated Interim Financial Statements (continued)
For the six months ended 30 September 2023

11. Financial instruments (continued)

	Audited 31 March 2023			
	Assets at amortised cost £m	**Fair value through other comprehensive income £m**	**Fair value through profit or loss £m**	**Total £m**
Assets as per Balance Sheet				
Investments	-	1.0	-	**1.0**
Trade and other receivables excluding prepayments and accrued income	86.3	-	-	**86.3**
Derivative financial assets – Current	-	0.5	-	**0.5**
Cash and cash equivalents	86.3	-	71.2[1]	**157.5**
	172.6	**1.5**	**71.2**	**245.3**

1. A proportion of cash is invested in high-quality overnight money market funds to mitigate concentration and counterparty risk.

	Liabilities at amortised cost £m	**Fair value through other comprehensive income £m**	**Fair value through profit or loss £m**	**Total £m**
Liabilities as per Balance Sheet				
Bank debt	293.4	-	-	**293.4**
Bank interest – Current	6.0	-	-	**6.0**
Lease liabilities – Current	28.1	-	-	**28.1**
Lease liabilities – Non-current	124.3	-	-	**124.3**
Derivative financial liabilities – Current	-	1.3	-	**1.3**
Trade and other payables excluding non-financial liabilities (mainly tax and social security costs)	115.7	-	-	**115.7**
	567.5	**1.3**	**-**	**568.8**

12. Leases

Set out below are the carrying amounts of lease liabilities (included under borrowings – lease liabilities) and the movements during the period:

	Unaudited six months ended 30 September 2023 £m	Unaudited six months ended 30 September 2022 £m	Audited year ended 31 March 2023 £m
At start of period	**152.4**	112.9	112.9
Additions	**68.5**	27.0	60.6
Reassessments	**7.4**	4.1	5.5
Disposals	**-**	(0.8)	(0.8)
Interest expense (note 4)	**4.6**	2.1	4.8
Lease capital and interest repayments	**(25.3)**	(12.7)	(33.9)
Exchange	**(0.5)**	10.2	3.3
At end of period	**207.1**	142.8	152.4
Current	**40.0**	25.1	28.1
Non-current	**167.1**	117.7	124.3

12. Leases (continued)

The following amounts were recognised in the Statement of Profit or Loss:

	Unaudited six months ended 30 September 2023 £m	Unaudited six months ended 30 September 2022 £m	Audited year ended 31 March 2023 £m
Depreciation expense of right-of-use assets	**25.4**	13.6	32.2
Interest expense on lease liabilities (note 5)	**4.6**	2.1	4.8
Expenses relating to short-term leases	**0.3**	0.6	1.3
Variable lease payments	**1.1**	0.8	2.8
Total operating expenses recognised in Statement of Profit or Loss	**1.4**	1.4	4.1
Total amount recognised in Statement of Profit or Loss	**31.4**	17.1	41.1

The Group operates its own retail stores via arm's length leasehold arrangements and also leases one warehouse (in the UK) and its offices (apart from one property which is freehold). At 30 September 2023, the average lease term remaining across all property related leases to end of term was 4.9 years (H1 FY23: 5.4 years), and 3.5 years (H1 FY23: 3.4 years) to tenant-only break. The annual rent commitment was £47.8m (H1 FY23: £29.7m) and undiscounted total lease commitment was £235.0m (H1 FY23: £161.4m), reducing to £167.4m (H1 FY23: £100.4m) to lease break.

At 30 September 2023 the Group has right-of-use ('ROU') assets of £195.0m (H1 FY23: £133.9m) and lease liabilities of £207.1m (H1 FY23: £142.8m). This includes 4 DC 3PL contracts that are within the scope of IFRS16.

13. Pensions

Defined contribution scheme
The Group operates a defined contribution pension scheme for its employees. The Group's expenses in relation to this scheme were £2.6m for the six months ended 30 September 2023 (Sep 22: £2.3m) and at 30 September 2023 £0.9m (Sep 22: £1.2m, Mar 23: £0.8m) remained payable to the pension fund.

Defined benefit scheme
Dr Martens Airwair Group Limited and Airwair International Limited operates a pension arrangement called the Dr. Martens Airwair Group Pension Plan (the Plan). The Plan has a defined benefit section that provides benefits based on final salary and length of service on retirement, leaving service or death. The defined benefit section closed to new members on 6 April 2002 and closed to future accrual with effect from 31 January 2006.

The Plan is managed by a board of Trustees appointed in part by Airwair International Limited and in part from elections by members of the Plan. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Plan's assets. The Trustees delegate some of these functions to their professional advisers where appropriate.

The defined benefit section of the Plan is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Plan is carried out at least once every three years to determine whether the Statutory Funding Objective is met. The last valuation was carried out at 30 June 2022 which confirmed that the Plan had sufficient assets to meet the Statutory Funding Objective. The next valuation is due at 30 June 2025. The Statutory Funding Objective does not currently impact on the recognition of the Plan in these accounts.

During the period, no discretionary benefits were awarded. There were no Plan amendments, settlements or curtailments during the period.

The weighted average duration of the defined benefit obligation is approximately 12 years (Mar 23: 13 years). Around 50% of the undiscounted benefits are due to be paid beyond 17 years' time, with the projected actuarial cashflows declining to zero in about 70 years.

Effect of the Plan on Company's future cash flows
Airwair International Limited is required to agree a Schedule of Contributions with the Trustees of the Plan following a valuation, which must be carried out at least once every three years. Following the valuation of the Plan at 30 June 2022, a Schedule of Contributions was agreed under which Airwair International Limited was not required to make any contributions to the defined benefit section of the Plan (other than payments in respect of administrative expenses). Accordingly, Airwair International Limited does not expect to contribute to the defined benefit section of the Plan, although it will continue to contribute to the defined contribution section in line with the Schedule of Contributions. The next valuation of the Plan is due at 30 June 2025. If this reveals a deficit then Airwair International Limited may be required to pay contributions to the Plan to repair the deficit over time.

The amounts recognised in the Balance Sheet are determined as follows:

	Unaudited 30 September 2023 £m	**Unaudited 30 September 2022** £m	Audited 31 March 2023 £m
Amounts recognised in the Balance Sheet			
Fair value of plan assets – defined benefit section	**43.6**	48.5	49.5
Present value of funded obligations - defined benefit section	**(35.1)**	(35.9)	(38.4)
Surplus of funded plans	**8.5**	12.6	11.1
Impact of asset ceiling	**(8.5)**	(12.6)	(11.1)
Net pension asset	**-**	-	-

13. Pensions (continued)

Although the Plan has a surplus, this is not recognised on the grounds that Airwair International Limited is unlikely to derive any future economic benefits from the surplus. As such, an asset ceiling has been applied to the Balance Sheet, and the net surplus of £8.5m (Mar 23: £11.1m) has not been recognised on the balance sheet. The net surplus has been restricted to £nil (Mar 23: £nil).

14. Share Capital

	Unaudited six months ended 30 September 2023		Unaudited six months ended 30 September 2022		Audited year ended 31 March 2023	
	No.	**£**	No.	£	No.	£
Authorised, called up and fully paid						
Ordinary shares of £0.01 each	**988,567,950**	**9,885,680**	1,000,557,598	10,005,576	1,000,793,898	10,007,939

The movements in ordinary share capital during the half year ended 30 September 2023 were as follows:

	Unaudited 30 September 2023	
	No.	**£m**
As at 1 April 2023	**1,000,793,898**	**10.0**
Shares issued	250,751	-
Repurchase and cancellation of ordinary share capital	(12,476,699)	(0.1)
As at 30 September 2023	**988,567,950**	**9.9**

	Unaudited 30 September 2022	
	No.	**No.**
As at 1 April 2022	1,000,222,700	10.0
Shares issued	334,898	-
As at 30 September 2022	**1,000,557,598**	**10.0**

	Audited 31 March 2023	
	No.	**£m**
As at 1 April 2022	1,000,222,700	10.0
Shares issued	571,198	-
As at 31 March 2023	**1,000,793,898**	**10.0**

During the half year ended 30 September 2023 Dr. Martens plc repurchased 13.9m ordinary shares for a cash outflow of £20.4m, with an additional £0.7m of accrued expenditure at period end, resulting in a total cost of £21.1m, including transaction costs of £0.2m, as part of a share repurchase programme announced on 1 July 2023. All shares purchased were for cancellation, with 12.5m shares cancelled and 1.4m shares to be cancelled. The repurchased shares represented 1.4% of ordinary share capital. The number of shares in issue is reduced where shares are repurchased.

15. Treasury Shares

The movements in treasury shares held by the Company during the half year ended 30 September 2023 were as follows:

	Unaudited 30 September 2023	
	No.	**£m**
As at 1 April 2023	110,000	-
Repurchase of shares for cancellation	13,880,002	20.9
Cancellation of shares	(12,476,699)	(18.9)
As at 30 September 2023	**1,513,303**	**2.0**

On 14 July 2023 Dr. Martens plc announced a share buyback programme. All shares repurchased during a given week are cancelled collectively the following week. Treasury shares are a result of the timing delay between the repurchase and cancellation of these shares.

16. Related party transactions

The Group's related party transactions are with key management personnel and other related parties as disclosed in the Group's Annual Report and Accounts for the year to 31 March 2023. There have been no material changes to the Group's related party transactions during the six months to 30 September 2023.

17. Post balance sheet events

The Group has continued with the repurchase and cancellation of shares in line with the share buyback programme that was announced on 14 July 2023.

First half / second half financial summary

	H1			H2	FY
	Unaudited FY24 £m	Unaudited FY23 £m	Variance %	Unaudited FY23 £m	Audited FY23 £m
Revenue by channel:					
Ecommerce	91.7	88.8	*3%*	190.2	279.0
Retail	104.7	91.0	*15%*	150.7	241.7
DTC	196.4	179.8	*9%*	340.9	520.7
Wholesale[3]	199.4	238.8	*(17%)*	240.8	479.6
	395.8	**418.6**	***(5%)***	**581.7**	**1,000.3**
Gross profit	254.9	257.8	*(1%)*	360.3	618.1
EBITDA[1]	**77.6**	**88.8**	***(13%)***	**156.2**	**245.0**
Profit before tax	**25.8**	**57.9**	***(55%)***	**101.5**	**159.4**
Tax expense	(6.8)	(13.2)	*(48%)*	(17.3)	(30.5)
Profit after tax	**19.0**	**44.7**	***(57%)***	**84.2**	**128.9**
Earnings per share					
Basic	1.9p	4.5p	*(58%)*	8.4p	12.9p
Diluted	1.9p	4.5p	*(58%)*	8.4p	12.9p
Key statistics:					
Pairs sold (m)	5.7	6.3	*(9%)*	7.5	13.8
No. of stores[2]	225	174	*29%*	204	204
DTC mix %	50%	43%	*+7pts*	59%	52%
Gross margin %	64.4%	61.6%	*+2.8pts*	61.9%	61.8%
EBITDA[1] %	19.6%	21.2%	*-1.6pts*	26.9%	24.5%
Revenue by region:					
EMEA	194.2	179.0	*8%*	264.0	443.0
America	147.7	179.7	*(18%)*	248.5	428.2
APAC	53.9	59.9	*(10%)*	69.2	129.1
	395.8	**418.6**	***(5%)***	**581.7**	**1,000.3**
Revenue mix:					
EMEA %	*49%*	*43%*	*+6pts*	*45%*	*44%*
America %	*37%*	*43%*	*-6pts*	*43%*	*43%*
APAC %	*14%*	*14%*	*-*	*12%*	*13%*
EBITDA[1] by region:					
EMEA	55.8	52.8	6%	93.3	146.1
America	28.6	41.4	(31%)	58.7	100.1
APAC	12.2	13.1	(7%)	20.7	33.8
Support costs	(19.0)	(18.5)	(3%)	(16.5)	(35.0)
	77.6	88.8	(13%)	*156.2*	*245.0*
EBITDA[1] margin:					
EMEA	*28.7%*	*29.5%*	*-0.8 pts*	*35.3%*	*33.0%*
America	*19.4%*	*23.0%*	*-3.6 pts*	*23.6%*	*23.4%*
APAC	*22.6%*	*21.9%*	*+0.7 pts*	*29.9%*	*26.2%*
Total	*19.6%*	*21.2%*	*-1.6pts*	*26.9%*	*24.5%*

1. EBITDA – earnings before exchange gains/losses, finance income/expense, income tax, depreciation, amortisation, and impairment.
2. Own stores on streets and malls operated under leasehold arrangements.
3. Wholesale revenue including distributor customers.

Glossary and Alternative Performance Measures (APMs)

The Group tracks a number of performance measures (KPIs) including Alternative Performance Measures (APMs) in managing its business, which are not defined or specified under the requirements of IFRS because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measures calculated and presented in accordance with IFRS or are calculated using financial measures that are not calculated in accordance with IFRS.

The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business. These APMs are consistent with how the business performance is planned and reported within the internal management reporting to the Board.

In FY23 the Group disclosed two measures relating to FY22 comparatives which are now no longer relevant to the current or comparative period. The Group is no longer presenting free cash flow as this measure is no longer discussed as a performance measure for the group. Discussed in its place, and considered more relevant, are the other cash flow related performance measures included in the glossary below. The Group is also no longer presenting underlying EPS. In previous years this metric was introduced to present existing performance measures exclusive of exceptional costs and preference share interest. The Group recognised £nil exceptional costs and £nil preference share interest in HY24, FY23 and FY22, and as such, this adjustment measure is no longer relevant.

These APMs should be viewed as supplemental to, but not as a substitute for, measures presented in the consolidated financial statements relating to the Group, which are prepared in accordance with IFRS. The Group believes that these APMs are useful indicators of its performance. However, they may not be comparable with similarly titled measures reported by other companies due to differences in the way they are calculated.

Metric	Definition	Rationale	APM	KPI
Revenue	Revenue per financial statements	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies	No	Yes
Revenue by geographical market Revenue: EMEA Revenue: America Revenue: APAC	Revenue per Group's geographical segments	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies	No	Yes
Revenue by channel Revenue: ecommerce Revenue: retail Revenue: DTC Revenue: wholesale	Revenue from Group's ecommerce platforms Revenue from Group's own stores (including concessions) Revenue from the Group's direct-to-consumer (DTC) channel (= ecommerce plus retail revenue) Revenue from the Group's business-to-business channel, revenue to wholesale customers, distributors and franchisees	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies	No	Yes
Constant currency basis	Non-GBP results with the same exchange rate applied to the current and prior periods, based on the current budgeted rates	Presenting results of the Group excluding exchange volatility	No	No
Gross margin	Revenue less cost of sales (raw materials and consumables) Cost of sales is disclosed in the Consolidated Statement of Profit or Loss	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies	No	No
Gross margin %	Gross margin divided by revenue	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies	Yes	No
Opex	Selling and administrative expenses and finance expenses less depreciation, amortisation, impairment, exchange gains/(losses) and finance income/(expense)	Opex is used to reconcile between gross margin and EBITDA	Yes	No
EBITDA	Profit/(loss) for the year/period before income tax expense, financing income/(expense), exchange gains/(losses), depreciation of right-of-use assets, depreciation, amortisation, impairment and exceptional items. Exceptional items are material items that are considered exceptional in nature by virtue of their size and/or incidence	EBITDA is used as a key profit measure because it shows the results of normal, core operations exclusive of income or charges that are not considered to represent the underlying operational performance	Yes	Yes

Glossary and Alternative Performance Measures (APMs) (continued)

Metric	Definition	Rationale	APM	KPI
EBITDA %	EBITDA divided by revenue	Helps evaluate growth trends, establish budgets and assess operational performance and efficiencies	Yes	Yes
Operating cash flow	EBITDA less change in net working capital, IFRS2 share-based payment expense and capital expenditure	Operating cash flow is used as a trading cash generation measure because it shows the results of normal, core operations exclusive of income or charges that are not considered to represent the underlying operational performance	Yes	Yes
Operating cash flow conversion	Operating cash flow divided by EBITDA	Used to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditure and working capital requirements	Yes	Yes
Consolidated non-GAAP Statement of Cash Flows	Movement in cash flows from EBITDA	To aid the understanding of the reader of the accounts of how the Group's cash and cash equivalents changed during the period, including cash inflows and outflows in the period	Yes	No
Earnings per share	IFRS measure	This indicates how much money a company makes for each share of its stock, and is a widely used metric to estimate company value	No	Yes
Basic earnings per share	The calculation of earnings per ordinary share is based on earnings after tax and the weighted average number of ordinary shares in issue during the period/year	A higher EPS indicates greater value because investors will pay more for a company's shares if they think the company has higher profits relative to its share price	No	Yes
Diluted earnings per share	Calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period/year plus the weighted average number of ordinary shares that would have been issued on the conversion of all dilutive potential ordinary shares into ordinary shares and adjusted for (increased) for any interest or dividend in respect of the dilutive potential ordinary shares.	Used to gauge the quality of EPS if all convertible securities were exercised	No	No
Ecommerce mix %	Ecommerce revenue as a percentage of total revenue	Helps evaluate progress towards strategic objectives	No	Yes
DTC mix %	DTC revenue as a percentage of total revenue	Helps evaluate progress towards strategic objectives	No	Yes
Net finance expense	The net expense when finance income and finance expense are combined.	Shows the total net financing costs to the Group.	Yes	No
No. of stores	Number of 'own' stores open in the Group	Helps evaluate progress towards strategic objectives	No	Yes
Pairs	Pairs of footwear sold during a period	Used to show volumes and growths in the Group	No	Yes

Company Information

Shareholders' enquiries
Any shareholder with enquiries relating to their shareholding should, in the first instance, contact our registrar, Equiniti, using the telephone number or address on this page.

Electronic shareholder communications
Shareholders can elect to receive communications by email each time the Company distributes documents, instead of receiving paper copies. This can be done by registering via Shareview at no extra cost, at www.shareview.co.uk. In the event that you change your mind or require a paper version of any document in the future, please contact the registrar.

Access to Shareview allows shareholders to view details about their holdings, submit a proxy vote for shareholder meetings and notify a change of address. In addition to this, shareholders have the opportunity to complete dividend mandates online which facilitates the payment of dividends directly into a nominated account.

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Statement of directors' responsibilities

The directors confirm that these condensed interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The directors of Dr. Martens plc are listed in the Dr. Martens plc annual report for 31 March 2023. A list of current directors is maintained on the Dr. Martens plc website: www.drmartensplc.com.

By order of the board

Jon Mortimore, CFO
29 November 2023

Independent review report to Dr. Martens plc
Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Dr. Martens plc's condensed consolidated interim financial statements (the "interim financial statements") in the Interim results of Dr. Martens plc for the 6 month period ended 30 September 2023 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Consolidated Balance Sheet as at 30 September 2023;
- the Consolidated Statement of Profit or Loss and the Consolidated Statement of Comprehensive Income for the period then ended;
- the Consolidated Statement of Cash Flows for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim results of Dr. Martens plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Interim results, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Interim results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
29 November 2023