



MULBERRY GROUP PLC – RESULTS FOR THE 53 WEEKS ENDED 2 APRIL 2022

Mulberry

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Highlights

FINANCIAL HIGHLIGHTS

- Group revenue up 32% to £152.4m (2020.21: £115.0m) reflecting strong recovery post COVID-19
- Gross margin of 71.7% (2020.21: 63.6%)
- UK retail sales increased 36% to £89.8m (2020.21: £66.2m)
- China retail sales up 59% and South Korea retail sales up 11%, which contributed to the 28% increase in Asia Pacific retail sales, reflecting ongoing development in the region. International retail sales increased 20% to £40.4m (2020.21: £33.8m)
- Digital sales £47.5m (2020.21: £56.4m) down 16% as customers switched back to stores following store re-openings; however up 31% compared to pre-COVID-19 levels (2019.20: £36.3m)
- Profit before tax £21.3m (2020.21: profit before tax £4.6m) includes a one-off profit on disposal of Paris lease of £5.7m
- The Board is proposing a final dividend of 3 pence per ordinary share (2020.21: nil)

OPERATING HIGHLIGHTS

- Improved margins due to strategic focus on full price sales and increased volume efficiencies
- Digital sales represented 31% of total revenue (2020.21: 49%), as customers migrated to back to stores, however this was up from 24% in 2019.20 pre COVID-19, reflecting the ongoing development of this channel
- During the period five new stores were opened in China, and four in South Korea, further supporting our ongoing growth and development in the Asia Pacific region
- Business and infrastructure responded well to increased demand following the easing of COVID-19 restrictions
- Launch of the new Softie bag family in February 2022

SUSTAINABILITY HIGHLIGHTS

- “The Lowest Carbon collection” was launched in November 2021, crafted from the world’s lowest carbon leather and using a local and transparent supply chain. This is Mulberry’s first capsule collection of regenerative “farm to finished product”, further supporting our Made to Last manifesto
- Successful launch of our resale programme “Pre-loved Bags”, across all channels
- 88% of the collection now using leather sourced from environmentally accredited tanneries; this will increase to 100% by end of 2022
- Further investment in the Lifetime Service Centre at The Rookery, which is now restoring more than 10,000 bags a year

Current Trading

CURRENT TRADING FOR THE 12 WEEKS FROM 3 APRIL 2022

- Group revenue for the first 12 weeks of the new financial year is 5% ahead of last year, supported by our wholesale business up 29%. Omni-channel (retail and digital) revenue is down 1%, largely as a result of COVID-19 restrictions in mainland China, including the closure of the majority of stores and our Shanghai distribution centre



Financial Review



Revenue

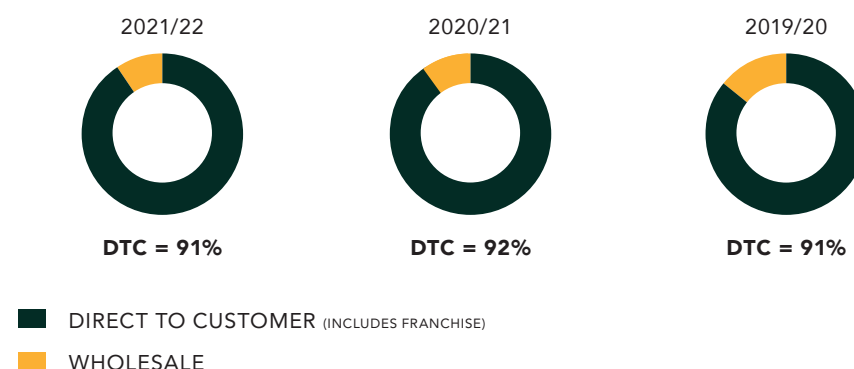
£ MILLION	2021/22	2020/21	% CHANGE
DIGITAL	47.5	56.4	(16%)
STORES	82.7	43.6	90%
RETAIL (OMNI-CHANNEL)	130.2	100.0	30%
WHOLESALE AND FRANCHISE	22.2	15.0	48%
GROUP REVENUE	152.4	115.0	32%

£ MILLION	2021/22	2020/21	% CHANGE
DIGITAL	35.7	44.6	(20%)
STORES	54.1	21.6	151%
OMNI-CHANNEL UK	89.8	66.2	36%
DIGITAL	5.8	3.8	54%
STORES	22.2	18.0	23%
OMNI-CHANNEL ASIA PACIFIC	28.0	21.8	28%
DIGITAL	5.9	8.0	(26%)
STORES	6.4	3.9	62%
OMNI-CHANNEL REST OF WORLD	12.3	11.9	3%
RETAIL (OMNI-CHANNEL)	130.2	100.0	30%

£ MILLION	2021/22	2020/21	% CHANGE
UK	4.2	2.4	75%
ASIA PACIFIC	3.9	2.8	39%
REST OF WORLD	14.1	9.8	44%
WHOLESALE AND FRANCHISE	22.2	15.0	48%

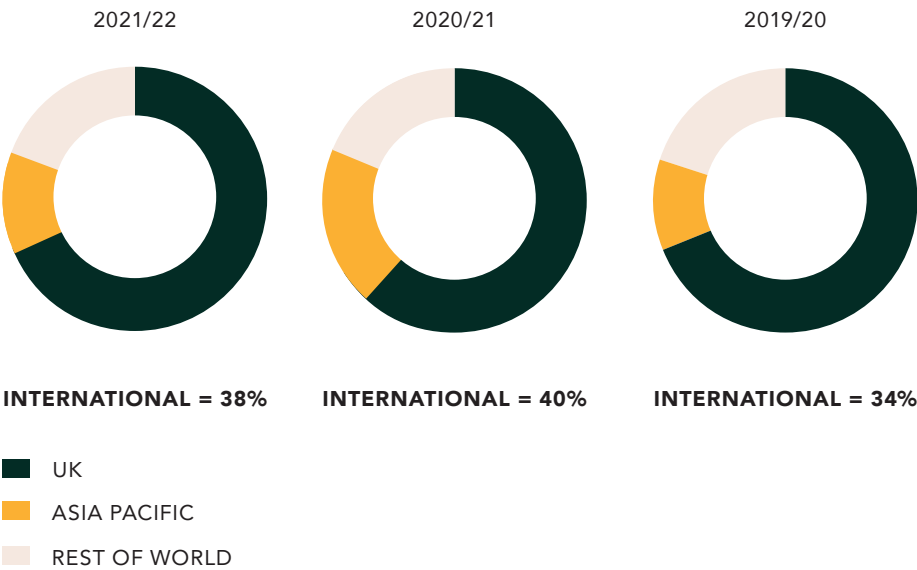
- Our results for the 53 weeks ended 2 April 2022 reflect our strong recovery post COVID-19, increased demand following the easing of restrictions and a strategic focus on full price sales
- By 12 April 2021, all our stores worldwide were reopened following a second wave of global lockdowns due to COVID-19, although our stores and distribution centre in China were disrupted from 14 March 2022 as a result of further COVID-19 restrictions
- Group revenue for the period increased by 32% over the prior period and was 15% above 2020 (pre COVID-19) on a comparable basis (adjusting for store openings and closures). In the UK, total retail sales recovered strongly and were 14% above 2020 on a comparable basis. UK digital sales declined by 20% year-on-year as stores re-opened, but represented 40% of UK retail sales, compared to 30% in 2019.20, reflecting the accelerated shift to digital and omni-channel shopping
- China retail sales increased 59%, which contributed to the 28% increase in Asia Pacific, driven by ongoing investment in the region. China digital sales represented 42% of China retail sales
- Franchise and wholesale sales increased by 48% as our Franchise partners benefited from the post COVID-19 recovery and increased demand following the easing of restrictions

DIRECT TO CUSTOMER



International Revenue

INTERNATIONAL MIX (AS A PROPORTION OF GROUP REVENUE)



International retail sales increased by 20% to £40.4m (2020.21: £33.8m) representing 31% of retail revenue

- Asia Pacific retail sales increased 28%, driven by ongoing investment in this region throughout this period
- Rest of world retail sales up 3% to £12.3m (2020.21: £11.9m)



Korea - Shinsegae Gangnam Softie Pop-up

Digital Revenue

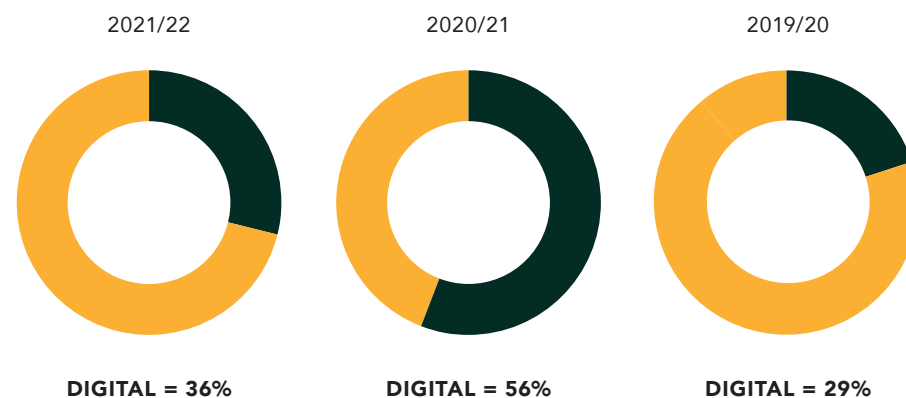
£ MILLION	2021/22	2020/21	% CHANGE
UK	35.7	44.6	(20%)
ASIA PACIFIC	5.8	3.8	54%
REST OF WORLD	5.9	8.0	(26%)
TOTAL DIGITAL	47.5	56.4	(16%)

UK	54.1	21.6	151%
ASIA PACIFIC	22.2	18.0	23%
REST OF WORLD	6.4	3.9	62%
TOTAL STORES	82.7	43.6	90%

TOTAL RETAIL (OMNI-CHANNEL)	130.2	100.0	30%
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- Despite digital sales being 16% lower than 2020.21 primarily due to the recovery of stores in the UK, they have remained above pre-COVID sales levels up 31%
- As outlet stores reopened this year, we have now closed our digital off-price site which opened in April 2020 to replace lost sales in stores during COVID-19 restrictions in 2020.21
- In Asia Pacific, digital sales grew by 54% to £5.8m (2020.21: £3.8m), supported by local fulfilment in Japan and development of strategic partnerships, including T-mall in China

DIGITAL MIX (AS A PROPORTION OF RETAIL REVENUE)



■ DIGITAL
■ STORE

Group Income Statement

	AUDITED 53 WEEKS ENDED 2 APRIL 2022			AUDITED 52 WEEKS ENDED 27 MARCH 2021		
£ MILLION	UNDERLYING	ADJUSTING ITEMS	REPORTED	UNDERLYING	ADJUSTING ITEMS	REPORTED
REVENUE	152.4	-	152.4	115.0	-	115.0
GROSS PROFIT	109.3	-	109.3	73.1	-	73.1
IMPAIRMENT CHARGE RELATED TO PROPERTY, PLANT AND EQUIPMENT	-	-	-	-	(0.6)	(0.6)
IMPAIRMENT CHARGE RELATED TO RIGHT OF USE ASSETS	-	-	-	-	(5.7)	(5.7)
LEASE MODIFICATION	-	-	-	-	4.0	4.0
RESTRUCTURING COSTS	-	-	-	-	(2.4)	(2.4)
STORE CLOSURE CREDIT/(COSTS)	-	6.8	6.8	-	3.7	3.7
OTHER OPERATING EXPENSES	(92.5)	-	(92.6)	(68.9)	(0.3)	(69.2)
OTHER OPERATING INCOME	1.2	-	1.2	6.0	-	6.0
OPERATING PROFIT/(LOSS)	18.0	6.8	24.7	10.2	(1.3)	8.8
SHARE OF RESULTS OF ASSOCIATES	0.1	-	0.1	(0.1)	-	(0.1)
FINANCE INCOME	-	-	-	-	-	-
FINANCE EXPENSE	(3.5)	-	(3.5)	(4.2)	-	(4.2)
PROFIT/(LOSS) BEFORE TAX	14.6	6.8	21.3	5.9	(1.3)	4.5

Group Balance Sheet

£ MILLION	AUDITED 2 APRIL 2022	AUDITED 27 MARCH 2021
NON-CURRENT ASSETS	55.4	63.5
INVENTORIES	36.8	31.5
TRADE AND OTHER RECEIVABLES	15.9	12.6
NET CASH	25.7	11.8
CURRENT TAX	(2.4)	0.5
CURRENT LIABILITIES	(39.4)	(37.5)
NON-CURRENT LIABILITIES	(54.3)	(63.7)
NET ASSETS	37.7	18.7

- Period end Group net cash increased to £25.7m (2020.21: £11.8m)
- Increase in inventories since 27 March 2021 £36.8m (2020.21: £31.5m) with increased inventories of raw materials to protect the Group from supply chain delays, balanced by reduced finished goods as the agile supply systems continue to deliver results

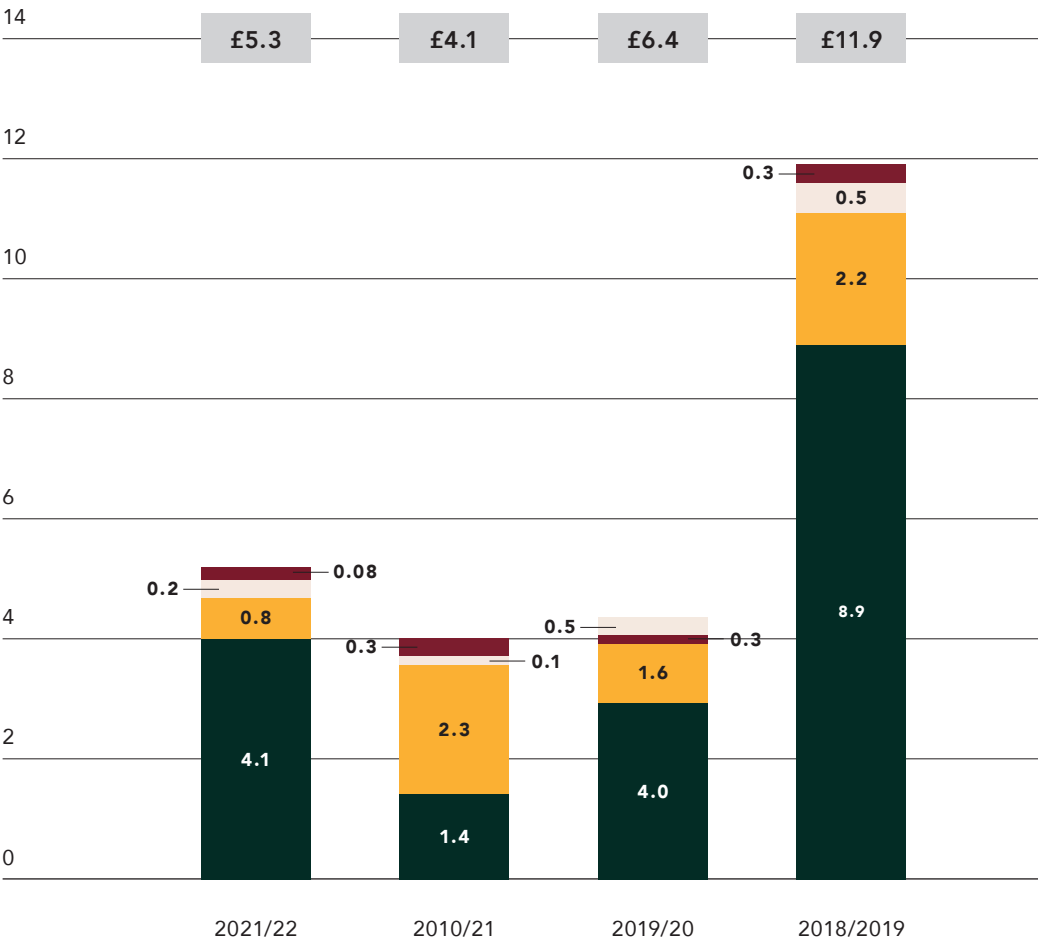
Group Cash Flow

£ MILLION	AUDITED 53 WEEKS ENDED 2 APRIL 2022	AUDITED 52 WEEKS ENDED 27 MARCH 2021
OPERATING PROFIT FOR THE PERIOD	24.6	8.7
ADJUSTMENTS FOR:		
DEPRECIATION AND AMORTISATION	12.2	19.5
LEASE MODIFICATIONS AND DISPOSALS	(2.2)	(10.3)
DISPOSAL OF INTANGIBLE ASSET	(5.3)	0.0
WORKING CAPITAL	(6.5)	2.4
CASH GENERATED FROM OPERATIONS	22.8	20.3
TAX	(0.2)	0.2
INTEREST PAID	(3.5)	(3.9)
DIVIDENDS PAID	0.0	0.0
CAPEX NET OF PROCEEDS	(5.3)	(4.1)
PROCEEDS FROM INTANGIBLE ASSET	13.3	0.0
PAYMENT OF LEASE LIABILITIES	(13.7)	(7.7)
OTHER FINANCING ACTIVITIES	0.5	(0.6)
NET INCREASE IN CASH AND CASH EQUIVALENTS	13.9	4.2

- The net increase in cash and cash equivalents of £13.9m (2020.21: £4.2m) comprises cash received on exit of the Paris lease, and working capital benefits, partially offset by increased inventories, and capital expenditure. During the year the Group paid £13.7m (2020.21: £7.7m) relating to the principle element of lease liabilities, which included £4.7m of deferred lease liabilities from the prior period
- The profit and proceeds from the disposal of intangibles of £5.4m and £13.3m respectively relate to the early termination of the Paris lease

Capital Expenditure

£ MILLION



— Capital expenditure during the period related to opening and refurbishments of stores and further investment in digital. A larger proportion of expenditure is within the international markets (59%)

- STORE + DIGITAL
- SYSTEMS DEVELOPMENT
- FACTORIES
- OTHER

Strategy Overview



Strategy

— Our 4 Strategic Pillars

OUR AIM IS TO BUILD MULBERRY AS A SUSTAINABLE GLOBAL LUXURY BRAND THROUGH FOUR STRATEGIC PILLARS



Strategic Pillar 1 — Omni-channel Distribution

STRATEGY:

Aiming to enhance our customers' experience, our single global approach to inventory allows shoppers to use mulberry.com and our entire store network to research, buy and return our products in the way that suits them. Our central digital platform integrates seamlessly with our stores to offer this convenient way of choosing our products.

IN THE PERIOD:

- Continued enhancements to our omni-channel approach including selective store openings, continued roll-out of our new Mulberry store concept, and further enhancements to our digital network
- UK retail sales benefited from providing the customer with a single view of inventory, which has increased the proportion of full-price sales
- We continued offering virtual and in-store appointments, and these led to 8% of all UK store sales and resulted in a larger average transaction value than walk-in customers
- During the year, 31% of Group revenue came from digital sales, demonstrating the continuing trend towards digital and omni-channel shopping across all regions. In Asia Pacific, digital sales were 21% of the region's sales, and are now supported by local fulfilment in Japan and Korea

Strategic Pillar 2 — International Development

STRATEGY:

We are optimising our digital channels and global store network, and building brand awareness, with a particular focus on Asia Pacific, which continues to offer significant growth opportunities. Our global pricing strategy is to set retail prices in all markets and currencies at the same level, giving our customers the confidence to shop for our brand in their home markets.

IN THE PERIOD:

- In Asia Pacific, we operated 37 retail stores at the year end (2020.21: 35). Asia Pacific retail sales increased by 28%, thanks to our ongoing investment in the region. China retail sales are up 59%, South Korea 11% and Japan 19%, although retail sales in South Korea and Japan were disrupted to some extent by regional and local lockdowns. Higher sell-throughs and reduced mark-down periods also contributed to this success as well as better positioning for the brand
- Continued investment in subsidiaries supported overall growth, with China and South Korea making further progress in the year opening five retail stores in China and four in South Korea. These present our new store concept, which features design elements that represent our distinctive British heritage. The openings further enhance brand awareness, strengthen our luxury positioning, and support our full-price strategy
- During the year, we agreed to terminate the lease of our Paris store, which closed on 24 July 2021. We plan to open a new store in Paris once international tourism returns, in a location that supports our omni-channel approach and customer experience aims

Strategic Pillar 3

— Constant Innovation

STRATEGY:

We are always looking to work with new materials, and methods of creation and production, to adapt to changing customer tastes and to meet demand. At the same time, we are adding new services and transforming our supply chain to be agile to market trends, while reducing lead time to match the increase in digital demand.

IN THE PERIOD:

- September 2021, we launched the Sadie family, a timeless satchel with our new 'Typography Lock', and the Billie family, a youthful cross-body slouched bag. Both families are crafted from leather sourced from our environmentally accredited tanneries who have credentials with Leather Working Group ratings. Then in February 2022, we launched the new Softie quilted bag
- As part of our 50th anniversary celebrations we collaborated with three of the most visionary designers of their generation - Priya Ahluwalia, Richard Malone and Nicholas Daley. Each created a collection of limited-edition accessories offered in 2021 as part of Mulberry Editions:
 - Crafted entirely from surplus fabrics and leather, the Mulberry x Ahluwalia collection mirrors the Portobello Tote, our first 100% sustainable leather bag, with a range of 12 versions, featuring embroidery and patchwork
 - Richard Malone reinvented the iconic Bayswater, updating its timeless detailing in a range of 14, crafted with our sustainable Eco-Scotchgrain, made from recombined bio-plastic materials, and embossed with a distinctive pebble grain finish
 - Nicholas Daley reworked one of our most recognisable bags, the Antony, with a series of accessories inspired by reggae, jazz and rock 'n' roll, as well as details that reflect his own Jamaican and Scottish heritage



Strategic Pillar 4

— Sustainable Lifecycle

STRATEGY:

Our Made to Last manifesto sets us apart, and we extend the life of all our products through our Lifetime Service Centre, buy-back offer and The Mulberry Exchange. We aim for our business to be regenerative and circular across the entire supply chain, by 2030, with sustainability in supply, craftsmanship, packaging and distribution - themes important to our customers.

IN THE PERIOD:

- Since 2019, we have offset 1,982.14 tonnes of carbon (tCO₂e) through World Land Trust's Carbon Balanced project in Guatemala, supporting long-term protection and restoration of threatened tropical forests. This is just a small step towards our aim of becoming net zero by 2035, with continued investigation into generating our own energy by installing additional solar panels at our Somerset factory sites. In July, we agreed to set science-based targets through the SBTi, joining over 650 global businesses working to hold the temperature rise to 1.5°C above pre-industrial levels
- We take a responsible approach in our manufacturing standards, upholding and protecting our heritage in leather craftsmanship, while using technology and ensuring we divert any unrecyclable waste from landfill. We manufacture over 50% of our bags in the UK, the remainder in Europe and Asia. 88% of our range used leather and suede sourced from environmentally accredited tanneries, with the aiming of reaching 100% by the end of 2022
- We are members of the Sustainable Leather Foundation, which aims for more-sustainable practices in leather manufacture and production, and are represented on their Advisory Board. We continue to be a member of Better Cotton, the largest cotton sustainability programme in the world. Our target is for all our cotton to be sustainably sourced by 2025
- Our world-class Lifetime Service Centre, plays a key role in our aim for a fully circular product and service offer, breathing new life into thousands of pre-loved Mulberry items - including more than 10,000 items this year. In 2020 we launched The Mulberry Exchange, our circular buy-back and resale programme aiming to restore Mulberry classics to be sold to a new owner, giving customers the chance to return their pre-loved bags in exchange for credit towards a new purchase

Our aim is to continue to build Mulberry as a sustainable global luxury brand through four strategic pillars:

- Omni-channel distribution
- International development
- Constant innovation
- Sustainable lifecycle

Trading since the start of the financial period is 5% ahead of last year, supported by our wholesale business up 29%. Omni-channel (retail and digital) revenue is down 1%, largely as a result of COVID-19 restrictions in mainland China, including the closure of the majority of stores and our Shanghai distribution centre.

We expect the business to continue to grow, albeit at a slower rate given the severe disruption being caused by the geo-political situation, inflationary pressures, and Brexit-related challenges.



Appendix



Store Detail

		FREE STANDING	DEPARTMENT SHOP-IN-SHOP	TOTAL 2 APRIL 2022	CHANGES FROM 31 MARCH 2021	TOTAL 31 MARCH 2021
OWN STORES	UK	16	24	40	-5	45
	EUROPE	2	0	2	-3	5
	NORTH AMERICA	5	1	6	1	5
	ASIA PACIFIC	17	20	37	3	35
	TOTAL OWN STORES	40	45	85	-5	90
FRANCHISE PARTNER STORES	EUROPE	6	3	9	0	9
	OTHER ASIA PACIFIC	10	2	12	1	10
	MIDDLE EAST	1	0	1	0	1
	TOTAL FRANCHISE PARTNER STORE	17	5	22	1	20
TOTAL RETAIL FOOTPRINT		57	50	107	-3	110

*POP UPS NOT INCLUDED

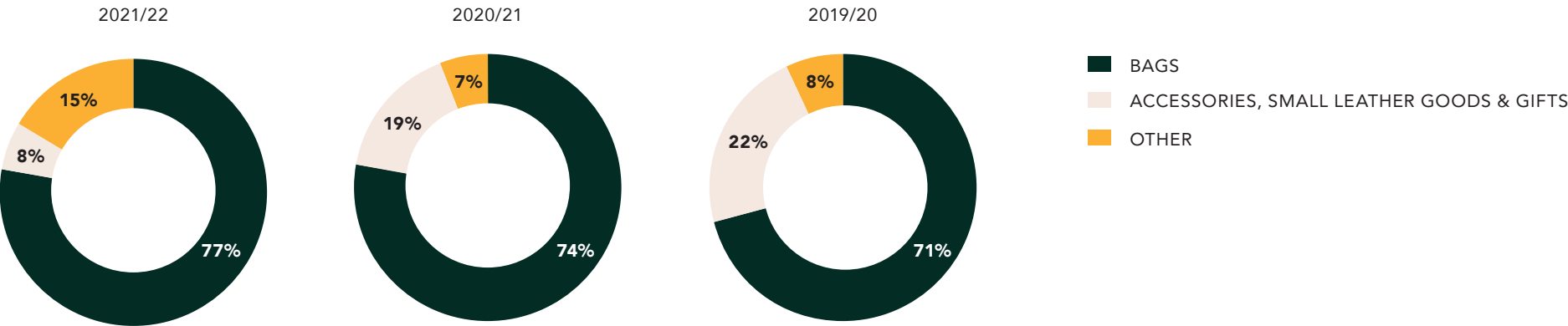


New York - Wooster Street Store



China - Chengdu Store

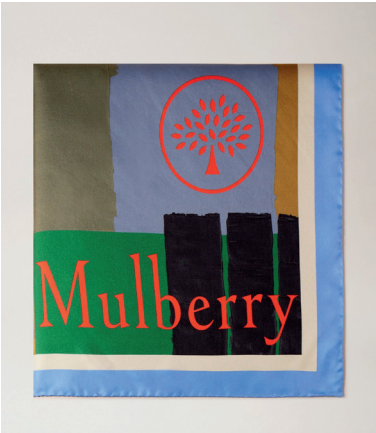
Revenue by Product



Softie in White Pillow Effect
Nappa Leather



Penelope Bio Acetate Sunglasses
in Tortoiseshell



Hand-Painted Square Scarf in Mulberry
Pink & Coral Orange Organic Silk twill

