MULBERRY GROUP PLC – RESULTS FOR THE FIFTY-TWO WEEKS ENDED 1 APRIL 2023

Mulberry

Contents

Highlights

FINANCIAL HIGHLIGHTS

— Group revenue up 4% to £159.1m (2022: £152.4m) as we continued to deliver on strategic objectives, despite macro-economic uncertainty

- UK retail sales of £87.7m (2022: £88.5m). The first half of the year in particular was impacted by the broader economic environment, however, performance improved in the second half
- Asia Pacific retail sales increased by 3% to £28.9m (2022: £28.0m), despite a number of COVID-19 lockdowns in the region, particularly in China and South Korea
- International retail sales increased 12% to £46.5m (2022: £41.7m)
- Digital sales £48.4m (2022: £47.5m) up 2% and representing 30% of total revenue (2022: 31%). This continues to be above pre COVID-19 levels

— Maintained gross margins of 71.2% (2022: 71.7%) with full price retail sales increasing by 6% and representing 78% of total retail sales (2022: 76%)

— Underlying profit before tax of £2.5m (2022: profit before tax £14.6m) included £4.0m (2022: £0.5m) of Software as a Service (SaaS) costs and additional investment in the Group

— Reported profit before tax of £13.2m (2022: profit before tax £21.3m)

— The Group’s revolving credit facility of £15.0m has been extended until September 2027

OPERATING HIGHLIGHTS

— Three stores in Sweden and five stores in Australia previously owned by our franchise partners were acquired during the period, further developing our direct-to-customer model

— Launch of the new M Zip bag family in November 2022, followed in December 2022 by the Link bag family

— Gross margins maintained with a continued strategic focus on full price sales and increased volume efficiencies

— Digital sales represented 30% of Group revenue (2022: 31%). This was 24% in 2020 and reflects the ongoing strength and importance of this channel

— Established a Transformation function supporting the delivery of our strategy, ongoing investment and omni-channel growth in the longer term

SUSTAINABILITY HIGHLIGHTS

— 100% of all leather, suede and nappa is sourced from tanneries with environmental accreditations, which include Leather Working Group, Sustainable Leather Foundation and ISO:14001

— In November 2022, awarded the Sustainability Luxury Brand of the Year at the Walpole British Luxury Awards, and in February 2023 were recognised by the Great British Brands Awards for Championing the Planet, recognising our accelerated progress towards achieving a truly regenerative and circular business

— Carbon reduction targets submitted to the Science-Based Targets (SBTi) in February 2023

— Lifetime Service Centre at The Rookery, which is now restoring more than 10,000 bags a year

— Within our circular Mulberry Exchange programme, we have expanded the use of our camera technology to give customers a true-to-life view of every preloved bag

Current Trading

- Group revenue for the first 12 weeks of the new financial year is 6% ahead of last year
- Retail revenue is up 15%, with our newly acquired Sweden and Australia stores continuing to perform well
  - International retail sales are 46% above the same period last year
  - Asia Pacific retail sales 34% above the same period last year, which now includes our newly acquired stores in Australia
  - As anticipated, due to the impact of the broader economic environment, UK retail sales are in line with the same period last year
- Total franchise and wholesale revenue is up 5% against the same period last year, excluding stores now reported within omni-channel revenue
- As part of the Group's strategy to expand the direct-to-consumer model, Mulberry plc now has full ownership of Mulberry Japan Co. Limited, with effect from 27 June 2023


Financial Review

Revenue

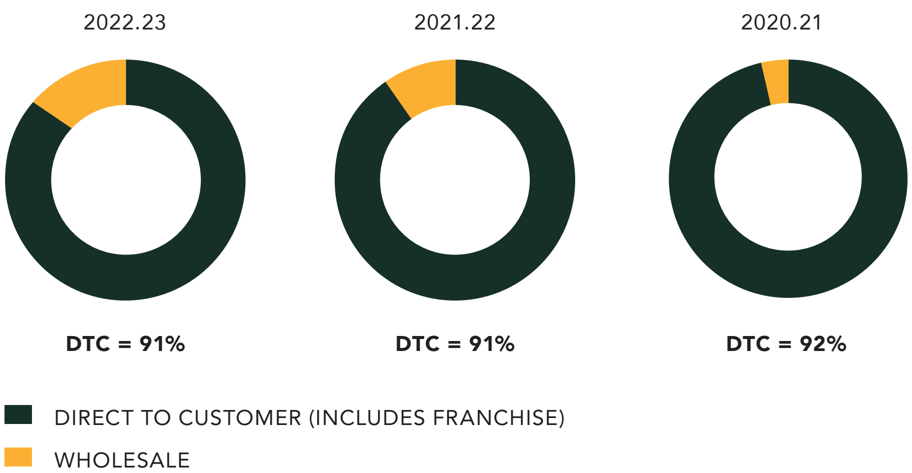
£ MILLION	52 WEEKS ENDED 1 APRIL 2023	53 WEEKS ENDED 2 APRIL 2022	% CHANGE
DIGITAL	48.4	47.5	2%
STORES	85.8	82.7	4%
RETAIL (OMNI-CHANNEL)	**134.2**	**130.2**	**3%**
FRANCHISE AND WHOLESALE	**24.9**	**22.2**	**12%**
GROUP REVENUE	**159.1**	**152.4**	**4%**

£ MILLION	2023	2022	% CHANGE
DIGITAL	33.8	35.7	(5%)
STORES	53.9	52.8	2%
OMNI-CHANNEL - UK	**87.7**	**88.5***	**(1%)**
DIGITAL	6.3	5.8	9%
STORES	22.6	22.2	2%
OMNI-CHANNEL - ASIA PACIFIC	**28.9**	**28.0**	**3%**
DIGITAL	8.3	5.9	41%
STORES	9.3	7.8	19%
OMNI-CHANNEL - REST OF WORLD	**17.6**	**13.7**	**28%**
RETAIL (OMNI-CHANNEL)	**134.2**	**130.2**	**3%**

£ MILLION	2023	2022	% CHANGE
UK	3.4	2.8	21%
ASIA PACIFIC	4.2	3.9	8%
REST OF WORLD	17.3	15.5	12%
FRANCHISE AND WHOLESALE	**24.9**	**22.2**	**12%**

- Group revenue for the period increased by 4% over the prior period, with the challenges of the first half, being offset by increased revenues across the second half
- UK retail sales were 1% below the prior period, with growth impacted by the challenging macro-economic environment particularly in the first half of the year. The second half saw an improved performance, with UK retail revenue 6% ahead of the same period last year. UK digital sales declined by 5% year-on-year and represented 39% of UK retail sales (2022: 40%) and still well above pre COVID-19 levels. In line with overall trends UK digital sales in the second half grew 6% above the prior period. Omni-channel full price sales in the UK increased by 3% to £68.9m (2022: £67.1m), representing 79% (2022: 76%) of total omni-channel revenue for the period
- Asia Pacific retail revenue increased by 3%. From November 2022, this region now includes the five stores in Australia now wholly owned by the Group. During the period footfall in the Asia Pacific region was heavily impacted by a number of COVID-19 related restrictions and lockdowns, particularly within China and South Korea

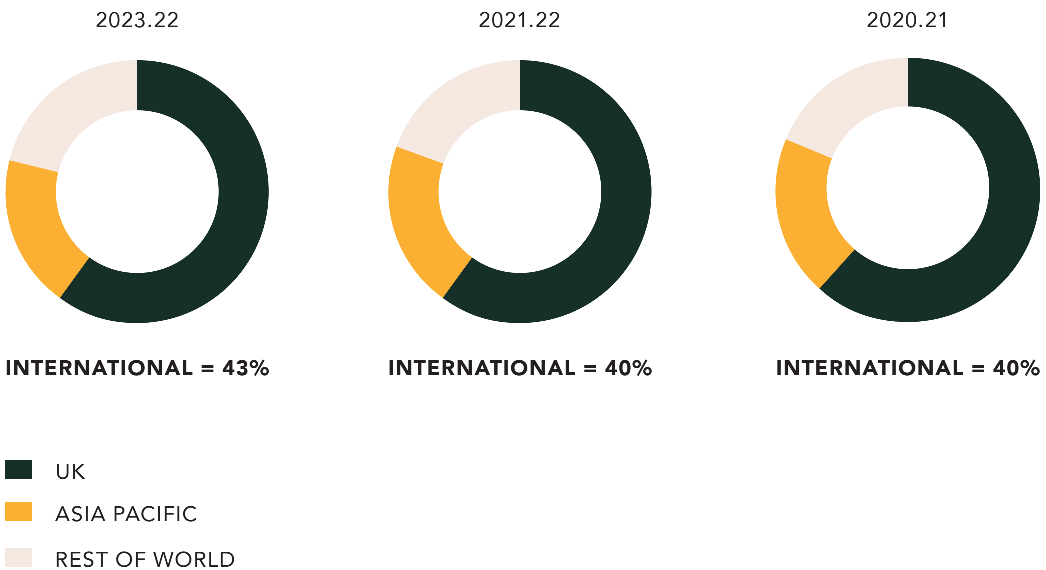
DIRECT TO CUSTOMER



* Prior year report states UK as £89.8m, however, this included a branch in Ireland which have now been re-classified as international

International Revenue

INTERNATIONAL MIX (AS A PROPORTION OF GROUP REVENUE)



- International sales increased to 43% of total group sales (2021.22: 40%) driving revenue of £68.0m (2021.22: £61.1m)
- Asia Pacific digital sales increased by 9% driven by China and ongoing investment in strategic partnerships, including Tmall & JD. Store revenue increase of 2% despite being impacted by a number of COVID-19 lockdowns throughout the period
- Rest of world store sales increased by 19% to £9.3m (2021.22 £7.8m) due to the acquisition of our Sweden stores. Digital sales improved by 41%

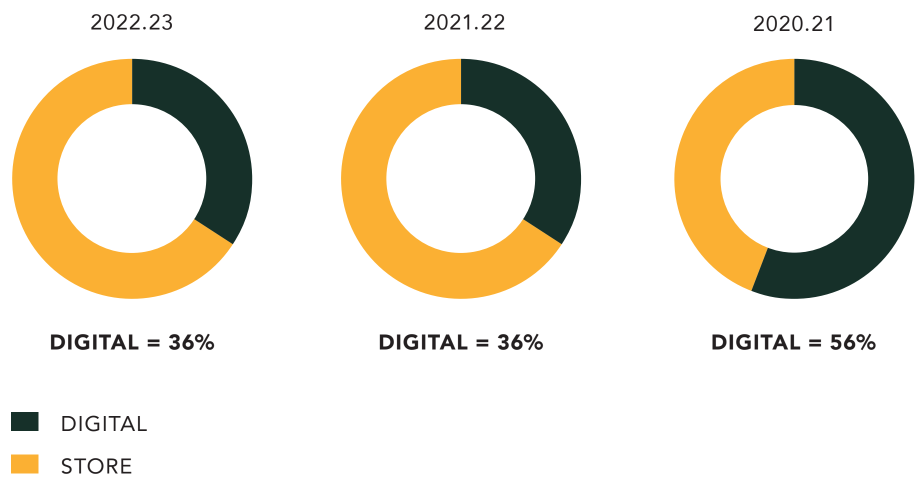
Sweden - NK Gothenburg

Omni-Channel Revenue

£ MILLION	2023	2022	% CHANGE
UK	33.8	35.7	(5%)
ASIA PACIFIC	6.3	5.8	9%
REST OF WORLD	8.3	5.9	41%
TOTAL DIGITAL	**48.4**	**47.5**	**2%**
UK	53.9	52.8	2%
ASIA PACIFIC	22.6	22.2	2%
REST OF WORLD	9.3	7.8	19%
TOTAL STORES	**85.8**	**82.7**	**4%**
TOTAL RETAIL (OMNI-CHANNEL)	**134.2**	**130.2**	**3%**

- Global digital sales were 2% higher than 2022, they have remained above pre-COVID sales levels at 36% (2019: 24%) reflecting the permanent shift to this channel post COVID-19
- In Asia Pacific, digital sales grew by 9% to £6.3m (2022 £5.8m). China retail sales increased by 2% despite being impacted by a number of COVID-19 lockdowns throughout the period
- ROW digital sales have increased by 41%

DIGITAL MIX (AS A PROPORTION OF RETAIL REVENUE)



Group Income Statement

£ MILLION	52 WEEKS ENDED 1 APRIL 2023	53 WEEKS ENDED 2 APRIL 2022
REVENUE	159.1	152.4
COST OF SALES	(45.9)	(43.1)
GROSS PROFIT	**113.2**	**109.3**
IMPAIRMENT CHARGE RELATING TO INTANGIBLES	(2.4)	-
IMPAIRMENT CREDIT RELATING TO PROPERTY, PLANT AND EQUIPMENT	0.9	-
IMPAIRMENT CREDIT RELATING TO RIGHT-OF-USE ASSETS	12.9	-
OTHER OPERATING EXPENSES	(108.4)	(85.9)
OTHER OPERATING INCOME	0.8	1.2
OPERATING PROFIT	**17.0**	**24.6**
SHARE OF RESULTS OF ASSOCIATES	0.1	0.1
FINANCE INCOME	0.0	0.0
FINANCE EXPENSE	(3.9)	(3.5)
PROFIT BEFORE TAX	**13.2**	**21.3**
TAX CHARGE	(1.8)	(2.1)
PROFIT FOR THE PERIOD	**11.4**	**19.2**

— Other operating expenses in the period increased by 26% to £108.4m (2022: £85.9m), with underlying operating expenses increasing by 6%

— The prior period benefitted from COVID-19 related business rates and rent relief of £3.0m. These schemes were not available in the period to 1 April 2023

— The prior period also benefited from store closure credits of £6.8m, which largely related to the disposal of the Paris lease

— In light of the March 2021 IFRIC agenda decision to clarify the treatment of Software as a Service (SaaS) costs, during the period we expensed £4.0m (2022: £0.5m) of SaaS costs, in line with the accounting for configuration and customisation cost arrangements. We expect to incur further SaaS costs in the current period. We also increased technology spend to £7.0m (2022: £5.7m) to support the investment in projects and systems investments

— The acquisition of our stores in Sweden and Australia have increased costs during the period by £3.8m. The full year impact of these new initiatives will be included in the current period

— Included within other operating income is £nil (2022: £0.5m) of grants receivable in non-UK territories for COVID-19 relief

Group Balance Sheet

£ MILLION	AUDITED 52 WEEKS ENDED 1 APRIL 2023	AUDITED 53 WEEKS ENDED 2 APRIL 2022
NON-CURRENT ASSETS	84.2	55.4
INVENTORIES	48.3	36.8
TRADE AND OTHER RECEIVABLES	19.9	15.9
CASH & CASH EQUIVALENTS	6.9	25.7
CURRENT TAX	(0.2)	(2.4)
CURRENT LIABILITIES	(50.6)	(39.4)
NON-CURRENT LIABILITIES	(61.7)	(54.3)
NET ASSETS	**46.8**	**37.7**

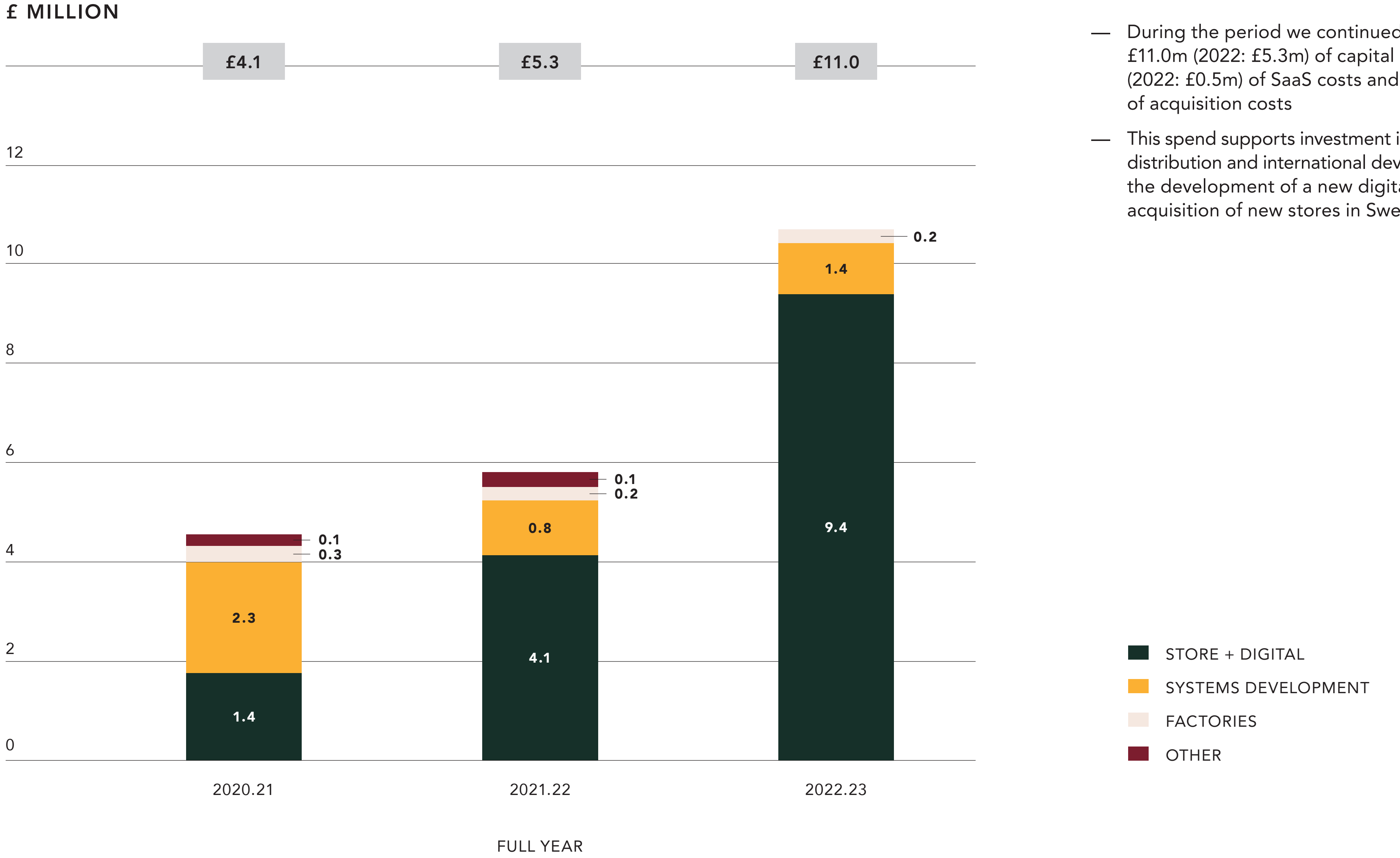
- Net working capital, which comprises inventories, trade and other receivables and trade and other payables increased by £12.3m to £40.0m at the period end (2022: £27.7m)
- This increase was predominantly driven by increased inventories of £11.5m, to support our strategy to focus on a direct-to-customer model. We have taken actions during the second half of the year to optimise inventory levels and continue to closely monitor inventory levels, in light of continued macro-economic uncertainty
- At the period end, other trade receivables were £19.9m (2022: £15.9m), the increase principally due to the treatment of SaaS prepayments, as well as timing of rent and rates prepayments at the period end. Trade and other payables increased by £3.1m to £28.1m (2022: £25.0m) largely driven by timing of payments due

Group Cash Flow

£ MILLION	52 WEEKS ENDED 1 APRIL 2023	53 WEEKS ENDED 2 APRIL 2022
OPERATING PROFIT FOR THE PERIOD	**17.0**	**24.6**
ADJUSTMENTS FOR:		
DEPRECIATION AND AMORTISATION	2.5	12.2
LEASE MODIFICATIONS AND DISPOSALS	(0.4)	(2.2)
LOSS ON SALE OF PROPERTY, PLANT & EQUIPMENT	0.1	0.0
DISPOSAL OF INTANGIBLE ASSET	-	(5.3)
GAIN ON ACQUISITION	(0.3)	-
SHARES ISSUED FROM TRUST	-	0.0
WORKING CAPITAL	(11.7)	(6.5)
CASH GENERATED FROM OPERATIONS	**7.2**	**22.8**
TAX	(2.4)	(0.2)
INTEREST RECEIVED	(3.9)	(3.5)
NEW BORROWINGS	6.1	-
DIVIDENDS PAID	(1.8)	-
CAPEX NET OF PROCEEDS	(11.0)	(5.3)
ACQUISITION OF SUBSIDIARIES	(3.2)	-
PROCEEDS FROM INTANGIBLE ASSET	-	13.3
PAYMENT OF LEASE LIABILITIES	(10.3)	(13.7)
OTHER FINANCING ACTIVITIES	0.3	0.5
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	**(19.0)**	**13.9**

- The net decrease in cash and cash equivalents of £19.0m (2022: increase of £13.9m) included a £4.0m drawdown of the Group's revolving credit facility (RCF), and £2.1m of overdraft utilisation. In the prior period the Group benefitted from the proceeds from the early termination of the Paris lease of £13.3m
- Inventories have also increased by £11.5m to support our strategy to focus on our direct-to-customer model as well as mitigate any cost increases
- Additional corporation tax was incurred in the period of £2.4m, in relation to the profit on disposal of our Paris lease in July 2021

Capital Expenditure



- During the period we continued to invest including £11.0m (2022: £5.3m) of capital expenditure, £4.0m (2022: £0.5m) of SaaS costs and £3.2m (2022: £nil) of acquisition costs
- This spend supports investment in our omni-channel distribution and international development, including the development of a new digital platform and the acquisition of new stores in Sweden and Australia

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:

We look to continually enhance our omni-channel distribution model. This includes through selective store management, the continued roll-out of the latest Mulberry store concept, and further enhancements to our digital network. Our latest store concept enables us to better display and promote our collections through innovative customer-facing technology. It creates more space and supports our omni-channel proposition, and has helped to elevate our brand position, outperforming more traditional outlets.

IN THE PERIOD:

— We ended the period with 111 Points of Sale. During the period we acquired our Swedish and Australian stores previously operated by our franchise partners, as well as new agreements with Nordstrom and Selfridges

— In the UK we operated 40 retail stores (own stores and concessions run by our employees) at the year end. In February 2023 we took the difficult decision to close our Bond Street store in London. The lack of VAT-free shopping and decline in tourist shoppers impacted footfall and sales. All colleagues were re-deployed across our London store network

— Virtual and in-store appointments continued to drive value, accounting for 8% of all UK store sales, and resulting in a larger average transaction value than for walk-in customers

— In Asia Pacific, following the conversion of five stores in Australia, we operated 43 retail stores at the year end (2022: 37). China experienced a number of store closures and lockdowns which impacted on revenue and South Korea was also impacted with reduced footfall. Full price mix of retail sales increased to 76% (2022: 75%) driven by higher sell-throughs and reduced mark-down periods

— During the year, 30% of Group revenue came from digital sales, demonstrating the continuing trend towards digital and omni-channel shopping. In Asia Pacific, digital sales were 22% of the region's sales, and are now supported by local fulfilment in Japan and Korea, and a concession gift channel with Korean messenger platform Kakao. We also launched new platforms in Korea, Naver.com and GS.com, as well as Little Red Book in China

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.

IN THE PERIOD:

— Our continued investment in our international subsidiaries supported the Group's overall growth. During the period, we opened stores in the region at Nanjng Deji, China, in April 2022, a pop-up in Gwang Ju, Korea, in May 2022, and Chengdu SKP and Hainan duty free store, both in China in October 2022. On the digital side, we launched on new platforms in Korea, Naver.com and GS.com, and Little Red Book in China. The openings further enhance brand awareness, strengthen our luxury positioning, and support our full-price strategy

— The acquisition of our franchise stores in Sweden and Australia represented further progress in our international development, along with the opening of our first men's concession in NK Stockholm in March 2023

— New agreements are in place with Nordstrom in the US and Selfridges in the UK, further developing our direct-to-customer model. At the period end, we operated three Nordstrom concessions as well as a digital platform, with the view to expand this further in the current financial period

— Further international developments include the relocation of our flagship store in New York in April 2022, the refurbishment of our Amsterdam store in June 2022, and the opening of a standalone store in Dublin in January 2023

Strategic Pillar 3 — Constant Innovation

STRATEGY:

We continue 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:

— We launched the Softie family in February 2022, with new colours and shapes being added throughout the year, targeting a younger luxury customer. In September 2022, we diversified across categories with the launch of Softie Ready-to-Wear products – eight outerwear garments with recycled nylon and recycled silk padding. We continued the expansion of the Softie line with a versatile clutch bag

— Following the strong trend for mini bags, particularly in Asia, we launched micro bags for a number of our iconic bag families. This bridged the gap between our small leather goods and our bags, and made our icons more affordable and potentially appealing to a broader range of customers

— In November 2022 we launched M Zip, a modern, M-shaped silhouette available in three sizes. This was followed in December 2022 by Link, a re-interpretation of our previous soft-shaped Leighton bag, available in two sizes

— Mulberry x Miffy launched at the end of December 2022, to celebrate the Lunar New Year of the Rabbit, featuring Miffy across a series of bags and accessories. This collection further supported the Group's ongoing commitment to sustainable innovation through its Made to Last ethos; sustainable products made with 100% environmentally accredited carbon neutral leather

— The exciting Mulberry x Paul Smith collaboration will launch in Autumn 2023. With a shared approach to heritage style and sustainable innovation, the ten-piece capsule utilises pops of primary colours alongside Paul Smith's hallmark Signature Stripe

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 for pre-loved bags. 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:

— In May 2022, we launched the Carbon Neutral Lily. We also launched a partnership with circular rental marketplace Hurr from June 2022

— In February 2023, we submitted our Science-Based targets for carbon reduction to the Science Based Targets Initiative (SBTi). We expect to have our target approved and validated by the end of 2023. Furthering our partnership with World Land Trust, we are offsetting the carbon emissions associated with our leather purchasing through their Carbon Balanced programme. Our project aims to protect approximately 316,000 acres of tropical rainforest and other habitats in Guatemala to prevent the area from being cleared for cropland and pasture. This is a small step on our path to reducing our carbon footprint, with an aim of achieving net zero by 2035

— We are adding digital identities to products, starting with pre-loved bags from our resale programme, the Mulberry Exchange

— We have been a certified Living Wage employer since 2021, and a hybrid working policy is in place reducing emissions and costs associated with commuting. We are also offsetting all carbon emissions associated with business travel

Strategic Pillar 4 — Sustainable Lifecycle

- We have a long history of donating to local charities and organisations. We categorise our charitable activity into three streams: Strategic Corporate Partnerships; Tactical Local Partnerships; and Other/Reactive Partnerships. To help support this, our Charity and Community Committee, made up of Mulberry employees from various business areas, help increase awareness of our charitable activities, arrange fundraising, and liaise with our partners. During the period we have donated seventeen pallets of write-off leather, fabric, RTW and offcuts to universities, and we regularly donate bags and offcuts to scrap stores, craft groups, and schools
- We were very proud to be recognised for several awards during the period:
  - Sustainable Luxury Brand of The Year award at the Walpole British Luxury Awards in November 2022, recognising the significant progress we have made towards our Made to Last manifesto
  - Championing the Planet award at the Great British Brands Awards for our outstanding work in getting ahead of our targets to achieve a truly regenerative and circular business
  - On 25 May 2023 Mulberry was awarded the "Brand of the Year" award at the Drapers Sustainable Fashion Awards. We were recognised for the progress made towards our Made to Last manifesto goals, including our ongoing commitment to Net Zero future. We were also praised for our thriving apprenticeship program, which nurtures the next generation of craftspeople and manufacturing leaders, and our longstanding commitment to British manufacturing

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

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

Since the period ended, we have opened a new store at the iconic Battersea Power Station in London on 14 October and launched a duty free store in Hainan, Greater China.

We now fully own our Sweden stores and have also finalised the acquisition of the assets previously owned and run by our Australian franchisee, having provided financial support to the business during the period. We will now operate directly as Mulberry Australia through five Mulberry stores there.

The wider macro-economic environment continues to present some uncertainty, in particular with regards to inflationary pressures. As a business, we are managing inflationary challenges through various measures. We fixed our energy price in October 2021 for a three year period, which has helped mitigate the impact of much of the current energy-price increase. We also introduced price increases in March 2022 and September 2022 – as part of our global strategy – to ensure we make no compromises on the quality of our product and our Made to Last manifesto, and to help protect our margins.

We are focused on investing for our future growth despite the challenging economic and geopolitical backdrop. We are confident in our ability to execute our strategy and are well prepared for the important festive trading period.

Appendix

Store Detail

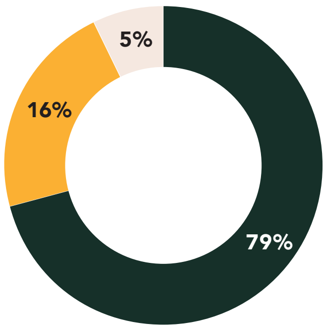
		FREE STANDING	DEPARTMENT SHOP-IN-SHOP	TOTAL FULL YEAR 2023	CHANGES FROM 2022	TOTAL FULL YEAR 2022
OWN STORES	UK	15	25	40	0	40
	EUROPE	5	3	8	6	2
	NORTH AMERICA	6	3	9	3	6
	ASIA PACIFIC	23	20	43	6	37
	TOTAL OWN STORES	**49**	**51**	**100**	**15**	**85**
FRANCHISE PARTNER STORES	EUROPE	3	1	4	(5)	9
	OTHER ASIA PACIFIC	5	2	7	(5)	12
	MIDDLE EAST	0	0	0	(1)	1
	TOTAL FRANCHISE PARTNER STORE	**8**	**3**	**11**	**(11)**	**22**
TOTAL RETAIL FOOTPRINT		**57**	**54**	**111**	**4**	**107**

UK - Men's Pop-Up, Spitalfields Market

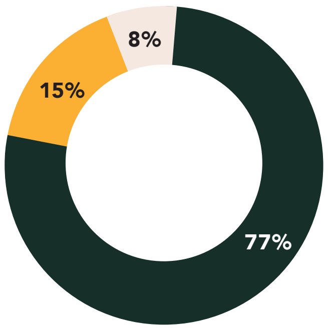
Ireland - Duke Street, Dublin

Revenue by Product

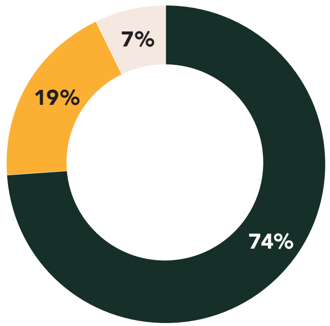
2022/23



2021.22



2020.21



BAGS
ACCESSORIES, SMALL LEATHER GOODS & GIFTS
OTHERS

Small Islington
Pigment Blue
Silky Calf

Axel Arigato for Mulberry Trench Coat
Multicolour
Mixed Material

Bayswater Hoop Earrings
Gold
Gold Plated Brass