

# Investor Presentation

Results for the year ended  
31 March 2012



MULBERRY

# AGENDA

## 1. INTRODUCTION AND OPERATING REVIEW

Godfrey Davis (Chairman)

## 2. FINANCIAL REVIEW

Roger Mather (Finance Director)

## 3. STRATEGY AND OUTLOOK

Bruno Guillon (Chief Executive)



## REVENUE HISTORY

- In FY2012, total revenue increased by 38% to £168.5 million and profit before tax increased by 54% to £36.0 million
- Revenue compound annual growth rate of 35% between 2008 and 2012
- PBT compound annual growth rate of 62% between 2008 and 2012

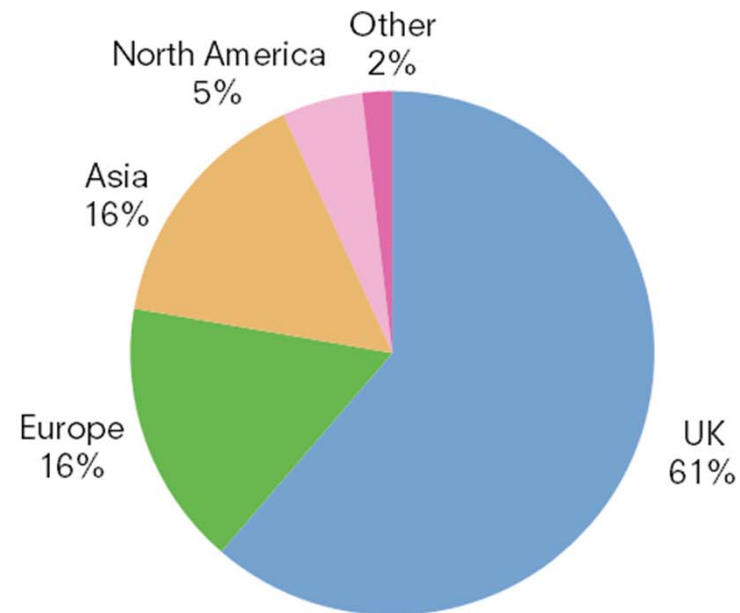
5 Year Revenue and Profit Development



## SIGNIFICANT OPPORTUNITY TO DEVELOP MULBERRY IN INTERNATIONAL MARKETS

International revenue has grown 61% from £40.5 million in 2010/11 to £65.2 million in 2011/12, however remains lower than UK revenue, demonstrating the scale of the international opportunity.

Revenue by Region  
(2011/12)



## OPERATING REVIEW



# WORLDWIDE RETAIL FOOTPRINT

## MARCH 2012

	Department store Shop-in-Shop	Free Standing Stores	Total	Changes from 31 March 2011
Own Stores				
UK Full Price	26	10	36	+1
UK Airport	-	5	5	-
UK Outlet	-	4	4	-
Europe	1	3	4	+2
USA	-	3	3	+1
Total Own Stores	27	25	52	+4
Partner Stores				
Scandinavia	-	9	9	-
Other European	-	2	2	-
South Korea	18	1	19	+7
Other Asia Pacific	3	11	14	+3
Middle East	-	4	4	-
Total Partner Stores	21	27	48	+10
Total Retail Footprint	48	52	100	+14
Total UK stores	26	19	45	+1
Total International stores	22	33	55	+13





## SPRING STREET, NEW YORK





## HARBOUR CITY, HONG KONG





## STRATFORD, LONDON

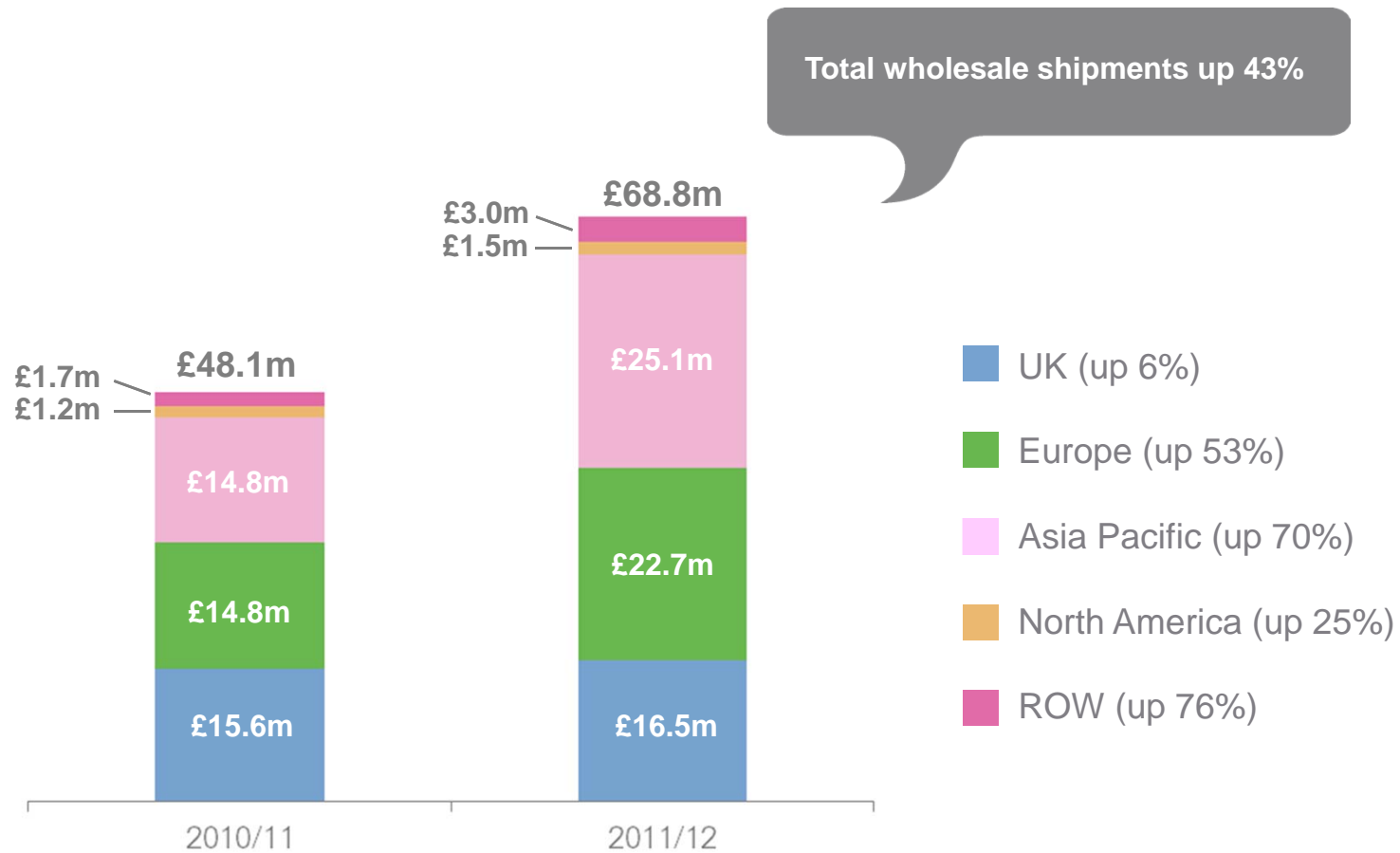


## RETAIL PERFORMANCE YEAR ENDED 31 MARCH 2012

	Total revenue £ million	Growth %	LFL Growth %
UK	77.2	30%	27%
Europe	2.6	53%	7%
North America	5.4	69%	20%
Online	14.5	58%	56%
Total	99.7	36%	26%



## WHOLESALE SHIPMENTS TO THIRD PARTIES YEAR ENDED 31 MARCH 2012



## OTHER OPERATING HIGHLIGHTS

### YEAR ENDED 31 MARCH 2012

- Bruno Guillon appointed CEO, Godfrey Davis moving to Non-Executive Chairman
- Alexa bag family consolidated into the core product range
- UK factory extension completed, increasing UK production capacity by 30% and creating 60 jobs
- Upgraded supply chain, IT infrastructure and other support functions in line with business needs
- Online sales grew by 58% to £14.5m, accounting for 9% of Group revenues (2011: 8%)

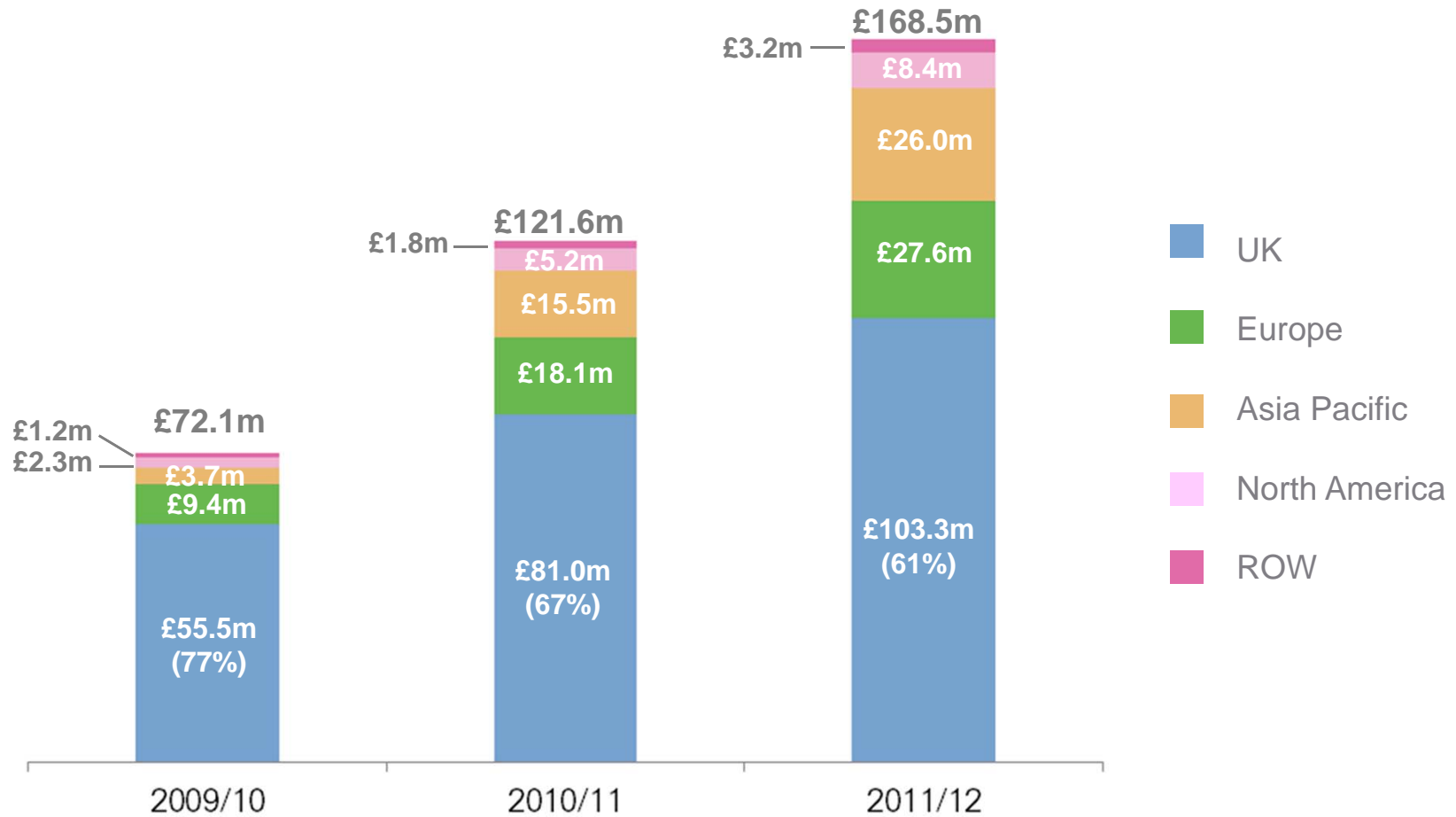




## FINANCIAL REVIEW



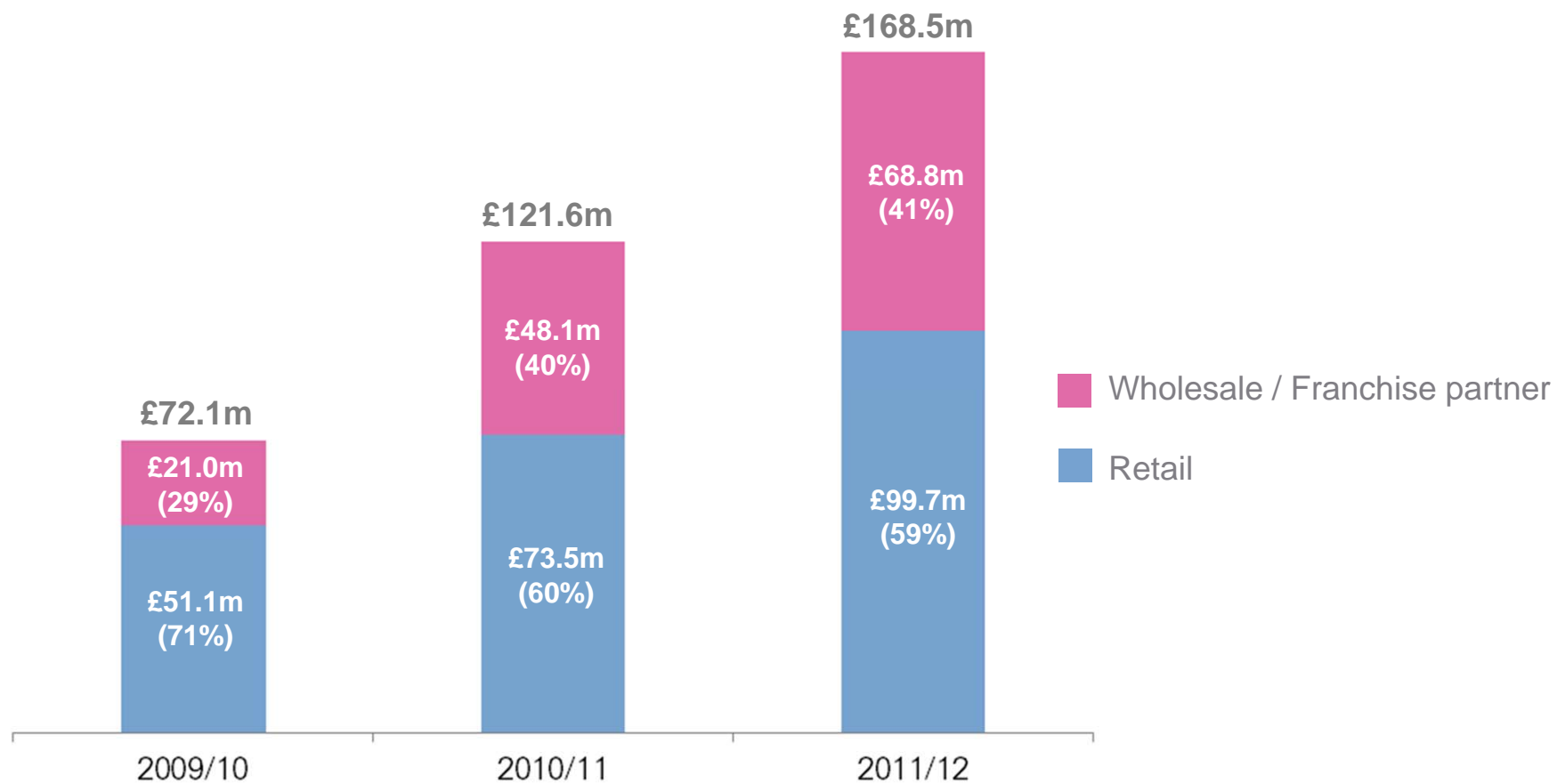
## REVENUE BY REGION (VALUE OF SALES)



## REVENUE GROWTH ANALYSIS BY REGION (VALUE OF SALES)



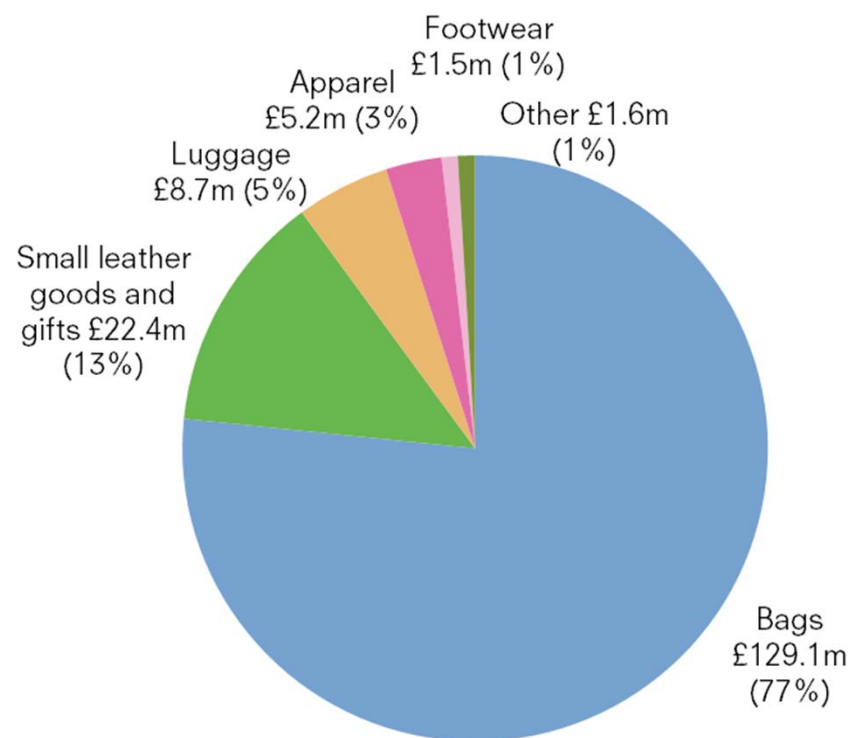
## REVENUE BY CHANNEL (VALUE OF SALES)



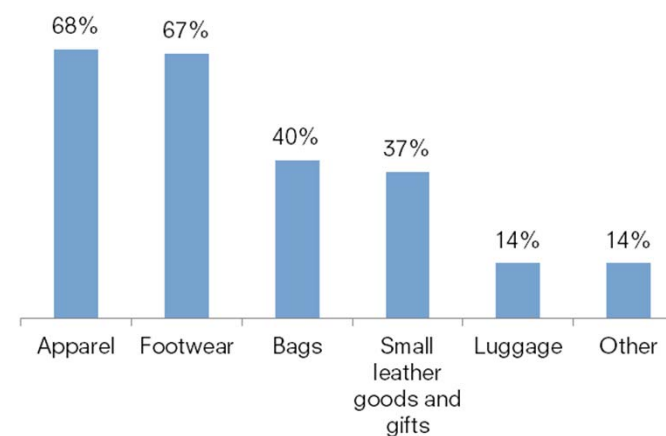


# REVENUE BY PRODUCT (VALUE OF SALES)

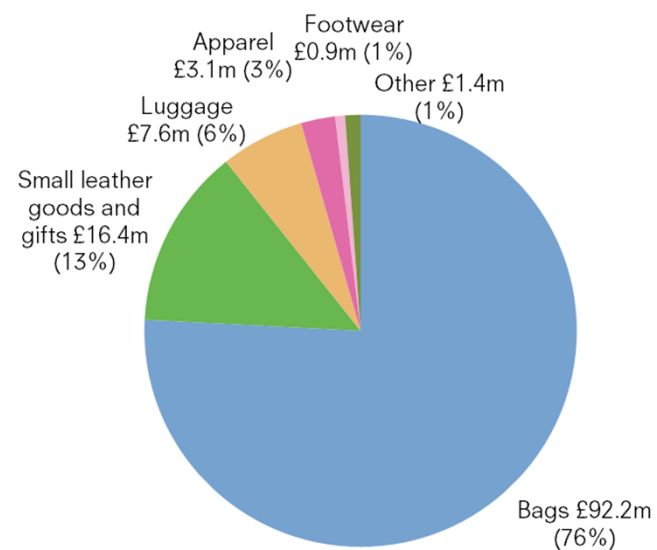
Revenue by Product (2011/12)



Growth Rates (2010/11-2011/12)



Revenue by Product (2010/11)



## INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

£ million	31 March 2012	31 March 2011	Variance
Revenue	168.5	121.6	+38%
Gross profit	111.5	79.5	+40%
<i>Gross margin</i>	66.2%	65.4%	
Administrative expenses (net)	(76.1)	(56.4)	+35%
Exceptional costs	-	(0.1)	n.a.
Operating profit	35.4	23.0	+54%
<i>Operating margin</i>	21.0%	18.9%	
Profit before tax	36.0	23.3	+54%
Basic earnings per share (pence)	43.9	29.8	+47%
Proposed dividend (pence)	5.0	4.0	+25%



## NET ADMINISTRATIVE EXPENSES FOR THE YEAR ENDING 31 MARCH 2012



## BALANCE SHEET AS AT 31 MARCH 2012

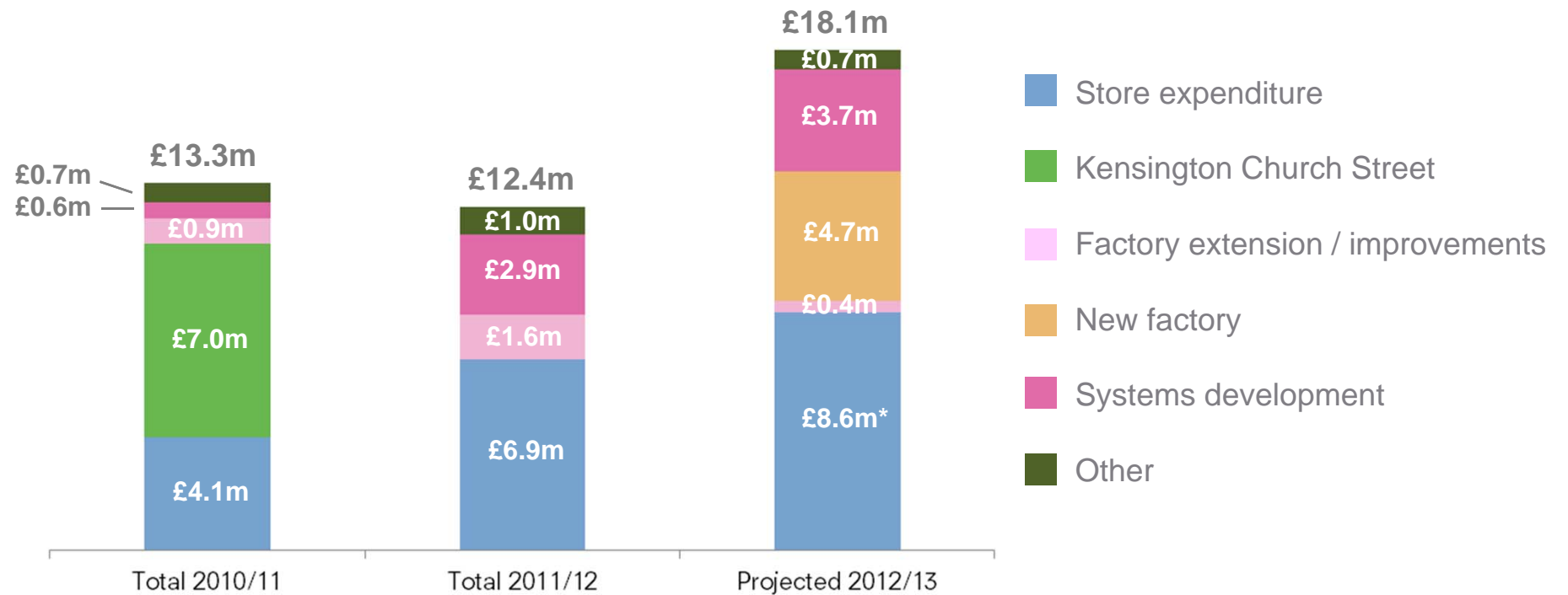
Balance Sheet (£ million)	31 March 2012	31 March 2011	Variance
Fixed assets and investments	28.6	20.6	+38%
Inventories	32.5	22.4	+45%
Trade and other receivables	14.9	12.2	+22%
Cash	27.3	21.4	+28%
Current liabilities	(40.8)	(34.6)	+18%
Shareholders' funds	62.5	42.0	+49%





# CAPITAL EXPENDITURE ANALYSIS

## 2011/2012



\*Based on known store openings at June 2012



## OUTLOOK AND STRATEGY



## CURRENT TRADING AND OUTLOOK

- Solid business foundation with significant long term opportunity to participate in the global luxury market
- Launched Del Rey bag family on 14 May 2012. Both Del Rey and existing core products are performing well
- Opened three new stores (Zurich, New Jersey and Seoul) during the year to date with 13 more confirmed for 2012/13
- Current trading (10 weeks to 9 June 2012):
  - Full price UK retail sales up 14% like-for-like
  - Off-price sales down 24% like-for-like due to tough comparatives
  - Global retail sales up 12%, up 3% like-for-like
  - Last 6 weeks full price UK retail sales up 21% like-for-like
  - Autumn/Winter 2012 third-party wholesale order book 11% higher than the Autumn/Winter 2011 season at the same time last year
- We remain confident about the long term opportunity for Mulberry despite the difficult economic climate in certain markets



## STRATEGIC THEMES

Brand	<ul style="list-style-type: none"> <li>– Reinforce Mulberry’s luxury brand positioning through product, store concept, marketing and people</li> <li>– Continue to internationalise the brand while remaining true to English heritage</li> <li>– Invest to raise brand awareness and refine products, service and quality to meet the needs of the international luxury customer</li> <li>– Reinforce positioning as both a women’s and men’s brand</li> </ul>
Product	<ul style="list-style-type: none"> <li>– Continued investment in quality and product development</li> <li>– Bags to remain core category, but opportunity to grow other categories</li> <li>– Retail and marketing support for all categories</li> </ul>
International	<ul style="list-style-type: none"> <li>– Build on solid UK foundations</li> <li>– Strategic markets: Europe, USA, Asia</li> <li>– New store openings: Target 15-20 new store openings during 2012/13 (three opened and 13 more confirmed to date) with a focus on strategic locations</li> <li>– Online: mulberry.com is fundamental to supporting retail expansion</li> <li>– Wholesale: Limited to key strategic accounts (including department stores)</li> </ul>
Operations	<ul style="list-style-type: none"> <li>– Adapt organisation to support international expansion</li> <li>– Increase UK production</li> <li>– Improve operational efficiency, global supply chain and technology platform</li> </ul>

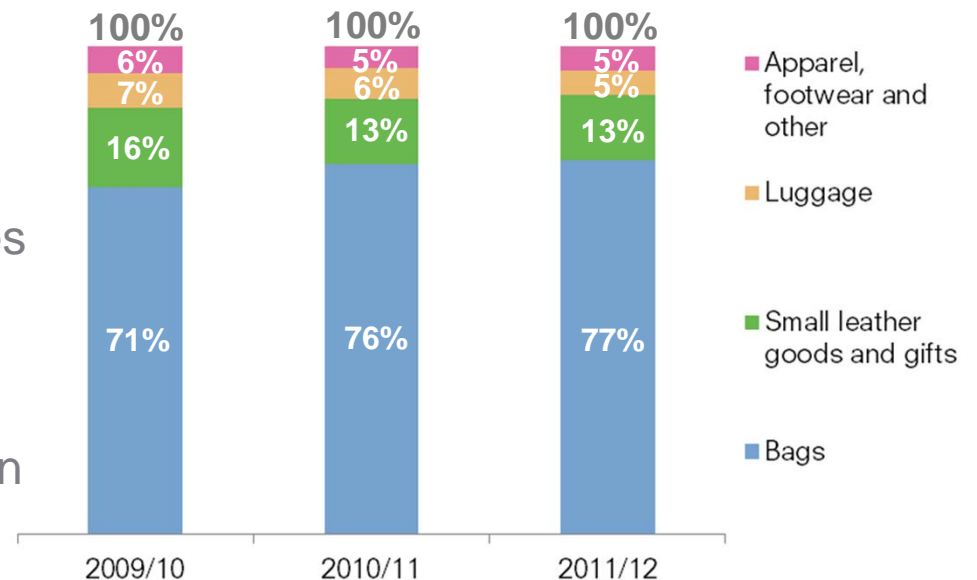




## PRODUCT DEVELOPMENT IN 2012/13

- Quality and innovation in bags:  
77% of revenue in 2011/12
- Invest in other product categories:
  - Footwear
  - Apparel
  - Belts, scarves and other fashion accessories
  - Men's accessories
- Retail and marketing support:  
Store design and marketing to support growth in all product categories

Three year product mix development



## OPERATIONS IN 2012/13

- Commitment to continued investment in people, product, marketing, systems and logistics to drive business growth
- Careful choice of strategic store locations will mean a measured international retail rollout
- New web platform launch to drive even greater functionality and creative freedom
- Commence building new factory in Somerset, England to create 300 jobs and double UK production capacity, reinforcing Mulberry's position as the largest UK manufacturer of luxury leather goods - expected to open by December 2013



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