

Mulberry

Preliminary Results

FOR THE YEAR ENDED 31 MARCH 2016

Agenda

1. FINANCIAL REVIEW

2. STRATEGY

3. CURRENT TRADING AND OUTLOOK

4. DIGITAL

5. CONTACTS

6. APPENDIX

Highlights for the year

TOTAL REVENUE UP 5% TO £155.9 MILLION (2015: £148.7 MILLION)

- Total Retail sales up 8% to £118.7 million
 - UK Retail (including digital) up 9% to £97.4 million
 - International Retail (including digital) up 3% to £21.3 million
 - Digital up 19% to £21.4 million
- Wholesale down 4% to £37.2 million

FINANCIAL HIGHLIGHTS

- PBT of £6.2 million (2015: £1.9 million)
- Gross margin up 150 basis points to 62% (2015: 60.5%)
- Earnings per share of 4.5p (2015: loss per share of 2.3p)
- Proposed dividend of 5.0p per share (2015: 5.0p per share)

OPERATING HIGHLIGHTS

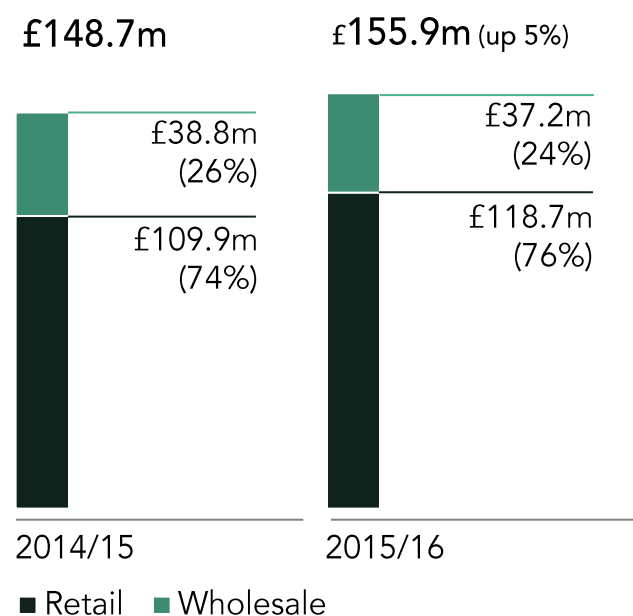
- Digital remains strong with mulberry.com sales +19%, now 14% of group sales (2015: 12%)
- First Mulberry collection from Johnny Coca, Creative Director, presented at LFW (Feb 2016)
- Production efficiencies generated from UK factories which produce c. 50% of handbags
- License agreement signed for ready-to-wear and shoes
- Significant investment in product design, new creative talent, omni-channel



1. Financial Review

Revenue by channel

TOTAL REVENUE



Note: Digital included in Retail sales

TOTAL REVENUE UP 5% TO £155.9 MILLION

RETAIL UP 8% TO £118.7 MILLION:

- Like-for-like up 8%
- UK Retail (including Digital) up 9% to £97.4 million
- International Retail (including Digital) up 3% to £21.3 million
- Digital up 19% to £21.4 million, 14% of group sales

WHOLESALE DOWN 4% TO £37.2 MILLION

Income statement — For year ended 31 March 2016

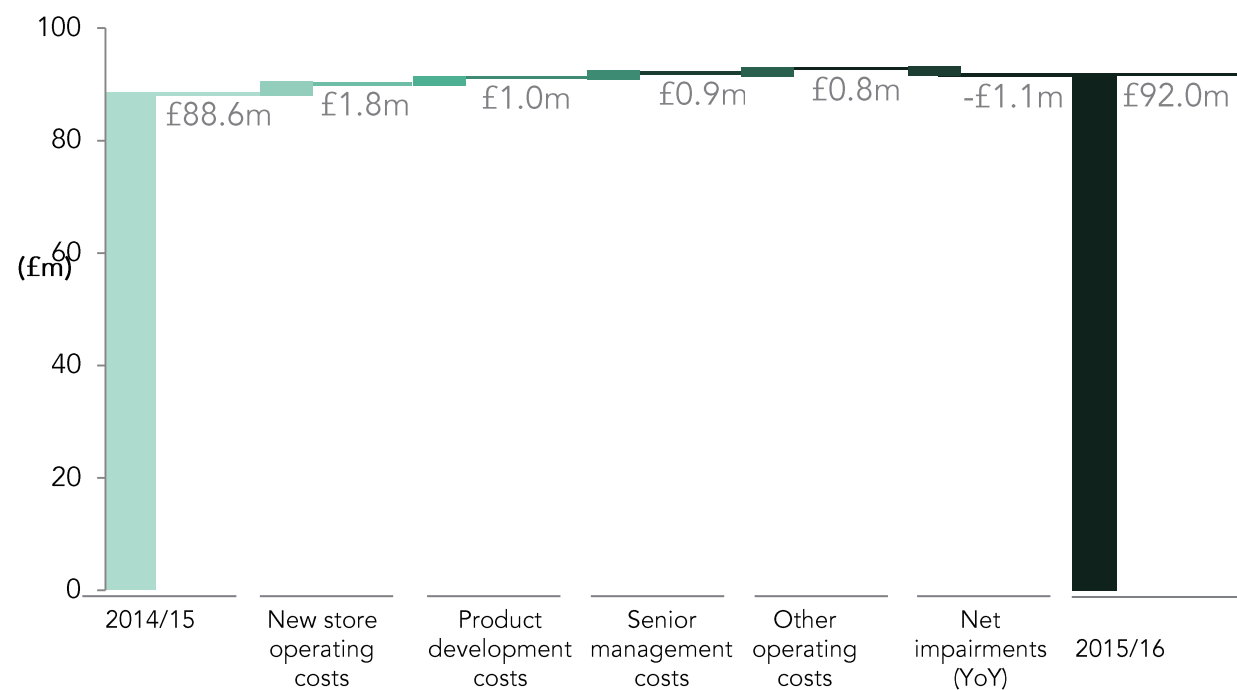
£ MILLION	31 MARCH 2015	31 MARCH 2016	VARIANCE
Revenue	148.7	155.9	+5%
Gross profit	89.9	96.6	+7%
Gross margin	60.5%	62.0%	
Operating expenses	(85.9)	(90.3)	+5%
Exceptional expenses*	(2.7)	(1.6)	-39%
Exceptional income**	-	1.0	n/a
Profit before tax	1.9	6.2	+226%
Adjusted*** profit before tax	4.5	6.8	+51%
Basic earnings/(loss) per share (pence)	(2.3)	4.5	n/a

* Retail asset impairment costs

** 2016: Profit on disposal of two US stores

***Adjusted to add back exceptional items

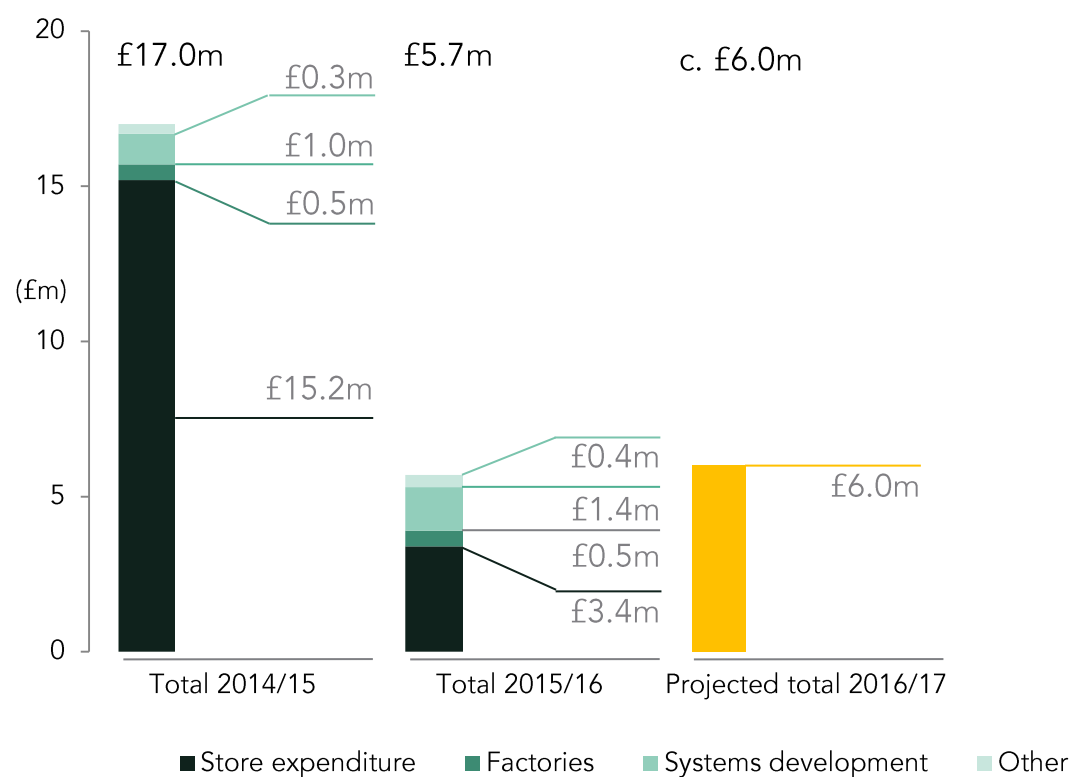
Other operating expenses — For year ended 31 March 2016



Balance Sheet — As at 31 March 2016

BALANCE SHEET (£ MILLION)	31 MARCH 2015	31 MARCH 2016	VARIANCE
Fixed assets and investments	47.4	40.9	-14%
Inventories	39.4	44.4	+13%
Trade and other receivables	13.3	10.8	-19%
Cash	9.9	14.0	+41%
Current liabilities	(31.2)	(30.4)	-3%
Net assets	78.7	79.7	+1%

Capital Expenditure Analysis — For year ending 31 March 2016



2. Strategy



Product

LEATHER GOODS TO REMAIN THE CORE COMMERCIAL FOCUS

REINFORCE MULBERRY AS A LIFESTYLE BRAND

- Introduce more seasonal product to drive sales in the UK and International markets
- Style and price point of shoes and ready-to-wear collections aligned with bags
- License agreement signed for manufacture and co-distribution of shoes and ready-to-wear

MAINTAIN COMMITMENT TO CORE PRICE BRACKET FOR BAGS

- Strategy to shorten lead time between showing new collections and delivery to sales channels
- Product designs under creative direction of Johnny Coca will continue to follow core brand values whilst introducing greater level of novelty in the range of bags in coming seasons

Product



Brand

INVEST IN BUILDING THE BRAND GLOBALLY WITH DYNAMIC MARKETING AND COMMUNICATION STRATEGY

ENGAGE WITH NEW AND LOYAL CUSTOMERS

- Introduce more seasonal product to drive sales in the UK and International markets
- Increased use of digital and social media (digital media expected to represent majority of total spend going forward)
- Tailored regional marketing activities

EMPHASISE BRITISH DNA AS POINT OF DISTINCTION



Omni-channel

STRENGTHEN POSITION IN THE UK AND EXPAND INTERNATIONALLY

OMNI-CHANNEL STRATEGY: WELL-SITUATED STORES COMPLEMENTED BY STRONG DIGITAL PRESENCE

- Significant investment in store network over recent years; c. 30% of stores less than four years old
- In the short to medium term, plan to open fewer stores and strategically refine store network while focusing upon improving the range of omni-channel services
- Maintain selective wholesale digital relationships

ENHANCE OMNI-CHANNEL CAPABILITIES:

- Customer experience to be further enhanced through local fulfilment and omni-channel services
- International rollout to Europe (April 2016), US (Summer 2016, with local fulfilment)
- Approximately 50% of Group's Digital sales now executed on mobile phones and tablet whilst two-thirds of site traffic comes over these devices

122 STORES (INCLUDING PARTNER) AS AT 31 MARCH 2016

Retail footprint

WORLDWIDE RETAIL FOOTPRINT: MARCH 2016

	Department store Shop-in- Shop	Free Standing Stores	Total March 2016	Changes from 31 March 2015	Total March 2015
Directly Operated Stores					
UK	24	21	45	1	44
Europe	3	10	13	-1	14
North America	–	9	9	-3	12
Total Own Stores	27	40	67	-3	70
Partner Stores					
Scandinavia	3	7	10	–	10
Other European	–	2	2	1	1
South Korea	16	3	19	-1	20
Other Asia Pacific	3	17	20	1	19
Middle East	1	3	4	–	4
Total Partner Stores	23	32	55	1	54
Total Retail Footprint	50	72	122	-2	124

Operations

BUILD SCALABLE PLATFORM

COMMITTED TO “MADE IN ENGLAND”

- Maintain c. 50% of handbags manufactured in the UK going forward
- Reinforces authenticity of Mulberry brand, contributes to attainment of high product quality standards
- Since UK factories already approaching full capacity, this is likely to require opening new factories in the UK as the Group’s revenues increase

DIGITAL PLATFORM

- Omni-channel phase 1 completed; phase 2 has commenced
- Further enhance customer experience through local fulfilment and omni-channel services in priority international markets

SUSTAINED STRATEGY OF INVESTING IN IT

- CRM enabling better understanding of main customer segments
- Create improved customer experience across all touch points
- IT will continue to play a key role in omni-channel evolution

3. Current Trading and Outlook



Current trading

This year vs. last year (%)	Retail total sales			Retail like-for-like* sales		
	26 weeks to 30-Sep-15#	52 weeks to 31-Mar-16	11 weeks to 11-Jun-16	26 weeks to 30-Sep-15#	52 weeks to 31-Mar-16	11 weeks to 11-Jun-16
UK Retail**	+12%	+9%	+13%	+14%	+9%	+4%
International Retail**	+12%	+3%	-5%	-3%	+2%	+4%
Total Retail	+12%	+8%	+9%	+10%	+8%	+4%

* Like-for-like defined as the year-on-year change in sales from stores which have been trading both during the current and previous periods

** Regional splits include digital sales; Digital sales rose 20% in the 26 weeks to 30 Sep 2015, +19% in the 52 weeks to 31 Mar 2016 and +26% in the 11 weeks to 11 June 2016

Retail sales for the 26 weeks to 30 Sep 15 have been previously reported

Outlook

PRODUCT

- Investment in product remains key strategic priority
- Board believes these initiatives will enhance opportunities for growth in the medium term
- Continued focus on these areas will contribute to an increase in overheads for the year
- Elevated number of new product introductions during the year is likely to affect factory efficiency

OMNI-CHANNEL

- Focus on improving productivity in existing stores with limited new store openings
- Enhance systems which underpin omni-channel offering in the UK
- France, Germany, Netherlands (April 2016); US (Summer 2016, with local fulfilment)

AUSTRALIA

- Acquisition of Mulberry store in Sydney, Australia (April 2016) from partner, Club 21
- Mulberry now directly manages sales and distribution operations
- Brand is well-positioned in small but promising market

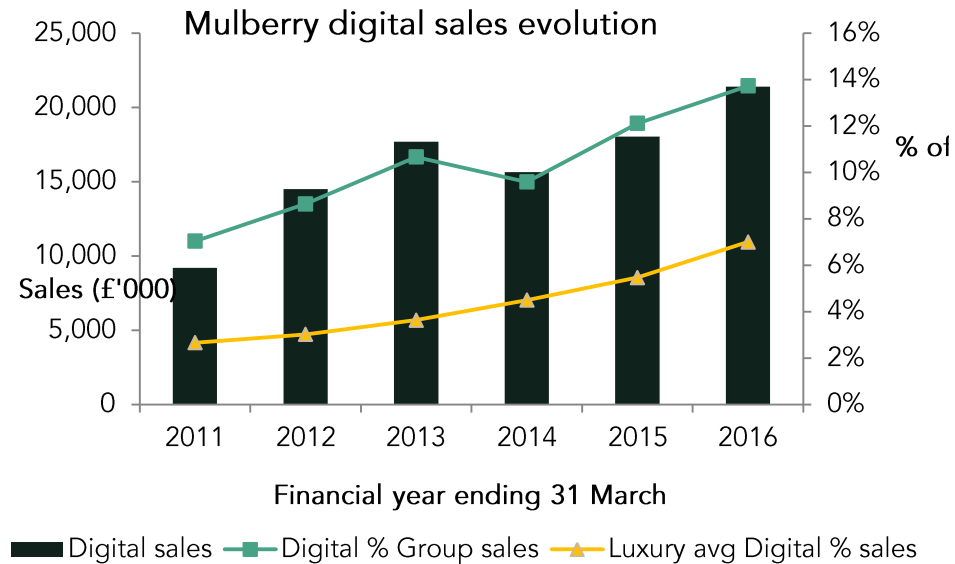
WHOLESALE

- Expected to remain steady during the current financial year

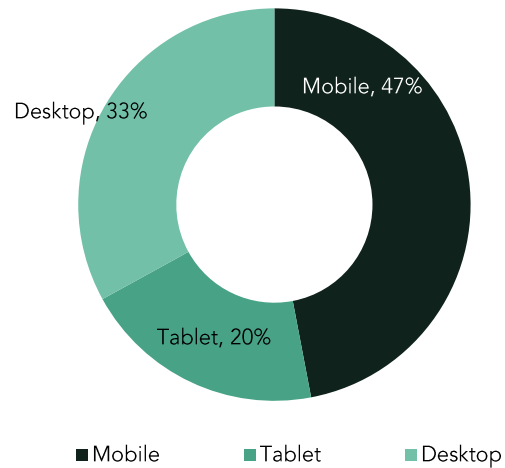
A woman is shown from the chest down, holding a large, dark brown, textured leather tote bag. She is wearing a black turtleneck top and a pearl earring. The background is a light-colored brick wall. The text "4. Digital" is overlaid in the center of the image.

4. Digital

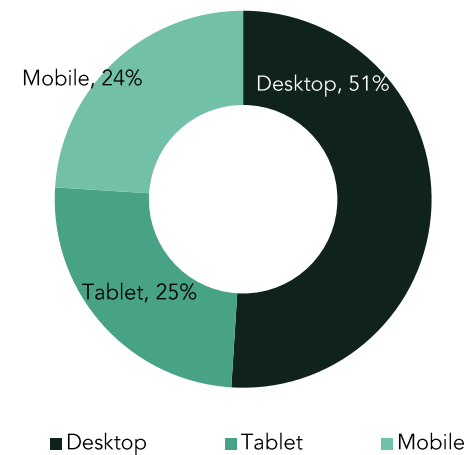
Digital



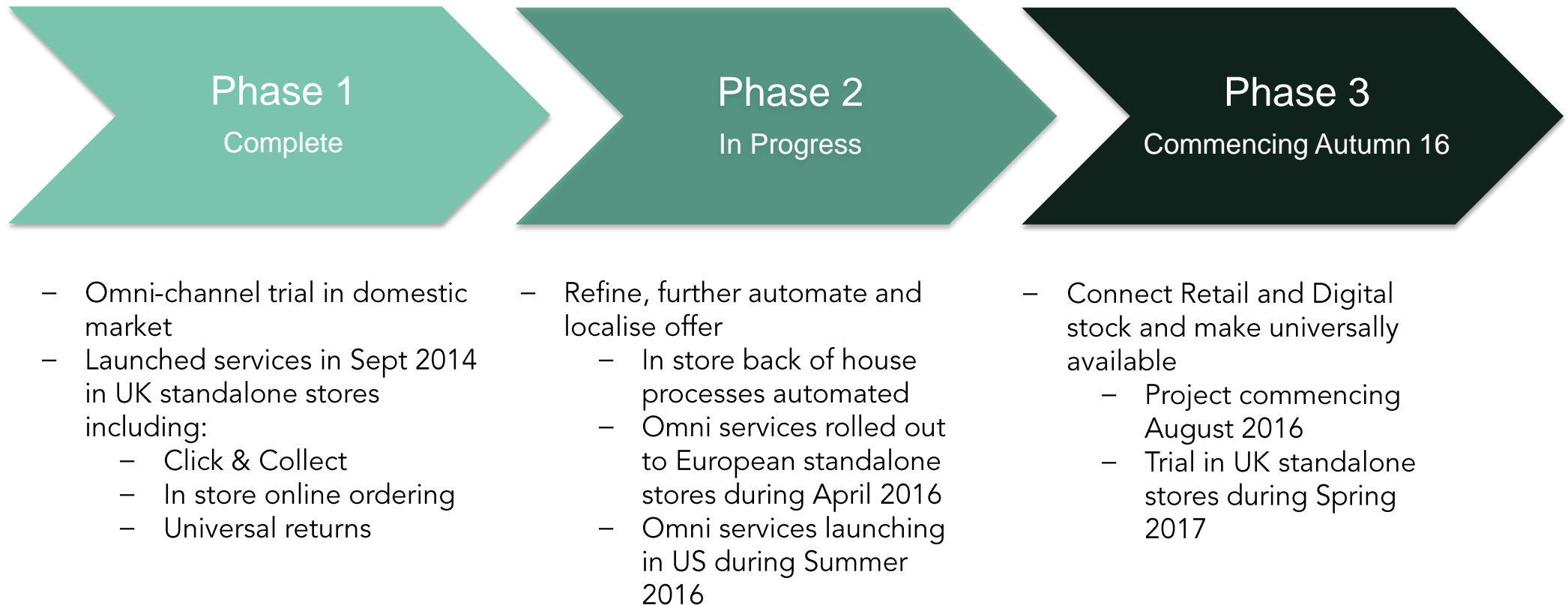
Digital traffic by device



Digital sales by device



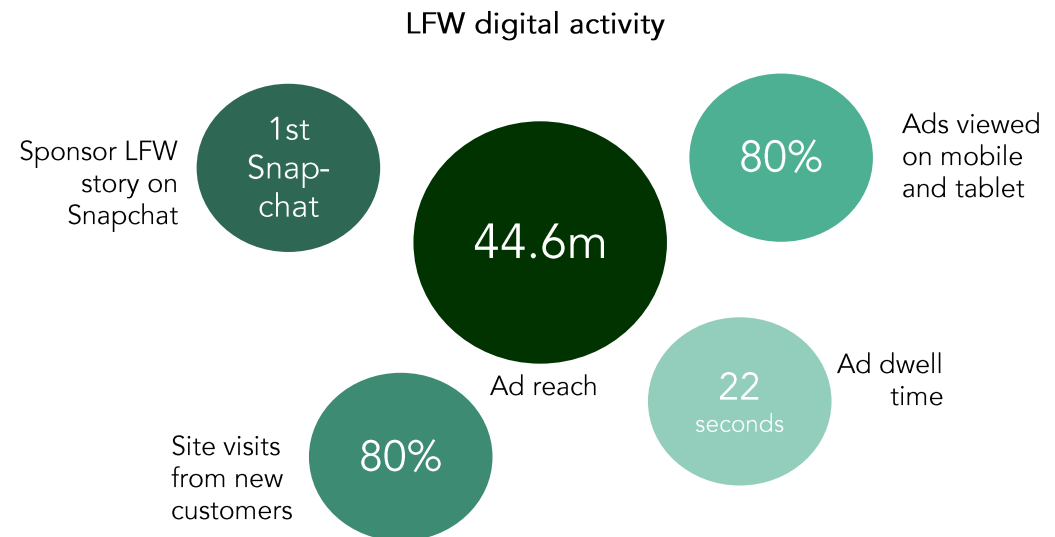
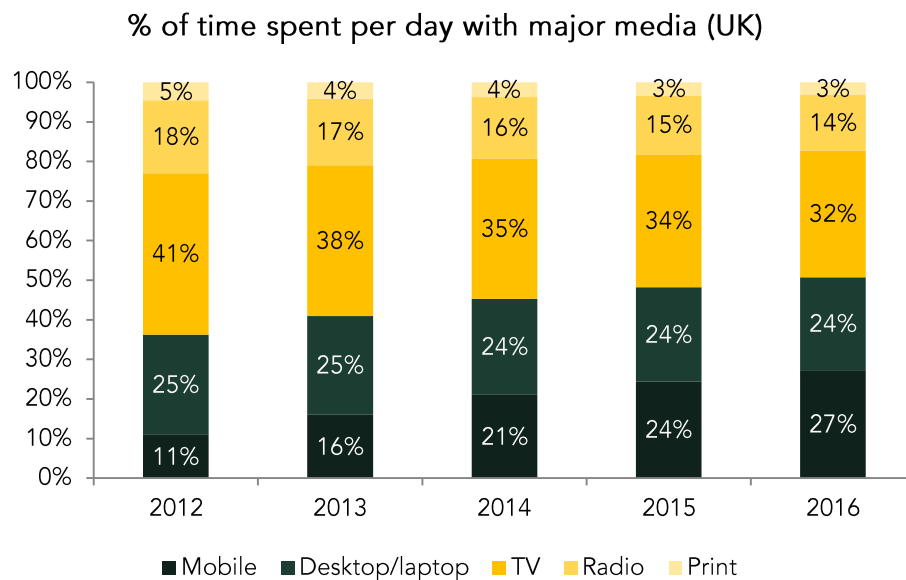
Omni-channel developments



Customer Centric Marketing

STRATEGIC INVESTMENT IN DIGITAL AND OMNI-CHANNEL FUTURE MARKETING MODELS

- Strong shift into digital and social media investment with a mobile focus, now the majority of total media mix
- Digital media activity enables greater reach, richer brand storytelling formats and stronger customer engagement opportunities
- Significant targeting opportunities due to historical e-commerce investment, in-house digital capabilities and owned “big data”
- Future focus on omni-channel marketing opportunities and cross channel attribution



Contacts

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DIGITAL PLATFORMS

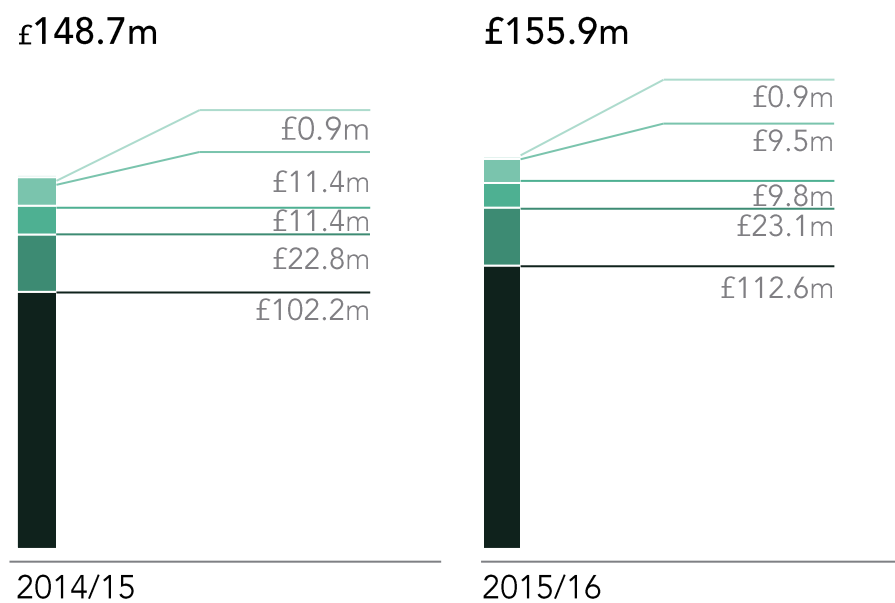
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Appendix 1 – Revenue by region



■ UK ■ Europe ■ North America ■ Asia Pacific ■ Rest of the World

Appendix 2 – Revenue by region/channel

	2014/15 £m			2015/16 £m		
	Retail	Wholesale	Total	Retail	Wholesale	Total
UK	89.2	13.6	102.8	97.5	15.1	112.6
Europe	9.5	13.1	22.6	11.0	12.1	23.1
Asia Pacific	0.4	10.8	11.2	0.5	9.0	9.5
North America	10.7	0.5	11.2	9.6	0.2	9.8
Other	0.1	0.8	0.9	0.1	0.8	0.9
Total Revenue	109.9	38.8	148.7	118.7	37.2	155.9

Appendix 3 – Revenue by product

