Mulberry

Preliminary Results

FOR THE YEAR ENDED 31 MARCH 2017
Agenda

1. FINANCIAL REVIEW

2. STRATEGY

3. CURRENT TRADING AND OUTLOOK

4. APPENDIX
1. INTERNATIONAL STRATEGY ADVANCED
   — Creation of new entity to develop business in China, Hong Kong, Taiwan
   — Acquisition of Australia business
   — Omni-channel extended and enhanced internationally

2. GOOD FINANCIAL PROGRESS
   — Sales and profit growing
   — Cash generation and strong balance sheet

3. GENERATED STRONG CREATIVE MOMENTUM
   — Significant number of new product launches by our creative and production teams
   — Proud of Somerset based factories which remain a point of distinction
   — Well received by our existing and new customers
1. Financial Review
Revenue by channel

TOTAL REVENUE

£168.1m (up 8%)  £155.9m

£39.8m (24%)  £37.2m (24%)

£128.3m (76%)  £118.7m (76%)

2016/17  2015/16

Retail  Wholesale

Note: Digital included in Retail sales

RETAIL UP 8%, LIKE-FOR-LIKE UP 5%:

— UK Retail (including Digital) up 10% (like-for-like up 5%)
— International Retail (including Digital) up 1%
  (like-for-like up 7%)
— Global Digital up 19%; now represents 15% of revenue (2016: 14%)

WHOLESALE UP 7%:

— Positive reaction to new product ranges
— Selective new accounts opened in Europe, North America and Asia
## PRELIMINARY RESULTS — YEAR ENDED 31 MARCH 2017

### Income Statement

<table>
<thead>
<tr>
<th>£ MILLION</th>
<th>31 MARCH 2017</th>
<th>31 MARCH 2016</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>168.1</td>
<td>155.9</td>
<td>+8%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>103.6</td>
<td>96.6</td>
<td>+7%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>61.6%</td>
<td>62.0%</td>
<td></td>
</tr>
<tr>
<td>Operating expenses (net)</td>
<td>(96.5)</td>
<td>(90.5)</td>
<td>+7%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>7.1</td>
<td>6.1</td>
<td>+16%</td>
</tr>
<tr>
<td>Other operating income</td>
<td>0.4</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>7.5</td>
<td>6.2</td>
<td>+21%</td>
</tr>
<tr>
<td>Adjusted* Profit Before Tax</td>
<td>8.6</td>
<td>6.8</td>
<td>+28%</td>
</tr>
<tr>
<td>Basic earnings per share (pence)</td>
<td>8.4</td>
<td>4.5</td>
<td>+87%</td>
</tr>
</tbody>
</table>

* Adjusted to add back exceptional items:
  2016: Profit on disposal of 2 stores offset by Retail asset impairment costs;
  2017: Retail asset impairment costs
PRELIMINARY RESULTS — YEAR ENDED MARCH 2017

Operating expenses

<table>
<thead>
<tr>
<th>Year</th>
<th>Property, new store costs</th>
<th>Marketing, A&amp;P costs</th>
<th>Net exceptional costs</th>
<th>Net other costs</th>
<th>2016/17 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>£90.5m</td>
<td>£3.7m</td>
<td>£1.6m</td>
<td>£0.5m</td>
<td>£96.5m</td>
</tr>
</tbody>
</table>
## Preliminary Results — Year Ended 31 March 2017

### Balance Sheet

<table>
<thead>
<tr>
<th>BALANCE SHEET (£ MILLION)</th>
<th>31 March 2017</th>
<th>31 March 2016</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets and investments</td>
<td>36.6</td>
<td>40.9</td>
<td>-11%</td>
</tr>
<tr>
<td>Inventories</td>
<td>42.8</td>
<td>44.4</td>
<td>-4%</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>14.7</td>
<td>10.8</td>
<td>+36%</td>
</tr>
<tr>
<td>Cash</td>
<td>21.1</td>
<td>14.0</td>
<td>+51%</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(29.6)</td>
<td>(30.1)</td>
<td>-2%</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td><strong>85.6</strong></td>
<td><strong>79.9</strong></td>
<td><strong>+7%</strong></td>
</tr>
</tbody>
</table>
Capital Expenditure Analysis

- 2015/16: £3.4m + £0.4m = £3.8m
- 2016/17: £1.4m + £0.5m + £0.6m = £2.5m
- Projected 2017/18: £3.2m + £0.6m + £0.9m + £0.6m = £5.3m

Total: £6.5m (2015/16 & 2016/17) + £5.3m (Projected 2017/18) = £11.8m
2. Strategy
CREATIVE MOMENTUM CONTINUES
— Creative momentum continues with good reception to new product by our customers
  • New Zipped Bayswater an immediate bestseller
— Continued focus on novelty in coming seasons with extension of existing bag families
— Reinforce Mulberry as a lifestyle brand
  • Strengthened complementary categories: footwear, ready-to-wear, soft accessories, jewellery
ENGAGE WITH CUSTOMERS ACROSS ALL TOUCHPOINTS

— Integrated marketing approach
— Traditional events and press formats with extensive use of digital, mobile and social media
— Digital taking highest share of media investment

EVOLUTION OF SEASONAL COLLECTION LAUNCHES

— Private preview of Spring Summer 2018 during Sept 2017
— Collection unveiled and immediately available to buy during Feb 2018 (London Fashion Week) for an instantly shoppable, real-time global consumer experience
PRELIMINARY RESULTS — YEAR ENDED 31 MARCH 2017

Retail, Digital and Omni-channel

ENHANCEMENT OF OMNI-CHANNEL CAPABILITIES

— Omni-channel roll-out to store network in Germany, France and the Netherlands from April 2016
— USA launch of local distribution centre and omni-channel services from July 2016
— Local language websites launched in China and Korea; full translation planned during Summer 2017
— Omni-channel to be introduced to newly controlled territories in Asia
STRATEGIC REFINEMENT, ENHANCEMENT, EXTENSION OF STORE NETWORK

— UK enhancement: relocation of Covent Garden and Bicester stores

— International development:
  - Asia Pacific: Acquisition of Sydney, Australia store; through Mulberry Asia acquisition of one store in Hong Kong; plans to acquire two stores in China, one concession in Taiwan during 2017/18;
  - North America: closure of two stores (New York and Washington), sales to the Nordstrom department store chain commenced

— 119 stores (including partner) as at 31 March 2017
# Preliminary Results — Year Ended 31 March 2017

## Retail, Digital and Omni-channel

### Worldwide Retail Footprint: 31 March 2017

<table>
<thead>
<tr>
<th></th>
<th>Free Standing Stores</th>
<th>Department store Shop-in-Shop</th>
<th>Total March 2017</th>
<th>Changes from 31 March 2016</th>
<th>Total March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Own Stores</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>21</td>
<td>25</td>
<td>46</td>
<td>+1</td>
<td>45</td>
</tr>
<tr>
<td>Europe</td>
<td>10</td>
<td>3</td>
<td>13</td>
<td>–</td>
<td>13</td>
</tr>
<tr>
<td>North America</td>
<td>7</td>
<td>–</td>
<td>7</td>
<td>-2</td>
<td>9</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>1</td>
<td>–</td>
<td>1</td>
<td>+1</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total Own Stores</strong></td>
<td>39</td>
<td>28</td>
<td>67</td>
<td>–</td>
<td>67</td>
</tr>
<tr>
<td><strong>Partner Stores</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>8</td>
<td>3</td>
<td>11</td>
<td>-1</td>
<td>12</td>
</tr>
<tr>
<td>South Korea</td>
<td>4</td>
<td>17</td>
<td>21</td>
<td>+2</td>
<td>19</td>
</tr>
<tr>
<td>Other Asia Pacific</td>
<td>14</td>
<td>2</td>
<td>16</td>
<td>-4</td>
<td>20</td>
</tr>
<tr>
<td>Middle East</td>
<td>3</td>
<td>1</td>
<td>4</td>
<td>–</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total Partner Stores</strong></td>
<td>29</td>
<td>23</td>
<td>52</td>
<td>-3</td>
<td>55</td>
</tr>
<tr>
<td><strong>Total Retail Footprint</strong></td>
<td>68</td>
<td>51</td>
<td>119</td>
<td>-3</td>
<td>122</td>
</tr>
</tbody>
</table>
3. Current Trading & Outlook
International development

NORTH ASIA

— New entity, Mulberry Asia, launched to operate business in China, Hong Kong and Taiwan

— Group owns 60% of share capital of Mulberry Asia, with Challice holding the remaining 40%

— Mulberry Asia commenced trade in Hong Kong during April 2017 whilst a subsidiary in China and a branch in Taiwan will be formed and are expected to be operational during 2017

— Increasing marketing activity with recent event in Hong Kong being followed by further events planned for China
PRELIMINARY RESULTS — YEAR ENDED 31 MARCH 2017

Current Trading

RETAIL

— Total Retail like-for-like sales up 1%
— UK Retail like-for-like sales up 2%; continue to benefit from an increase in tourist spending in London although domestic demand has been softer
— International Retail sales show a weakening in non-strategic locations with management continuing to focus on optimisation of the store network

<table>
<thead>
<tr>
<th>This year vs. last year (%)</th>
<th>26 weeks to 30-Sep-16</th>
<th>52 weeks to 31-Mar-17</th>
<th>10 weeks to 3-Jun-17</th>
<th>26 weeks to 30-Sep-16</th>
<th>52 weeks to 31-Mar-17</th>
<th>10 weeks to 3-Jun-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK Retail*</td>
<td>+7%</td>
<td>+5%</td>
<td>+2%</td>
<td>+12%</td>
<td>+10%</td>
<td>-3%</td>
</tr>
<tr>
<td>International Retail*</td>
<td>+10%</td>
<td>+7%</td>
<td>-3%</td>
<td>+2%</td>
<td>+1%</td>
<td>0%</td>
</tr>
<tr>
<td>Total Retail</td>
<td>+7%</td>
<td>+5%</td>
<td>+1%</td>
<td>+7%</td>
<td>+8%</td>
<td>-3%</td>
</tr>
</tbody>
</table>

* The decline in total sales reflects the shift in timing of the half-yearly UK friends and family event which occurred during April 2016 but took place during March in 2017
** Regional splits include Digital sales
Digital sales increased by 19% in the year to 31 March 2017 and increased by 23% in the 10 weeks to 3 June 2017
Preliminary Results — Year Ended 31 March 2017

Outlook

Wholesale

— North Asia will transition from a wholesale account to a Retail subsidiary during the financial year which will reduce Wholesale revenue and increase Retail revenue

International

— North Asia: operational since April 2017, China, Taiwan activities expected to launch during 2017; enhancement, extension of store network (Hong Kong, Shanghai)

— Europe: focus on improving productivity of stores, potential further refinement of store network

— USA: further omni-channel enhancements, potential further strategic refinement of store network

Omni-Channel

— Further enhancements introduced to the Digital and omni-channel offering

— mulberry.com sites launched in key territories including Australia, Canada, China, Korea

— Omni-channel to remain a key area of investment for the Group going forward
Outlook

CAPEX

— A new design concept for the Group’s stores is being developed which will lead to increased capital expenditure when it is rolled out (expected to commence 2018)
— Capex for the current financial year is expected to be c. £7.5 million, the majority of which will be on stores
PRELIMINARY RESULTS — YEAR ENDED 31 MARCH 2017

Contacts

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DIGITAL PLATFORMS
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4. Appendix
PRELIMINARY RESULTS — YEAR ENDED 31 MARCH 2017

Appendix – Revenue by region

2016/17

- £168.1m
  - £121.9m
  - £24.2m
  - £11.7m
  - £9.5m
  - £0.8m

2015/16

- £155.9m
  - £112.6m
  - £23.1m
  - £9.5m
  - £9.8m
  - £0.9m

- UK
- Europe
- Asia Pacific
- North America
- Middle East/Other
## Appendix – Revenue by region/channel

<table>
<thead>
<tr>
<th>Region</th>
<th>2016/17 £m</th>
<th>2015/16 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Retail</td>
<td>Wholesale</td>
</tr>
<tr>
<td>UK</td>
<td>106.8</td>
<td>15.1</td>
</tr>
<tr>
<td>Europe</td>
<td>10.9</td>
<td>13.3</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>1.6</td>
<td>10.1</td>
</tr>
<tr>
<td>North America</td>
<td>8.9</td>
<td>0.6</td>
</tr>
<tr>
<td>Middle East/Other</td>
<td>0.1</td>
<td>0.7</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>128.3</td>
<td>39.8</td>
</tr>
</tbody>
</table>
PRELIMINARY RESULTS — YEAR ENDED 31 MARCH 2017

Appendix – Revenue by product

- Bags £123.5m (73%)
  (2015/16: 73%)

- Small leather goods and gifts £35.1m (21%)
  (2015/16: 19%)

- Luggage £2.6m (2%)
  (2015/16: 2%)

- Apparel £4.8m (3%)
  (2015/16: 3%)

- Footwear £1.2m (1%)
  (2015/16: 1%)

- Other £1.1m (1%)
  (2015/16: 1%)