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# Highlights

## FINANCIAL HIGHLIGHTS

- Group revenue down 10% to £149.3m (2019: £166.3m), primarily reflecting a challenging UK market and the impact of COVID-19 towards the end of the financial period. Group revenue down 6% before the start of COVID-19.
- International retail sales increased 4% to £32.4m (2019: £31.3m) representing 26% of retail revenue (2019: 23%). Asia Pacific retail sales increased 30% (despite impact of COVID-19 in Q4), driven by ongoing investment in this region, offset by a 14% decrease in rest of world sales, which included some store closures.
- Adjusted loss before tax of £14.2m (2019: adjusted profit £1.0m) before adjusting items of £33.7m (2019: £6.0m) largely reflecting the impact of COVID-19 on future trading.
- Period end Group net cash of £7.2m (2019: £11.1m), reflecting the operating loss, offset by lower working capital and capital expenditure.
- Inventory reduced by 12% to £34.9m reflecting good progress with our agile supply chain and inventory control.
- The Board has taken the decision not to pay a full year 2020 dividend (2019: 5.0p) in order to maintain a robust liquidity position given the uncertainty and duration of COVID-19.

## OPERATING HIGHLIGHTS AND RESPONSE TO COVID-19

- Direct-to-customer sales represented 91% of Group revenue (2019: 88%) and were £135.4m (2019: £146.0m).
- Digital sales as a proportion of Group revenue were 24% (2019: 22%).
- New Mulberry store concept now in 28 stores (including 8 partner stores), driving a significant lift in sales per square foot.
- We reacted swiftly to manage the impact of COVID-19, with the Board meeting fortnightly, and continue to execute a well-developed plan to manage capital, reduce costs and maintain a robust liquidity position.

## SUSTAINABILITY HIGHLIGHTS

- Released our first 100% sustainable leather bag 'The Portobello', which sold out online in 24 hours.
- Mulberry is now carbon neutral across all UK operations.

## CURRENT TRADING HIGHLIGHTS

- Trading since the start of the current financial period is ahead of our early expectations.
- The Group expects losses to be reduced in the current financial period.

# Current Trading

£ MILLION	QUARTER 1		QUARTER 2		PERIOD TO DATE	
	SALES	% CHANGE	SALES	% CHANGE	SALES	% CHANGE
DIGITAL	14.6	76%	8.9	59%	23.5	69%
STORES	5.5	-74%	13.8	-38%	19.3	-55%
<b>RETAIL (OMNI-CHANNEL)</b>	<b>20.1</b>	<b>-31%</b>	<b>22.7</b>	<b>-18%</b>	<b>42.8</b>	<b>-25%</b>
<b>WHOLESALE AND FRANCHISE</b>	<b>1.7</b>	<b>-74%</b>	<b>4.1</b>	<b>-21%</b>	<b>5.8</b>	<b>-51%</b>
<b>GROUP REVENUE</b>	<b>21.8</b>	<b>-39%</b>	<b>26.8</b>	<b>-19%</b>	<b>48.6</b>	<b>-29%</b>

£ MILLION	QUARTER 1		QUARTER 2		PERIOD TO DATE	
	SALES	% CHANGE	SALES	% CHANGE	SALES	% CHANGE
DIGITAL	11.5	83%	6.3	50%	17.8	70%
STORES	0.9	-94%	9.2	-43%	10.1	-68%
WHOLESALE AND FRANCHISE	0.1	-95%	1.0	-17%	1.1	-65%
<b>UK</b>	<b>12.5</b>	<b>-46%</b>	<b>16.5</b>	<b>-23%</b>	<b>29.0</b>	<b>-35%</b>
DIGITAL	1.2	100%	0.8	167%	2.0	122%
STORE	4.1	24%	3.4	3%	7.5	14%
WHOLESALE AND FRANCHISE	0.2	-78%	0.3	-75%	0.5	-76%
<b>ASIA PACIFIC</b>	<b>5.5</b>	<b>15%</b>	<b>4.5</b>	<b>-6%</b>	<b>10.0</b>	<b>4%</b>
DIGITAL	1.9	36%	1.8	64%	3.7	48%
STORE	0.5	-81%	1.2	-59%	1.7	-69%
WHOLESALE AND FRANCHISE	1.4	-63%	2.8	0%	4.2	-36%
<b>REST OF WORLD</b>	<b>3.8</b>	<b>-51%</b>	<b>5.8</b>	<b>-15%</b>	<b>9.6</b>	<b>-34%</b>
<b>GROUP REVENUE</b>	<b>21.8</b>	<b>-39%</b>	<b>26.8</b>	<b>-19%</b>	<b>48.6</b>	<b>-29%</b>

Current trading for 26 week period from 29 March 2020 to 26 September 2020, compared to the same period last year.

# Current Trading

## CURRENT TRADING FOR THE 26 WEEK PERIOD FROM 29 MARCH 2020

- Group revenue down 29% for the 26 week period from 29 March 2020, compared to the same period last year, with an improving trend since stores have re-opened (Q1 -39%, Q2 -19%):
  - Digital revenue up 69%
  - Asia Pacific retail revenue up 27%, China retail revenue up 75%
- Digital off-price site established to replace lost sales from our outlet stores, which has been successful.
- Net cash of £8m at 25 September 2020, bank facilities extended to March 2022 with renegotiated banking covenants to reflect the current COVID-19 world.
- Confident in the strength of the Mulberry brand and our strategy over the long term.



# Our Progress to Date 2018-2020



# COVID-19

We reacted swiftly to the impact of COVID-19 and have a well-developed plan to manage capital, reduce costs and maintain a robust liquidity position. Mulberry's omni-channel approach, market leading digital platforms and international development in Asia, has enabled us to withstand some pressures affecting all consumer-facing businesses. We switched production in our Somerset based factories to making PPE gowns for our local NHS Trusts and frontline workers, producing over 15,000 reusable, machine-washable gowns.

## DEMAND IMPACT

- The absence of shoppers on the high street in the short-term, and the absence of tourists in the UK and Europe in the longer term, has required a major restructuring. The UK Coronavirus Job Retention Scheme ('CJRS') enabled a measured response to this challenge.
- Headcount reduced by approximately 25%, announced June 2020 and concluded July 2020.

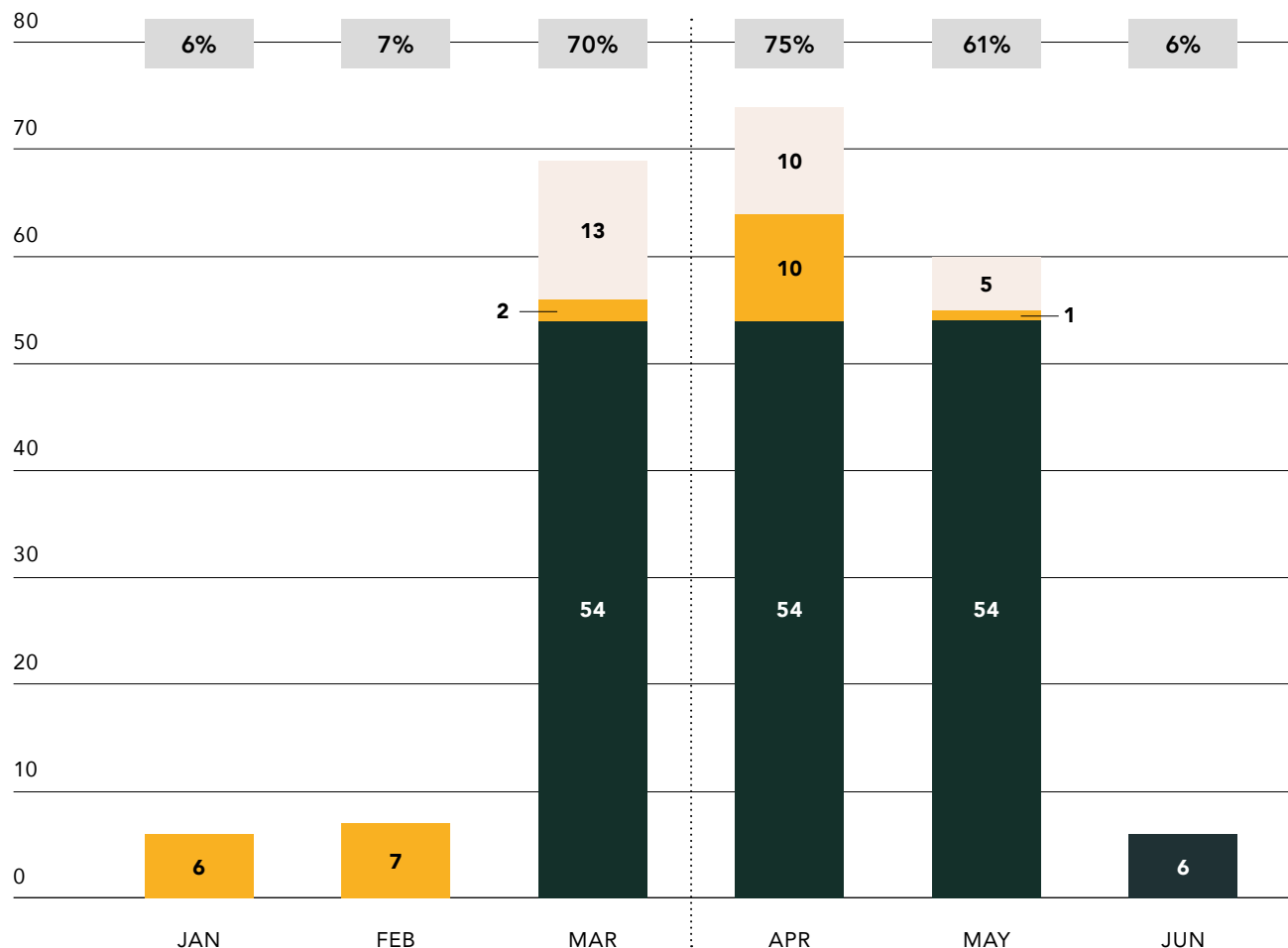
## FINANCIAL IMPACT

- The Group reacted swiftly to manage the impact of COVID-19, with the Board meeting fortnightly, and continue to execute a well-developed plan to manage capital, reduce costs and maintain a robust liquidity position.
- A cost reduction programme was implemented across the whole Group and included:
  - Reducing headcount by approximately 25%, completed 31 July 2020
  - Renegotiating or terminating leases where possible
- No dividend will be paid in 2020 in order to maintain a robust liquidity position.

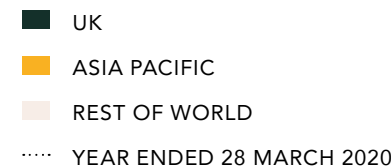


# COVID-19 — Store Closures

## STORE CLOSURES BY REGION (OWN STORES ONLY)



- The immediate effect of COVID-19 was the closure of the majority of our shops and our UK factories by the end of March 2020, with the exception of PPE.
- As of 29th July 2020, with the exception of some airport locations and stores that we plan to close, the majority of our network is open.
- The level of store closures does not reflect the impact of COVID-19 on demand and consumer confidence.



Reflects closed stores at the end of each calendar month. Own stores includes free standing stores and department store concessions.



# Financial Review



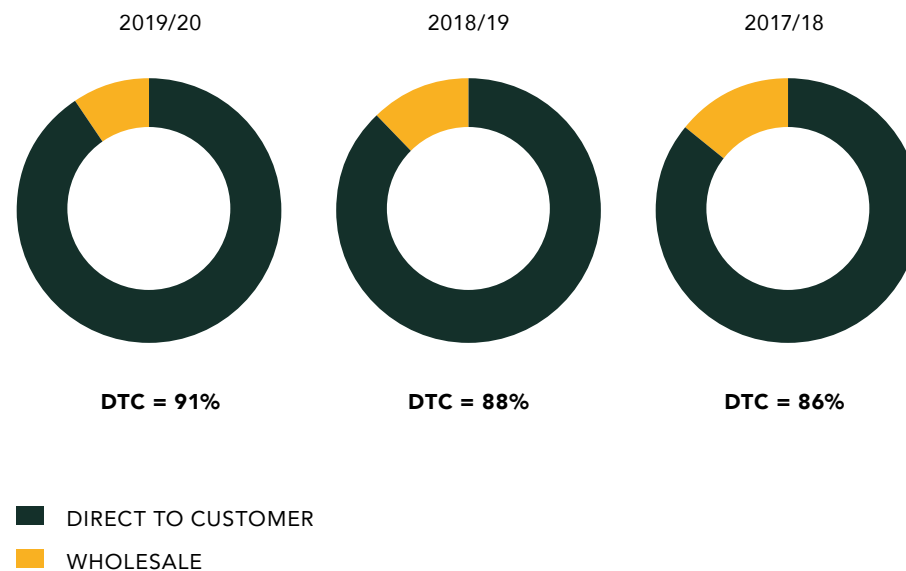
# Revenue

£ MILLION	2019/20	2018/19	% CHANGE
DIGITAL	36.3	36.9	-2%
STORES	89.1	97.9	-9%
<b>RETAIL (OMNI-CHANNEL)</b>	<b>125.4</b>	<b>134.8</b>	<b>-7%</b>
<b>WHOLESALE AND FRANCHISE</b>	<b>23.9</b>	<b>31.5</b>	<b>-24%</b>
<b>GROUP REVENUE</b>	<b>149.3</b>	<b>166.3</b>	<b>-10%</b>

£ MILLION	2019/20	2018/19	% CHANGE
DIGITAL	27.8	29.1	-4%
STORES	65.2	74.4	-12%
WHOLESALE AND FRANCHISE	5.7	11.1	-49%
<b>UK</b>	<b>98.7</b>	<b>114.6</b>	<b>-14%</b>
DIGITAL	2.4	1.7	41%
STORE	13.6	10.6	28%
WHOLESALE AND FRANCHISE	5.4	6.3	-14%
<b>ASIA PACIFIC</b>	<b>21.4</b>	<b>18.6</b>	<b>15%</b>
DIGITAL	6.1	6.1	0%
STORE	10.3	12.9	-20%
WHOLESALE AND FRANCHISE	12.8	14.1	-9%
<b>REST OF WORLD</b>	<b>29.2</b>	<b>33.1</b>	<b>-12%</b>
<b>GROUP REVENUE</b>	<b>149.3</b>	<b>166.3</b>	<b>-10%</b>

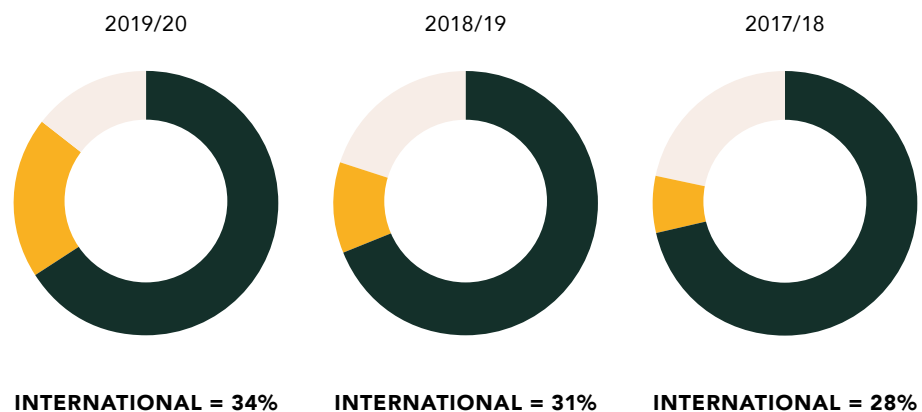
- Group revenue down 10% to £149.3m (2019: £166.3m), primarily reflecting a challenging UK market and the impact of COVID-19 towards the end of the financial period.
- Group revenue down 6% before the start of COVID-19.
- As anticipated, wholesale and franchise sales reduced by 24%.

## DIRECT TO CUSTOMER



# International Revenue

## INTERNATIONAL MIX (AS A PROPORTION OF GROUP REVENUE)



- UK
- ASIA PACIFIC
- REST OF WORLD

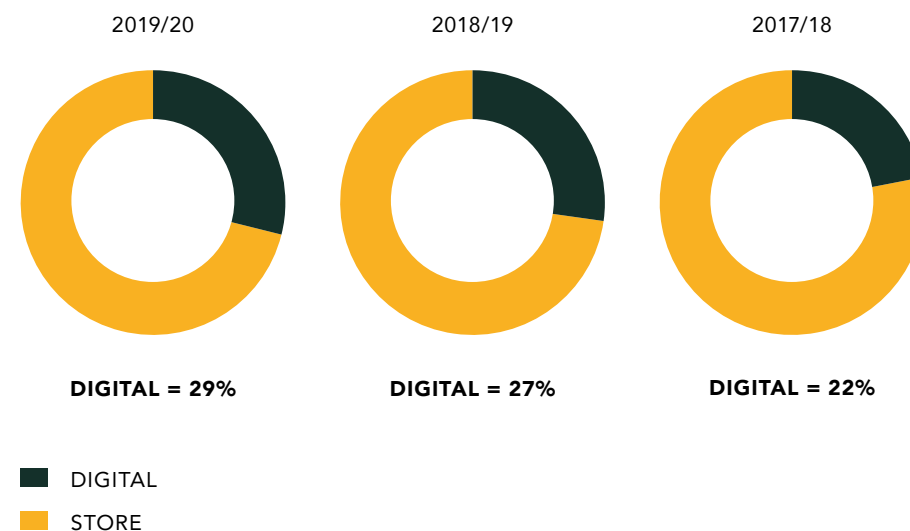
- In line with strategy, international revenue continues to grow as a proportion of overall Group revenue.
- International retail revenue +4% to £32.4m (2019: £31.3m) representing 26% of retail revenue (2019: 23%).
- Asia pacific retail growth of +30%, driven by ongoing investment in this region, offset by a 14% decrease in rest of world sales, which included some store closures.
- Sales generated from international markets have continued to grow as a proportion of overall Group sales and we expect this trend to continue as we grow brand awareness in Asia.

# Digital Revenue

£ MILLION	2019/20	2018/19	% CHANGE
UK	27.8	29.1	-4%
ASIA PACIFIC	2.4	1.7	41%
REST OF WORLD	6.1	6.1	0%
<b>TOTAL DIGITAL</b>	<b>36.3</b>	<b>36.9</b>	<b>-2%</b>
UK	65.2	74.4	-12%
ASIA PACIFIC	13.6	10.6	28%
REST OF WORLD	10.3	12.9	-20%
<b>TOTAL STORE</b>	<b>89.1</b>	<b>97.9</b>	<b>-9%</b>
<b>TOTAL RETAIL</b>	<b>125.4</b>	<b>134.8</b>	<b>-7%</b>

- Digital sales now represent 24% of Group revenue (2019: 22%).
- This growth was partly due to building consumer confidence in online shopping for luxury goods, but also due to further enhancements in our market-leading digital platforms; including better functionality, localisation and local fulfilment.
- In April 2019, we launched the Mulberry global digital store on Farfetch, the leading global technology platform for the luxury fashion industry. This partnering on a global concession basis enhances our direct-to-customer model and strengthens our international presence. Performance here has been strong with total sales outperforming our expectations. All Mulberry product groups are now available via Farfetch, with the range expanding each season.

## DIGITAL MIX (AS A PROPORTION OF RETAIL REVENUE)



# Group Income Statement

£ MILLION	52 WEEKS ENDED 28 MARCH 2020			53 WEEKS ENDED 30 MARCH 2019		
	UNDERLYING	ADJUSTING ITEMS	REPORTED	UNDERLYING	ADJUSTING ITEMS	REPORTED
REVENUE	149.3		149.3	166.3		166.3
GROSS PROFIT	91.1		91.1	102.3		102.3
IMPAIRMENT CHARGE RELATED TO PROPERTY, PLANT AND EQUIPMENT	-	(7.1)	(7.1)	-	(0.8)	(0.8)
IMPAIRMENT CHARGE RELATED TO RIGHT OF USE ASSETS	-	(24.9)	(24.9)	-	-	-
OTHER OPERATING EXPENSES	(101.6)	(1.7)	(103.2)	(102.1)	(5.2)	(107.3)
OTHER OPERATING INCOME	1.1		1.1	0.9		0.9
<b>OPERATING LOSS</b>	<b>(9.3)</b>	<b>(33.7)</b>	<b>(43.0)</b>	<b>1.1</b>	<b>(6.0)</b>	<b>(4.9)</b>
SHARE OF RESULTS OF ASSOCIATES	-		-	0.1		0.1
FINANCE INCOME	0.1		0.1	0.1		0.1
FINANCE EXPENSE	(5.0)	-	(5.0)	(0.3)		(0.3)
<b>LOSS BEFORE TAX</b>	<b>(14.2)</b>	<b>(33.7)</b>	<b>(47.9)</b>	<b>1.0</b>	<b>(6.0)</b>	<b>(5.0)</b>

# Group Balance Sheet

£ MILLION	28 MARCH 2020	30 MARCH 2019
NON-CURRENT ASSETS	33.3	41.6
RIGHT OF USE ASSETS	45.9	-
INVENTORIES	34.9	39.7
TRADE AND OTHER RECEIVABLES	11.1	13.7
NET CASH	7.2	11.1
CURRENT TAX	0.4	1.8
CURRENT LIABILITIES	(24.6)	(25.4)
LEASE LIABILITIES	(92.1)	-
NON-CURRENT LIABILITIES	(2.6)	(1.8)
<b>NET ASSETS</b>	<b>13.5</b>	<b>80.7</b>

- During the period the Group adopted IFRS 16 'Leases' for the first time.
- At 28 March 2020 right of use assets of £45.9m and lease liabilities of £92.1m are recognised on the Group Balance Sheet, with no restatement of comparatives.

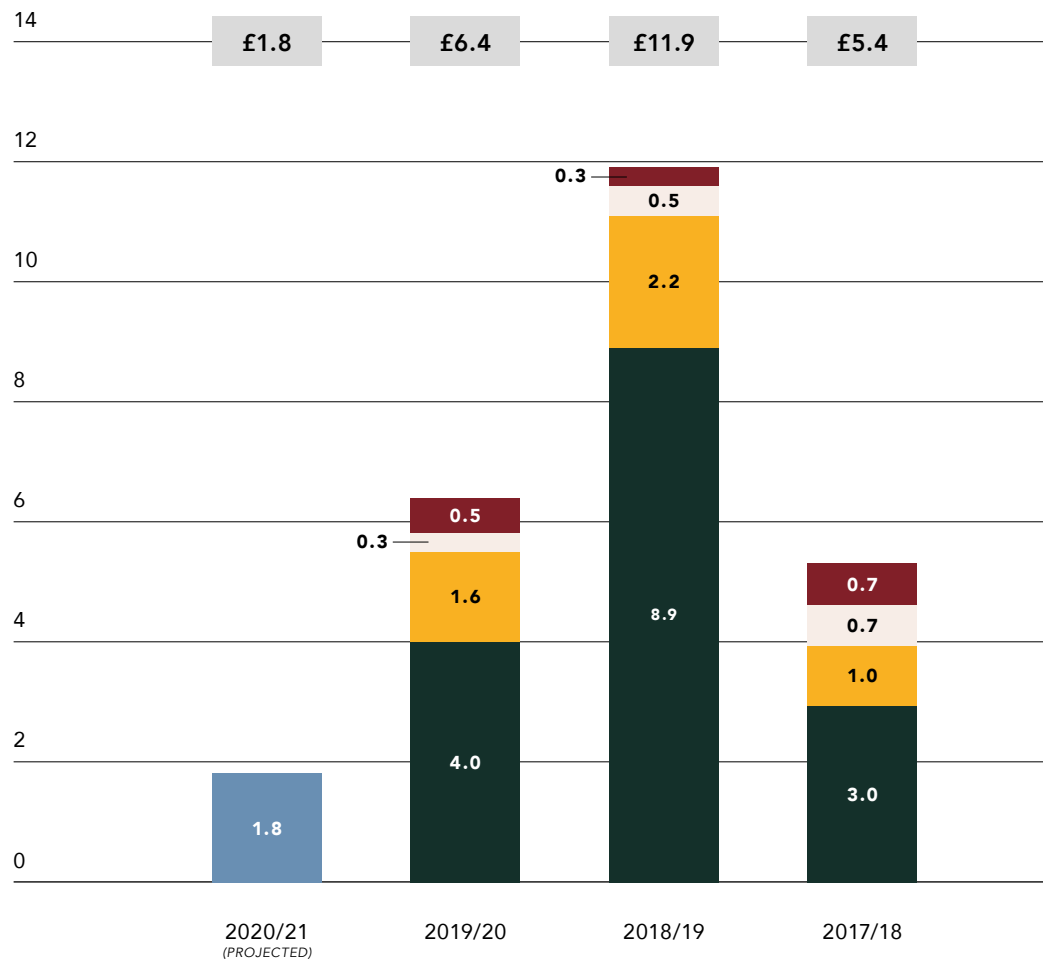
# Group Cash Flow

£ MILLION	52 WEEKS ENDED 28 MARCH 2020	53 WEEKS ENDED 30 MARCH 2019
<b>OPERATING LOSS FOR THE PERIOD</b>	<b>-43.0</b>	<b>-5.0</b>
<b>ADJUSTMENTS FOR:</b>		
DEPRECIATION AND AMORTISATION	56.3	8.3
WORKING CAPITAL	8.4	2.6
<b>CASH GENERATED FROM OPERATIONS</b>	<b>21.7</b>	<b>5.9</b>
TAX	1.8	-1.7
INTEREST RECEIVED	-4.9	-0.1
DIVIDENDS PAID	-3.0	-3.0
CAPEX NET OF PROCEEDS	-6.8	-11.6
PAYMENT OF LEASE LIABILITIES	-14.3	-
OTHER	0.9	-2.6
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>-4.6</b>	<b>-13.1</b>

- The net decrease in cash and cash equivalents of -£4.6m reflects an increased operating loss, offset by lower working capital and capital expenditure.
- In relation to IFRS 16, depreciation and amortisation includes £41.5m and interest received includes £4.7m.
- Inventory reduced by 12% to £34.9m reflecting good progress with our agile supply chain and inventory control.

# Capital Expenditure

£ MILLION



— Capital expenditure during the period related to the opening and refurbishment of stores, further investment in digital IT systems and the Group's factories.

- STORE + DIGITAL
- SYSTEMS DEVELOPMENT
- FACTORIES
- OTHER
- PROJECTED



# 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 I

## — Omni-channel Distribution

### STRATEGY:

Through our omni-channel distribution model, we aim to enhance our customers' experience and drive engagement. This includes developing our store network through selective store openings and closures, the continued roll-out of the new Mulberry store concept and further enhancements to our omni-channel approach, which allow customers to research, buy and return product anywhere across our stores and digital platforms. Our aim is to expand this across our global network over the coming period.

### IN 2020, WE:

- Extended our omni-channel proposition with the launch of same-day delivery in our standalone retail stores.
- As at the period end, the new store concept had been implemented in 12 stores in the UK and 16 stores in international markets and we will continue our roll-out over the coming years.



## Store Detail

		FREE STANDING	DEPARTMENT SHOP-IN-SHOP	TOTAL 28 MARCH 2020	CHANGES FROM 30 MARCH 2019	TOTAL 30 MARCH 2019
OWN STORES	UK	23	31	54	-1	55
	EUROPE	5	1	6	-1	7
	NORTH AMERICA	7	0	7	0	7
	ASIA PACIFIC	15	17	32	0	32
	<b>TOTAL OWN STORES</b>	<b>50</b>	<b>49</b>	<b>99</b>	<b>-2</b>	<b>101</b>
FRANCHISE PARTNER STORES	EUROPE	6	3	9	-2	11
	OTHER ASIA PACIFIC	8	2	10	1	9
	MIDDLE EAST	0	1	1	-1	2
	<b>TOTAL FRANCHISE PARTNER STORE</b>	<b>14</b>	<b>6</b>	<b>20</b>	<b>-2</b>	<b>22</b>
<b>TOTAL RETAIL FOOTPRINT</b>		<b>64</b>	<b>55</b>	<b>119</b>	<b>-4</b>	<b>123</b>

- Developing store network through selective store openings and closures.
- Continued roll out of the new Mulberry store concept across our global network.
- New Mulberry store concept now in 28 stores (including 8 partner stores), driving a significant lift in sales per square foot.

## Strategic Pillar 2

### — International Development

#### STRATEGY:

Extending our digital channels and global store network, with a particular focus on Asia. We continue to refine our international presence in the rest of the world and identify strategic growth opportunities.

#### IN 2020

- South Korea: Mulberry Korea became a wholly-owned subsidiary in 2019, continued to enhance retail store network with the relocation of the Lotte Busan store, with new Mulberry store concept. New management in Seoul and the implementation of Group merchandising system.
- North Asia: China target growth market. Hong Kong affected by ongoing political disruption.
- In August 2019 we held a successful immersive customer event, #MulberryxTokyo, featuring our "My Local" tour series and taking inspiration from the British pub. This included accompanying musical and interactive events, a pop-up shop in Isetan Shinjuku with a limited-edition bag and the launch of the Group's Japanese social media channel with LINE. Momentum has accelerated since then with particularly strong performance including the launch of a new soft bag, Iris.

		FREE STANDING STORES	DEPARTMENT SHOP-IN-SHOP	TOTAL 28 MARCH 2020	CHANGES FROM 30 MARCH 2019	TOTAL 30 MARCH 2019
OWN STORES	KOREA	4	13	17	-1	18
	JAPAN	3	4	7	0	7
	CHINA	6	0	6	1	5
	HONG KONG	1	0	1	0	1
	TAIWAN	1	0	1	0	1
<b>TOTAL OWN STORES</b>		<b>15</b>	<b>17</b>	<b>32</b>	<b>0</b>	<b>32</b>

# Strategic Pillar 3

## — Constant Innovation

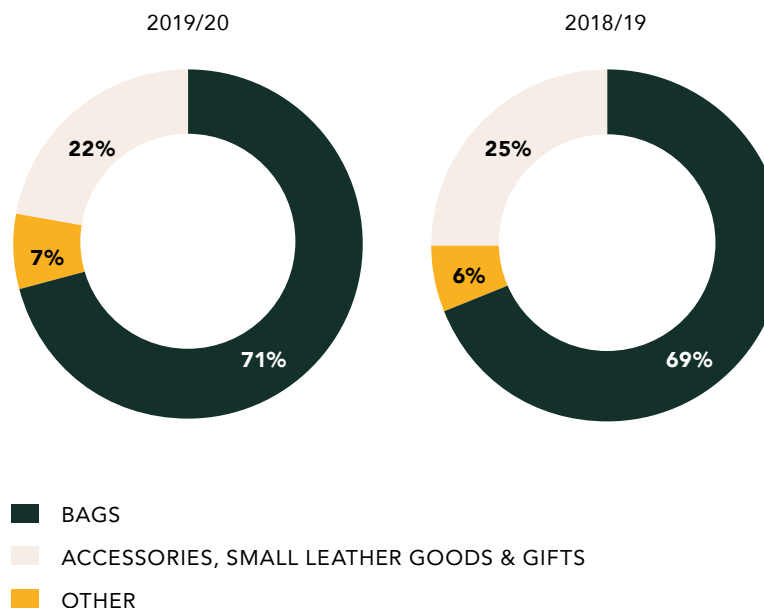
### STRATEGY:

Innovate with new services, new materials and methods of creation and production to adapt to changing customer tastes and meet demand. At the same time, we are transforming our agile supply chain, enhancing market reactivity and reducing lead time, to match the increase in digital demand.

### IN 2020, WE:

- Introduced a number of new bag families including the Millie, the Iris, and our first 100% sustainable bag the Portobello, which sold out globally online within the first 24 hours following its launch in December 2019.
- Our mini bag range has performed particularly well, driven by the Small Darley and Small Darley Satchel.
- Across our lifestyle categories, eyewear and soft accessories continued to have strong sales.
- Acne X Mulberry collaboration was launched in November 2019 with significant global media attention, increasing our brand awareness.
- In March 2020, model and celebrity Iris Law created a sell-out collection with her own take on her namesake Mulberry bag with a tie dye collection.

### REVENUE BY PRODUCT



## Strategic Pillar 4 — Sustainable Lifecycle

### STRATEGY:

Focused on developing Mulberry 'families' that are made-to-last, while delivering best-in-class customer service, including lifetime repair and aftercare. We are building on Mulberry's class-leading quality, focussing on sustainability in supply, craftsmanship, packaging and distribution, which is also emerging as a key focus for all our customers.

### IN 2020, WE:

- Developed 'Mulberry Green'; our approach to responsibility across sourcing, manufacturing, repairs, circular economy and people. We take responsibility seriously across the Group, from sourcing and manufacturing to innovation and marketing.
- Ensured 48% of our range uses leather and suede traceable to the country of origin. Over 50% of our bags are made in the UK in our carbon neutral Somerset factories.
- Joined the Better Cotton Initiative (the largest cotton sustainability programme in the world) as a Brand/Retailer member. Our target is for all cotton to be sustainably sourced by 2025 – recycled, organic or BCI. We also joined Textile Exchange's Sustainable Cotton Challenge.
- Launched The Mulberry Exchange, offering a suite of new services that enable our customers to have their bags authenticated and appraised, with the opportunity to put this value towards a new purchase.



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

Trading since the start of the current financial period is ahead of our early expectations.

The Group expects losses to be reduced in the current financial period.





