Dr Martens defies inflation to polish off record sales in boost to high street

D
R Martens today defied global economic turmoil to produce record results that offer at least a glimmer of hope for a battered UK high street.

With rival retailers floundering, the iconic boot brand saw sales jump 18% to £908 million with profits up 43% to £214 million as it shrugged off inflation and oil price pressures.

That is testament, said chief executive Kenny Wilson, to both the enduring power of the brand that “never goes out of fashion” and to thousands of enthusiastic staff.

The company sold 14.1 million pairs of boots and shoes, twice as many as four years ago.

The 3000 staff will share in the success with bonus pay outs, though the company wouldn’t say what they are worth.

READ MORE

- Frasers rescues fast fashion retailer Missguided in £20 million deal
- FTSE 100 Live: Brent crude price falls, house market remains robust
- Government can’t shirk all blame for chaos at airports
-

It will open between 25 and 35 more shops on top of the 24 opened this year, which took the total store estate to 158. America is particular looks ripe for growth.

Dr Martens floated in January 2021 at 370p, a price which valued the business at £4 billion. It was bought by private equity giant Permira for just £300 million from the Griggs family.

The shares have been under pressure ever since the float, losing half their value in the last year.

Permira still has a 36% stake which it has lately been reducing. Today the shares bounced 48p to 264p, a 22% leap.

Wilson told the Standard: "It has been a really good year for us, the brand is stronger than ever. more people know about Dr M than ever before and there is still huge untapped potential."

He thinks Dr Martens is a brand that never goes out of fashion, important when people are watching their spending. "If you buy a pair of docs and look after them, you can wear them for years," he said.

Vegan shoes made without leather are between 5% and 10% of revenue. Dr Martens is shielded from oil price rises and other inflationary pressures due to "better sourcing" and low shipping costs, says Wilson.

On the share price, he said: "I don't speculate on the share price. I look at the things I can control. The business has done everything it said it would."

Investec said in a note that profits "exceeded expectations despite production/supply issues from Covid". It added: "The recent market sell-off has left the shares materially undervalued for an under-leveraged iconic brand."