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DR MARTENS IPO

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History

Dr. Martens, also commonly known as Doc Martens, is a British footwear and clothing brand with headquarters in Wollaston, Northamptonshire. Whilst famous for their footwear, they also make a range of accessories including shoes, clothing and shoe care products. Their footwear is distinguished by its air-cushioned sole dubbed the “Bouncing Soles” and yellow stitching.

Klaus Märtens was a doctor in the German army during World War II. While on leave in 1945, he injured his ankle skiing in the Bavarian Alps. He found that his standard-issue army boots were too uncomfortable on his injured foot. While recuperating, he designed improvements to the boots, with soft leather and air-padded soles made of tyres.

By 1952 Sales had grown so much that they opened a factory in Munich. By 1959 the company had become large enough that attention then turned to marketing the footwear internationally leading to British shoe manufacturer R. Griggs Group Ltd getting involved and buying the patent rights to manufacture the shoes in the UK. It was at this point that Griggs also anglicised the name to “Dr. Martens”, slightly re-shaped the heel to make them fit better, added the trademark yellow stitching, and trademarked the soles as AirWair.

In 2006, Dr. Martens AirWair boot was named in the list of British design icons which included Concorde, Mini, Jaguar E-Type, Aston Martin DB5, Supermarine Spitfire, Tube map, World Wide Web and the AEC Routemaster bus.

The bootmaker was a favourite among punks, goths and skinheads in the 1970's but has since become a prominent mainstream brand, with plenty of celebrities like Gigi Hadid, Hailey Baldwin and Emma Watson all sporting them.

Permira

The business is currently in the hands of UK based private equity group Permira after they completed the acquisition in 2013 of R Griggs Group, parent company of the Doc Martens brand for £300m.

Permira has certainly been busy increasing the brand's global presence, opening new stores and expanding its e-commerce offering. This has seen a resurgence in the brand and kept Dr. Martens as one of the most sought-after shoe styles of recent years.

However, it's not always been smooth sailing. The company, which was founded in 1947, came close to bankruptcy in 2003 when it cuts jobs in Britain and moved manufacturing to China.

Current Trading

Dr Martens sells around 11m shoes a year across 60 countries, most sales are now online, and they have managed to grow sales by 18% to £318m in the six months to September 2020 despite Covid lockdowns. The firm has really gone from strength to strength under



private equity firm Permira, which bought it from the Griggs family in 2013 and then went on to multiply sales six-fold.

Around a quarter of the company's shares are expected to be traded publicly after the float, and Dr Martens 'expects that it would be eligible for inclusion in the FTSE UK indices'.

The IPO

Dr. Martens owner Permira Holdings as well as residual shareholders from Griggs and previous senior staff are now looking to raise as much as £1.3bn pounds in an initial public offering on the London Stock Exchange. The company doesn't plan to raise any money itself in the IPO.

The sale of the 35% stake at that price range values Dr. Martens between £3.3bn and £3.7bn, which is more than 10 times the £300mn initially paid by Permira.

So far, the company has received commitments from cornerstone investors to purchase shares at the IPO price. The investments include £250mn from BlackRock Inc, £100mn from Janus Henderson Group Plc and £75mn from Merian Global Investors.

Goldman Sachs and Morgan Stanley are joint global co-ordinators for the offering, and Barclays, HSBC, Bank of America-Merrill Lynch and RBC Europe are joint bookrunners. Lazard is a financial adviser.

Dates and how to trade

Initially Dr. Martens was set to take investor orders for the shares up to Feb 1st, with the new stock set to start trading from Feb 2nd. However, due to the high level of investor interest the IPO has been pulled forward and conditional trading has now begun.

With conditional trading now started this period gives institutions the opportunity to fill orders, and also offers derivative traders the ability to trade the shares before the full listing date. Conditional trading takes place for a few days between the official IPO date and full LSE listing. Shares can be traded during this period and held indefinitely thanks to trading moving seamlessly from conditional to full trading.

CFD traders can benefit from being able to take part in this window trading an instrument based on the underlying price and needing a deposit of only 20% of the trade value whilst benefiting from any potential gains (or losses) being magnified via the leverage involved.

Upcoming IPO's to watch for:

- **DARKTRACE (estimated market cap £3.8 billion)**
- **BrewDog (estimated market cap £1.5 billion)**
- **Deliveroo (estimated market cap £3.2 billion)**
- **TikTok Global (estimated market cap \$50 billion)**



- McLaren Group (estimated market cap £2.4 billion)
- Starlink (estimated market cap \$30 billion)
- Vantage Towers (estimated market cap between €10 billion - €20 billion)
- Lamborghini (estimated market cap \$11 billion)
- Jaguar Land Rover (estimated market cap £2 billion)

This is just a handful of the upcoming IPO's for 2021 and whilst most are talked about we will be updating subscribers once dates and prices become established and confirmed.

About Atlantic Capital Markets

We are a multi-Asset brokers offering clients the ability to buy the shares either in a traditional fashion with standard shares or taking advantage of leverage and purchase via a CFD.

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