

BURBERRY





BURBERRY IN A SNAPSHOT

BRITISH LUXURY BRAND

- Authentic British heritage
- Made in England
- Founded in 1856 by Thomas Burberry




OVER 10,000 EMPLOYEES WORLDWIDE

FTSE 100 MEMBER

- Ordinary shares traded in London
- ADR programme



SUSTAINABILITY AGENDA

- Dow Jones sustainability Index member
- Principal Partner Living wage foundation
- Five year responsibility agenda

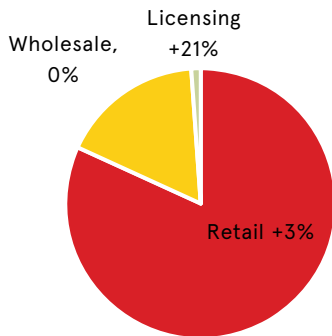


FY 2018

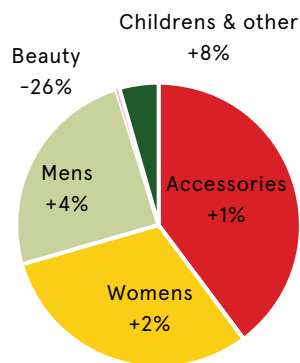
- £2.7bn revenues
- £467m adj. EBIT



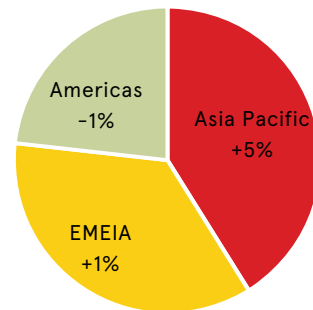
GROUP REVENUE* BY CHANNEL



RETAIL/WHOLESALE REVENUE* BY PRODUCT

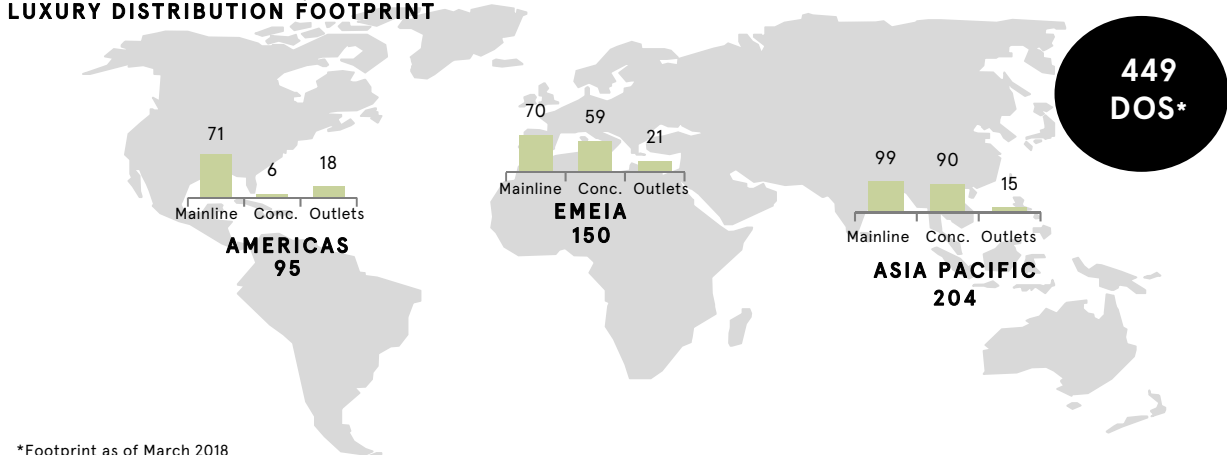


BY REGION



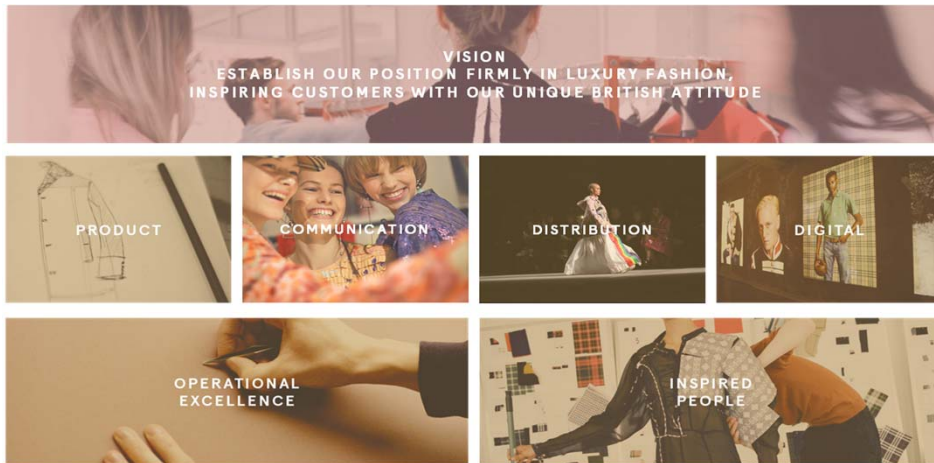
Group FY 2018 revenue: £2,733m
*Growth is CER, excluding Beauty wholesale

WE HAVE AN EXTENSIVE, LUXURY DISTRIBUTION FOOTPRINT



*Footprint as of March 2018
Burberry also has 46 franchise stores

OUR VISION



REVENUE DRIVERS TO REIGNITE THE BRAND



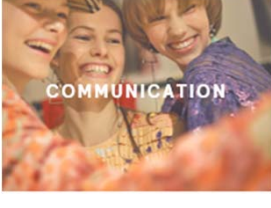
- Luxury fashion house**
- Increase fashion content
 - Transform leather goods
 - Continuous engagement
 - Wardrobe the customer
 - Rebalance price architecture



- Luxury network**
- Transform in-store customer service experience
 - Upgrade and reduce non-luxury PoS (net 20 store closures in FY 2018)
 - New store concept
 - Grow image-driving wholesale



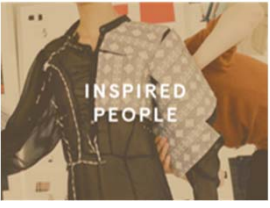
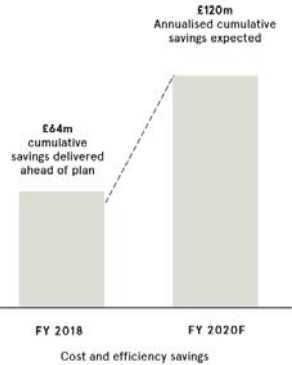
- Lead digital innovation**
- Editorialised website and meaningful social content
 - Omnichannel experience
 - Strengthen third party partnerships (FarFetch)



- Inspire luxury consumers**
- Product at the heart of communications
 - Focus on experiences and collaborations

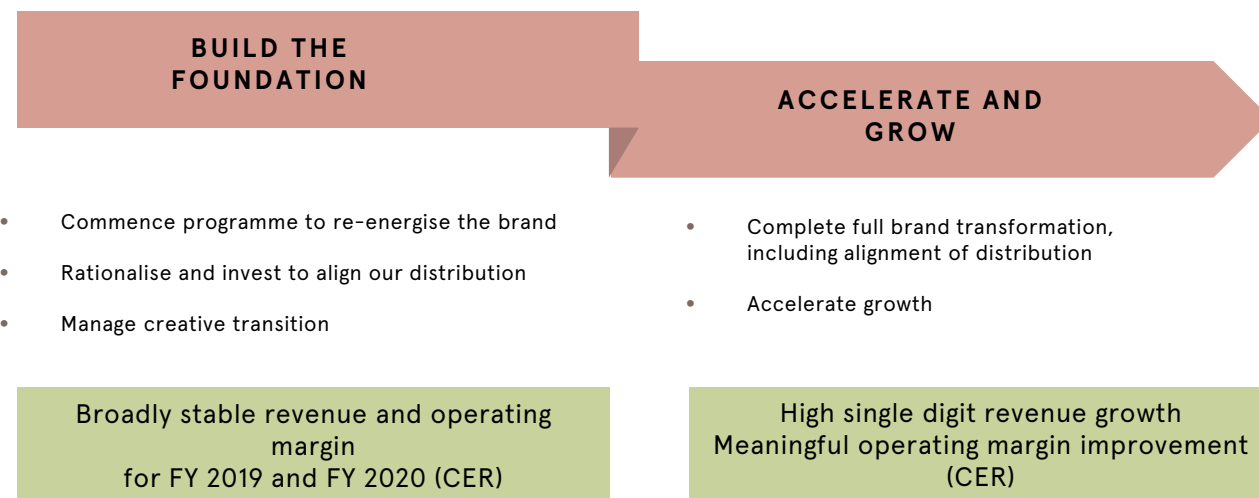
STRATEGY ENABLERS

An agile company



- Highly engaged global team**
- Increase employee engagement
 - Promoting a creative culture
 - Strengthen skills and capabilities
 - Positively impacting community and environment
 - Simplifying ways of working

A TWO PHASED JOURNEY



OUR FINANCIAL PLAN AT CER

	FY 2019 & FY 2020	AMBITION
REVENUE	<ul style="list-style-type: none"> Sales broadly stable year-on-year Rationalise non-luxury distribution 	<ul style="list-style-type: none"> High-single digit top-line growth
OPERATING MARGIN	<ul style="list-style-type: none"> Adjusted operating margin broadly stable YoY, even during period of investment in the brand £120m annualised cost savings by FY 2020 	<ul style="list-style-type: none"> Meaningful operating margin expansion
CASH	<ul style="list-style-type: none"> Capex of £150-£160m Strong free cash conversion and application of capital allocation framework including progressive dividend and shareholder distributions 	<ul style="list-style-type: none"> Capex builds to £190m-£210m

OUR CAPITAL ALLOCATION FRAMEWORK



MAINTAIN STRONG BALANCE SHEET WITH SOLID INVESTMENT GRADE CREDIT METRICS

FINANCIAL REVIEW

Group revenue +2% CER, excluding Beauty wholesale

Retail revenue +3% CER, with comp +3%

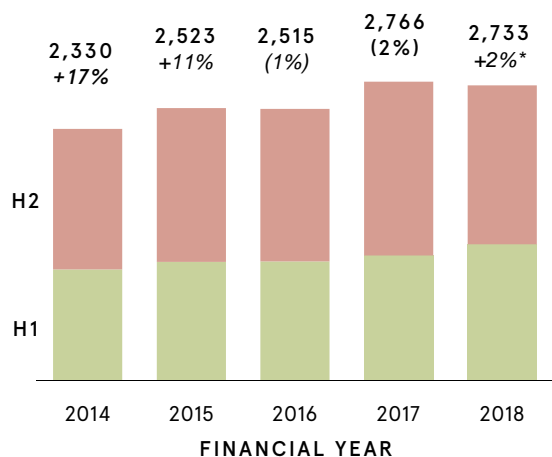
- **Asia Pacific:** mid-single digit percentage growth
 - Mainland China also up mid-single digit growth
- **EMEIA:** broadly stable
 - Impacted by strong UK comparatives
- **Americas:** low single digit percentage growth
 - US revenue returned to growth in H2

OPERATIONAL PROGRESS

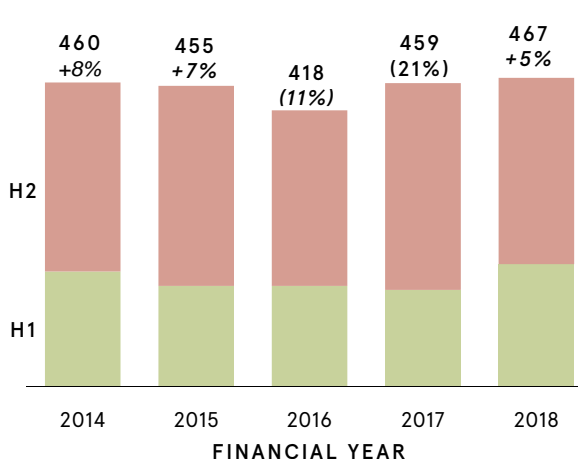
- Riccardo Tisci appointed as CCO from March 2018
- Strategic acquisition to create centre of excellence for luxury leather goods
- Product resonated with new customers & top-tier clients
- Retail excellence supported increased conversion
- Began distribution evolution inc strategic store closures
- Collaboration with Farfetch, reach > 150 countries
- Cumulative cost savings of £64m, ahead of plan; BBS live
- Successfully completed transfer of Beauty to Coty strategic partnership as planned

£ million Twelve months to 31 March	2018	2017	% change	
			reported	CER#
Revenue	2,733	2,766	(1)	(1)
Revenue ex. Beauty wholesale*	2,660	2,595	2	2
<i>Retail comparable store sales*</i>	3%	1%		
Adjusted operating profit*	467	459	2	5
Adjusted operating profit margin	17.1%	16.6%		
Reported operating profit	410	394	4	
Adjusted Diluted EPS (pence)*	82.1	77.4	6	10
Diluted EPS (pence)	68.4	64.9	5	
Free cash flow	484	465	4	
Dividend (pence)	41.3	38.9	6	

REVENUE £M



ADJUSTED OPERATING PROFIT £M



Growth at constant exchange rates * excluding beauty

FY 2019 OUTLOOK BROADLY STABLE REVENUE AND OPERATING MARGIN (@ CER)

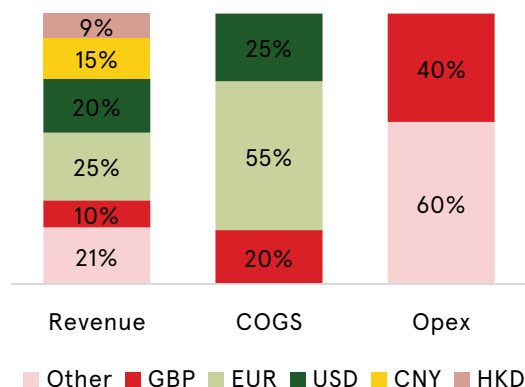
REVENUE	Retail	Net space impact -1%
	Wholesale (ex. Beauty)	Low single digit % decline
	Licensing	+ £15m
PROFIT	Cumulative cost savings	£100m (incremental £36m)
	Restructuring charges	£35m
	Effective tax rate	c.24%, moving towards the range of 23-24% by FY2020
CASH	Capex	£160-170m
	Share buyback	£150m
FX	FX on Adjusted Operating Profit	£40m* negative impact vs FY 2018

FOREIGN EXCHANGE

£1=	Spot rates	Actual Average exchange rates	
	30 April 2018	FY 2018	FY 2017
Euro	1.14	1.13	1.19
US Dollar	1.38	1.33	1.30
Chinese Yuan Renminbi	8.71	8.79	8.73
Hong Kong Dollar	10.81	10.37	10.11
Korean Won	1,473	1,473	1,487

Currency sensitivity:
In FY 2018, a +/-5% move in sterling would have resulted in a +/-£45-50m impact on the adjusted operating profit of £467m

FX EXPOSURES IN FY 2018



This is a simplified view of Burberry's FX exposures to help with analyst modelling
Other includes HKD, USD, EUR and CNY in opex



Marco Gobbetti became Chief Executive Officer on 5 July 2017. Marco joined Burberry from French luxury brand Céline where he was Chairman and CEO from 2008 to 2016. Prior to this, he served as Chairman and CEO of Givenchy and CEO of Moschino. He has also worked at Bottega Veneta and Valestra



Julie Brown became Chief Operating and Financial Officer on 18 January 2017. Julie was Chief Financial Officer of Smith & Nephew from 2013 to 2017. Prior to this Julie was with ICI and AstraZeneca plc from 1987, where she held the positions of Interim Group CFO, Vice President Group Finance, VP Corporate Strategy and Regional Vice President Latin America. She is also a Non Executive Director and Audit Committee Chair of Roche Holding Ltd.

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Constant exchange rates (CER) removes the effect of changes in exchange rates compared to the prior period. This takes into account both the impact of the movement in exchange rates on the translation of overseas subsidiaries' results and also on foreign currency procurement and sales through the Group's UK supply chain.

Revenue excluding Beauty wholesale is presented to exclude Beauty wholesale revenue of £73m (2017: £171m) from total revenue to provide an understanding of the revenue of the business following the disposal of the Beauty business in October 2017.

Comparable sales is the year-on-year change in sales from stores trading over equivalent time periods and measured at constant foreign exchange rates. It also includes online sales.

Cumulative costs savings are savings compared to FY 2016 operating expenses.

Certain financial data within this presentation have been rounded.