

# BURBERRY

## IN A SNAPSHOT

### FY23 FINANCIAL PERFORMANCE\*

Revenue  
£3,094bn

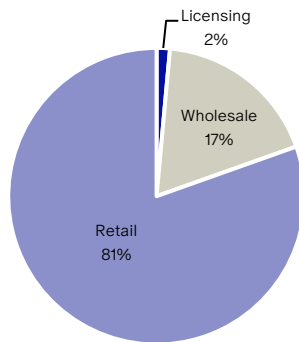
Adjusted operating profit\*\*  
£634m

Adjusted operating profit margin\*\* 20.5%

Cash (net of overdrafts and borrowings)  
£663m

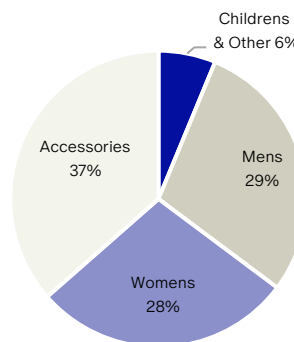
### FY23 GROUP REVENUE

#### BY CHANNEL

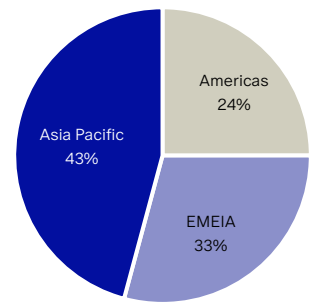


### FY23 RETAIL/WHOLESALE REVENUE

#### BY PRODUCT



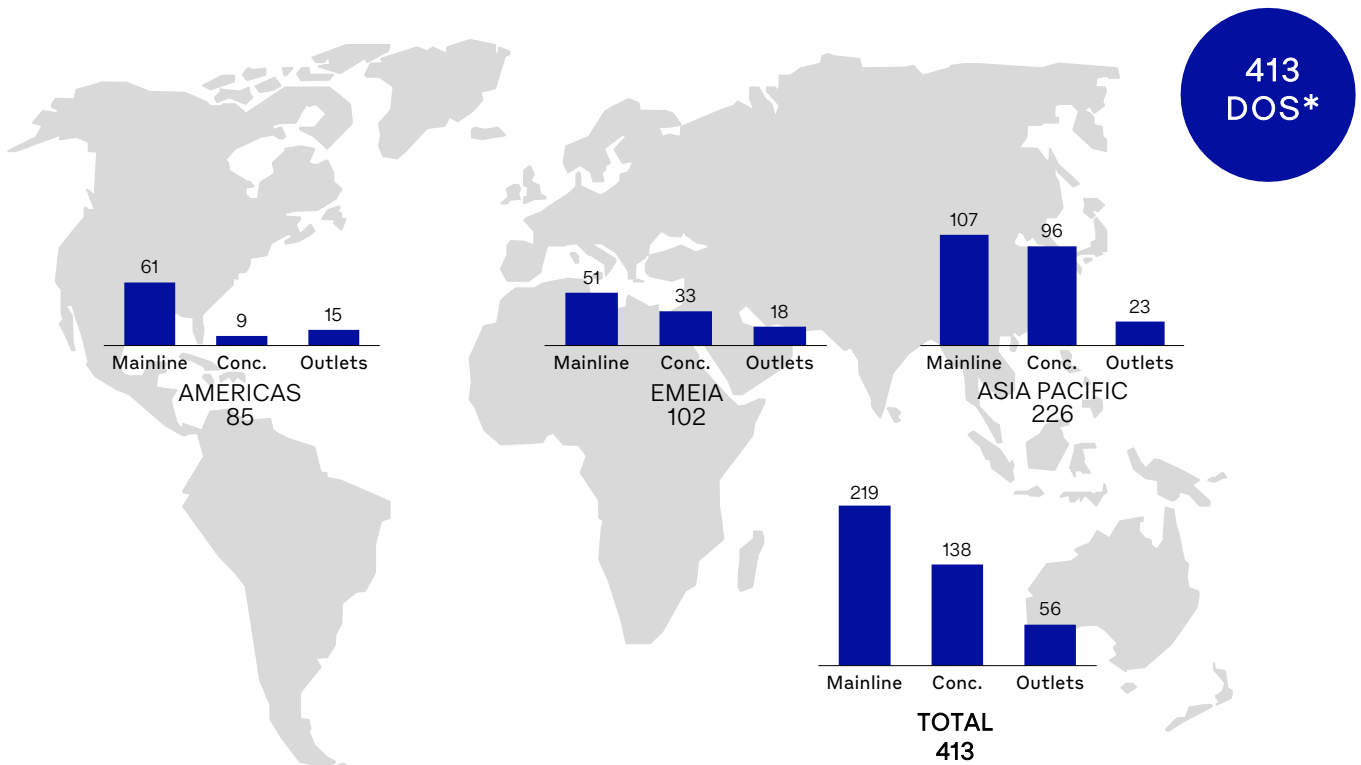
#### BY REGION



\*Financial information is presented at reported exchange rates

\*\*Adjusted operating profit is an alternative performance measure. For details of Burberry's reported results and alternative performance measures please see page 13 of the FY23 Preliminary Announcement

## EXTENSIVE LUXURY DISTRIBUTION FOOTPRINT



Note: Full Price stores consist of Mainline and Concession stores presented above

\*Footprint as of 01 April 2023 Burberry also has 35 franchise stores; 8 Asia Pacific and 27 EMEIA

# STRATEGY | THE NEXT PHASE: MODERN BRITISH LUXURY

## OUR PLAN: OPPORTUNITIES TO UNLOCK GROWTH IN THE NEXT PHASE

2017-22  
BRAND ELEVATION



2022+  
MODERN BRITISH LUXURY

BRAND	Elevated the brand	<ul style="list-style-type: none"> <li>Improve clarity</li> <li>Broaden appeal through modern luxury aesthetic</li> <li>Refocus on Britishness</li> </ul>
COMMUNICATIONS	Redefined brand image	<ul style="list-style-type: none"> <li>Drive consistent brand message across all touchpoints</li> <li>Supercharge customer focus</li> </ul>
PRODUCT	Established leather goods	Bring all categories to full potential
COMMERCIAL DISTRIBUTION	<ul style="list-style-type: none"> <li>Reorientated to full price</li> <li>Cleaned up wholesale</li> <li>Upgraded store network</li> </ul>	<ul style="list-style-type: none"> <li>Accelerate store refurbishments</li> <li>Seize the opportunity in e-commerce</li> </ul>
ENABLERS	Operational efficiency	Seamless execution

## OUR PLAN: KEY ELEMENTS

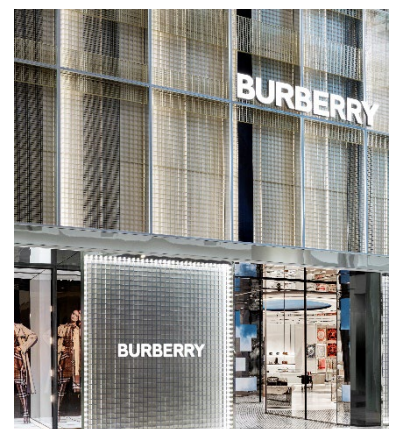
Harness the power of our brand



Bring all product categories to full potential



Strengthen distribution



### OPERATIONS

Value chain excellence

Inspired people

Values & sustainability



## TARGETS AND AMBITION

Near-term – maintain previous guidance  
 HSD revenue CAGR from FY20 to FY24 at CER<sup>1</sup> and meaningful margin improvement  
 while mindful of the macroeconomic and geopolitical environment

### MEDIUM TERM TARGET<sup>2</sup>

£4bn REVENUE

20%+ ADJUSTED  
 OPERATING PROFIT  
 MARGIN

### MEDIUM TERM GOALS

~2x leather goods, shoes and women’s ready-to-wear

~1.5x outerwear sales

All stores refurbished by FY26

Drive store productivity to £25k/sqm

2x e-commerce sales, reaching ~15% retail penetration

### SUPPORTING INVESTMENTS

Marketing & VM investment a HSD % of sales to support new creative  
 vision

Increase store capex to ~£120m to accelerate refurbished stores

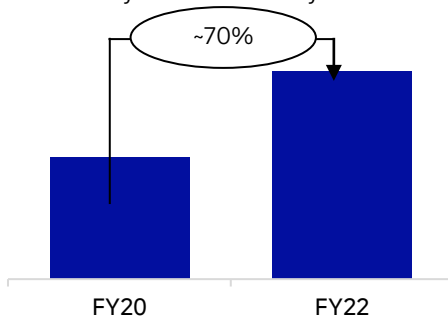
Increase total capex to ~£200m in FY24 to support other business  
 investments, including IT, digital, ESG and office refurbishment

1. Guidance at FY20 CER, 2. Target at FY22 CER

Long term ambition to be a £5bn brand

# 1 | HARNESS THE POWER OF OUR BRAND

Share of customers who associate Burberry with True Luxury Attribute



## FIRMLY ANCHORED IN LUXURY

- Refocus on Britishness and strengthen our connection with British design, craft and culture
- Amplify our brand through strong marketing and communication activations with high levels of impact

# 2 | BRING ALL PRODUCT CATEGORIES TO FULL POTENTIAL

## OPPORTUNITIES FOR GROWTH ACROSS ALL CATEGORIES

- Broadly double sales of leather goods, shoes and women's ready to wear and grow outerwear by around 50% in the medium term
- Ambition to grow accessories to more than 50% of Group sales in the long term



# 3 | STRENGTHEN THE DISTRIBUTION



Retail – accelerate new store investment

- 15% more productive<sup>1</sup>
- 15% higher AUR than other stores<sup>1</sup>
- 13% higher basket size<sup>1</sup>
- Transform productivity – target **£25k per sqm**

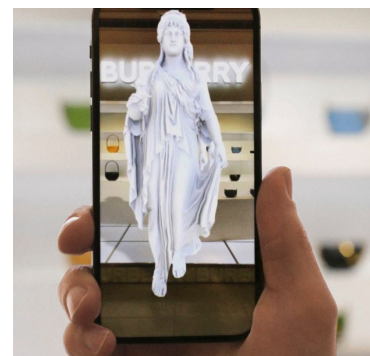
Wholesale – maintain presence to reach new luxury customers

E-commerce – grow to reach full potential – aim to double sales to reach **~15%** retail sales in medium term and **20%** long term

# 4 | SUPERCHARGE CUSTOMER FOCUS

## GROW CUSTOMER LIFETIME VALUE

- Develop a compelling customer proposition across all channels
- Acquire customers at pace – set ambitious acquisition targets across every customer touchpoint
- Drive loyalty and retention
- Grow customer lifetime value



# 5 | SEAMLESS OPERATIONS

Continue to simplify and streamline key processes, deliver our bold sustainability commitments, ensure our people are supported and inspired to deliver, and positively impact our communities

<sup>1</sup> Based on performance of 43 stores predominantly in Asia for H1 FY23, excluding Childrenswear compared to similar stores in the sub-region.

# ESG | 2017-2022 GOALS SUBSTANTIALLY MET

COMPANY	Carbon neutral in own operations globally	100% of electricity from renewable sources	Zero operational waste to landfill across key sites
PRODUCT	99% of products with >1 social or environmental benefit, 84% with 3 or more	100% of cotton sourced more sustainably	92% of leather from certified tanneries
COMMUNITY	1.2m people positively impacted through Burberry Foundation and co. philanthropy	>650k young people positively impacted globally	>560k people positively impacted in FY21/22 alone

## RECOGNITION



## ESG | WE HAVE SET NEW AMBITIONS TO DRIVE POSITIVE CHANGE

### AREAS OF FOCUS

### NEW COMMITMENTS

#### PRODUCT: RESPONSIBLE CRAFTMANSHIP

- 100% of key raw materials in our products to be certified
- Embed circular business models and further evolve our aftercare offering for customers.
- Eliminate unnecessary plastics used in transit packaging and maximise recycled content by 2030

#### PLANET: BECOME CLIMATE POSITIVE

- SBTi approved target to reach net zero emissions by 2040, most ambitious commitment in our industry
- Extend sustainable manufacturing processes across our supply chain, covering energy, water and waste
- Zero deforestation across our products and supply chain by 2025

#### PEOPLE: DIVERSITY, INCLUSION AND WELLBEING

- Establish Burberry as a luxury brand which truly is inclusive of all. We want to ensure we include all, learn from all and represent all.
- Uphold existing ethical trading standards across our supply chain, while helping vendors manage their ethical trading programmes

#### COMMUNITIES: EMPOWER YOUNG PEOPLE

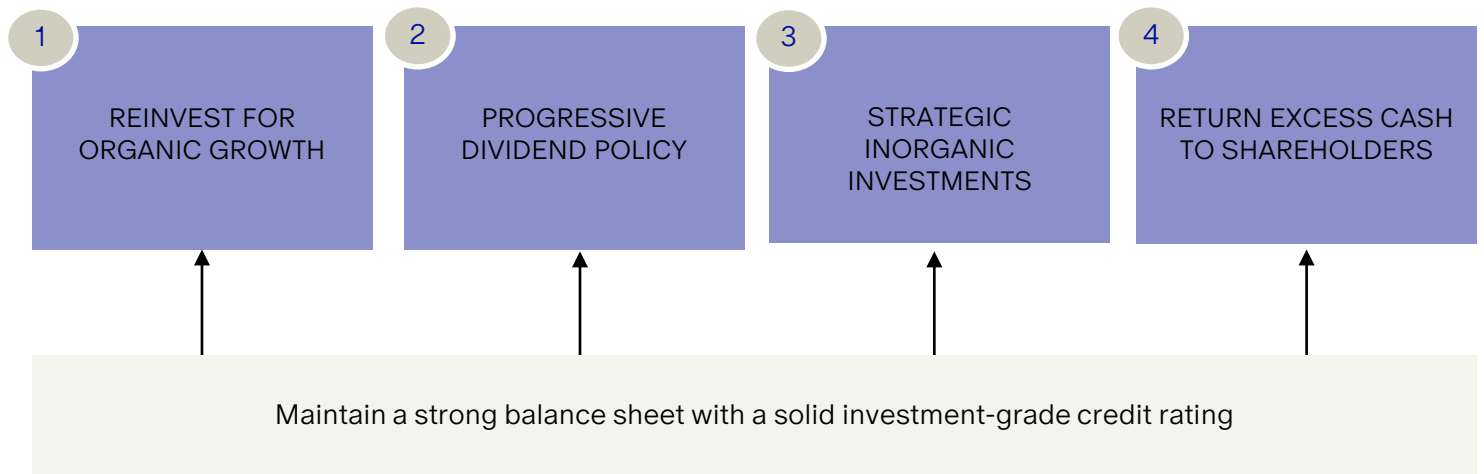
- Empower young people to create better futures, particularly through initiatives run by The Burberry Foundation
- Increase volunteering opportunities across our global network

## OUR CAPITAL ALLOCATION FRAMEWORK

Our capital allocation framework is based on maintaining a solid investment grade credit rating – Moody’s Baa2 (positive outlook). We aim for Net Debt/adjusted EBITDA to be in the range of 0.5x to 1.0x on a rolling 12 month period.

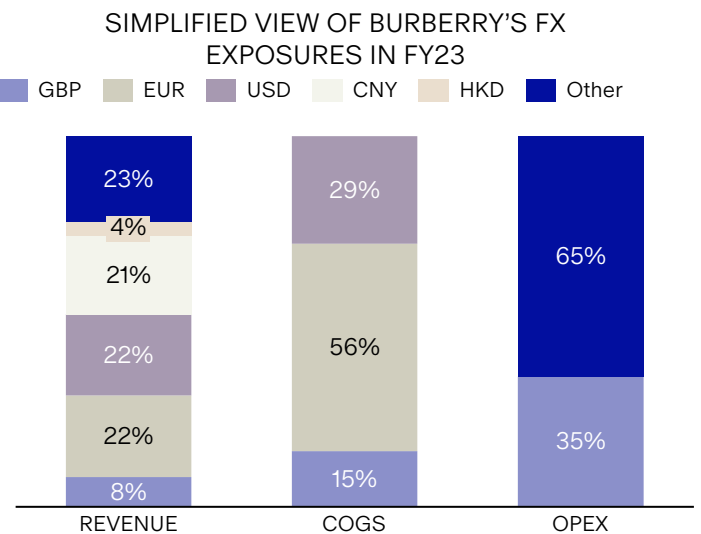
Burberry has a progressive dividend policy, whereby the absolute amount of dividend per share will remain stable or increase on a full year basis, broadly targeting a pay-out of around 50% of adjusted earnings at reported rates. From FY 2024, the interim dividend pay-out is 30% of the absolute value of the prior year full year dividend.

### OUR CAPITAL ALLOCATION FRAMEWORK



## FOREIGN EXCHANGE

Exchange rates	Forecast effective rates FY24	Actual effective exchange rates
£1=	21 April 2023	FY23
Euro	1.13	1.16
US Dollar	1.24	1.20
Chinese Yuan	8.57	8.27
Hong Kong Dollar	9.75	9.43
Korean Won	1,653	1,577



\*Other opex includes HKD, USD, EUR and CNY

In FY23, a +/-5% move in GBP would have resulted in around a +/-£55m impact on adjusted operating profit

# BURBERRY

## CEO and CFO



### **JONATHAN AKEROYD, CEO**

Jonathan is an experienced leader with a strong track record of building luxury brands and driving profitable growth. He has extensive experience across the fashion and luxury goods sector, with a focus on brand and product elevation, strategic development and global expansion. Prior to joining Burberry as Chief Executive Officer in March 2022, Jonathan was Chief Executive of Gianni Versace SpA where he reorganised and accelerated growth at the Italian fashion house, building on the brand's rich heritage to elevate product, communications and the customer experience. As President and Chief Executive Officer of Alexander McQueen between 2004 and 2016, he led a turnaround of the British luxury brand, successfully steering the company's growth and strategic development. Jonathan's earlier career included a number of senior roles at London-based luxury department store Harrods.



### **KATE FERRY, CFO**

Kate will join Burberry in July 2023 and will become a member of Burberry's Board and Executive Committee, reporting to CEO Jonathan Akeroyd. Kate is currently Chief Financial Officer of McLaren Group where she has overseen financial strategy and investor relations and has supported the broader strategic development of the company over the past two years. Prior to McLaren, Kate was Group Chief Financial Officer of TalkTalk Telecom Group PLC (2017 to 2021). She is also currently an independent non-executive director of Greggs plc.



### **IAN BRIMICOMBE, INTERIM CFO**

Ian was appointed Interim Chief Financial Officer from 2 April 2023 and joined Burberry's Executive Committee from that date, reporting to CEO Jonathan Akeroyd. Prior to his appointment, Ian has been at Burberry for nearly 6 years as SVP Group Finance, SVP Specialist Finance and Interim SVP Risk and Internal Audit. Prior to Burberry, Ian was at AstraZeneca for 23 years latterly as VP Corporate Finance. Ian is a Trustee Board member of the AstraZeneca Pension Fund.

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- All metrics and commentary in this presentation are at reported FX and exclude adjusting items unless stated otherwise.
- Details of Burberry Alternative Performance Measures are set out on page 13 of the Preliminary Announcement FY23
- Certain financial data within this presentation have been rounded.