

# **BURBERRY**

**LONDON ENGLAND**

PRELIMINARY RESULTS 2019

## **AGENDA**

**INTRODUCTION**

**FINANCIAL RESULTS**

**GUIDANCE**

**OPERATIONAL EXCELLENCE UPDATE**

**ONE YEAR INTO BURBERRY'S TRANSFORMATION**

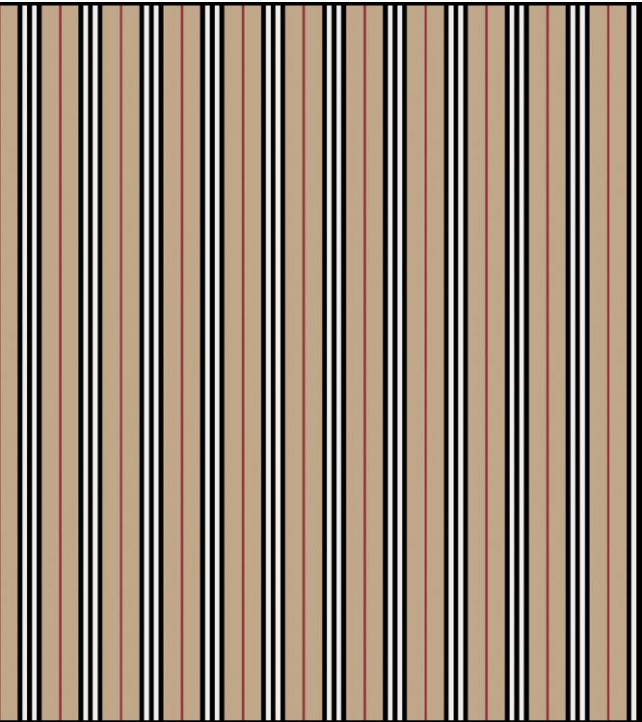
**PRODUCT UPDATE**

**Q&A**

**STRONG PROGRESS  
IN THE LAST YEAR**

Financial performance in line with guidance

Promising early results from the transformation



**JULIE BROWN**

CHIEF OPERATING & FINANCIAL OFFICER

## TWO-PHASED TRANSFORMATION JOURNEY

FY 2019 AND FY 2020

FY 2021 ONWARDS

BUILD THE FOUNDATION

ACCELERATE AND GROW

- Re-energise the Burberry brand
- Rationalise and invest to align to luxury distribution
- Manage creative transition

- Complete full brand transformation, including alignment of distribution
- Accelerate growth

Broadly stable revenue and earnings  
for the first two years (CER)

Revenue growth to build to HSD  
Meaningful operating margin improvement (CER)

Delivered our first year's objectives

## FINANCIAL COMMITMENTS IN FOUNDATIONAL YEARS

|   | FY 2019  | FY 2020 guidance |
|---|--|------------------|
| Revenue and operating margin: Broadly stable            | ✓  | ✓                |
| Cumulative cost savings: FY 2019: £100m, FY 2020: £120m | ✓✓   | ✓                |
| Tax rate: Down c200-300bps by FY 2020                   | ✓✓   | ✓✓               |
| Capex: £150m pa in FY 2019 and FY 2020                  | <div>✓</div> 2 year aggregate inline but phased to FY 2020 |                  |

FY 2019 : ✓ delivered in line with guidance    ✓✓ delivered ahead of guidance

FY 2020: ✓ confirming Nov 2017 guidance    ✓✓ updated guidance ahead of Nov 2017

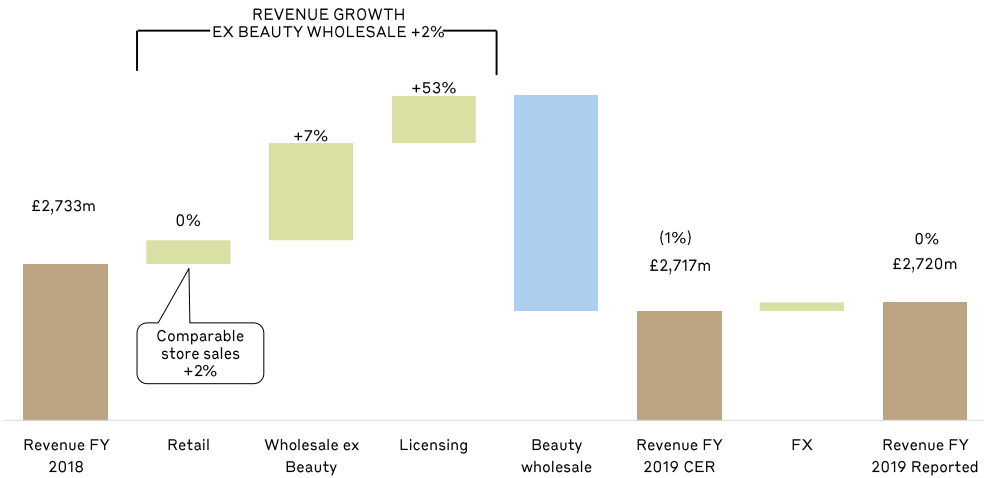
# FY 2019 SUMMARY FINANCIALS

| Adjusted |                                | FY 2019<br>£m | FY 2018<br>£m | Reported<br>FX | CER   |
|----------|--------------------------------|---------------|---------------|----------------|-------|
|          | Revenue                        | 2,720         | 2,733         | 0%             | (1%)  |
|          | Revenue ex Beauty wholesale    | 2,720         | 2,660         | 2%             | 2%    |
|          | Adjusted operating profit      | 438           | 467           | (6%)           | 0%    |
|          | Adjusted operating margin      | 16.1%         | 17.1%         | (100bps)       | 10bps |
|          | Adjusted diluted EPS           | 82.1p         | 82.1p         | 0%             | 7%    |
|          | Free cash flow                 | 301           | 484           |                |       |
|          | Adjusted retail/wholesale ROIC | 15.5%         | 16.3%         |                |       |
|          | Dividend per share             | 42.5p         | 41.3p         | 3%             |       |

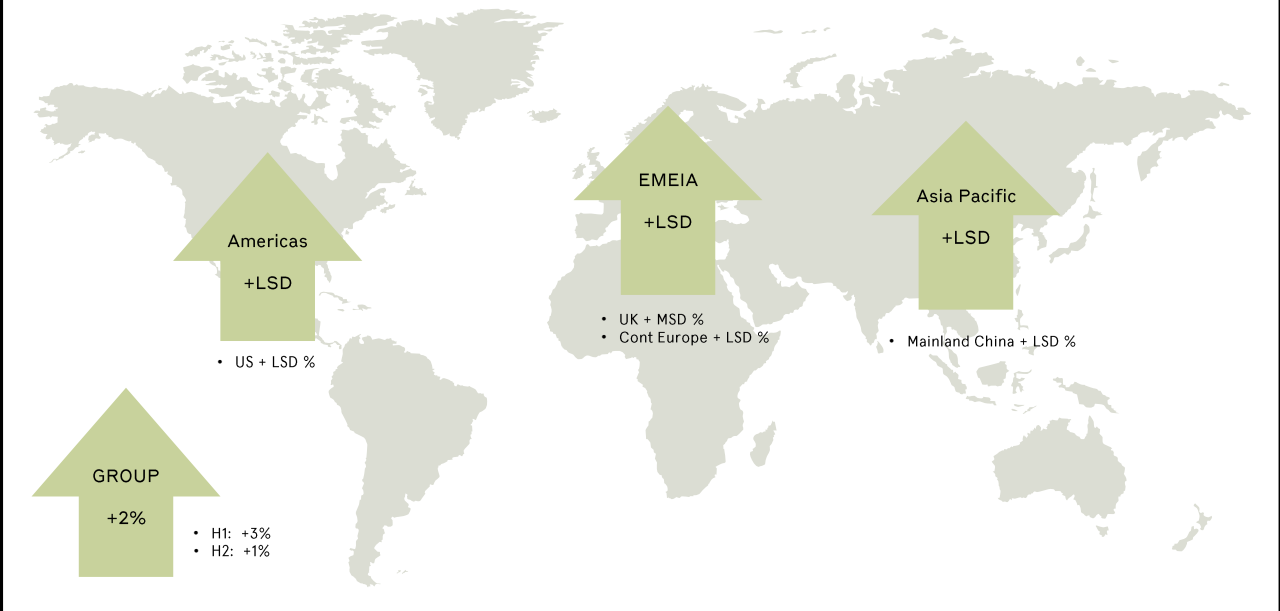
| Reported | Operating profit     | 437   | 410   | 7%  |  |
|----------|----------------------|-------|-------|-----|--|
|          | Reported diluted EPS | 81.7p | 68.4p | 19% |  |

For definition of free cash flow and alternative performance measures see Appendix

## GROUP REVENUE +2% (EX BEAUTY WHOLESALE)



REGIONAL RETAIL COMPARABLE STORE SALES



RETAIL & WHOLESALE REVENUE BY PRODUCT  
(EX BEAUTY WHOLESALE)

|                    | FY 2019 | FY 2018 | YOY Growth Reported | YOY CER Growth |
|--------------------|---------|---------|---------------------|----------------|
|                    | £2,674m | £2,630m | 2%                  | 2%             |
| Accessories        | £1,013m | £1,046m | (3%)                | (3%)           |
| Womens Apparel     | £837m   | £808m   | 4%                  | 3%             |
| Mens Apparel       | £698m   | £647m   | 8%                  | 8%             |
| Children and Other | £126m   | £129m   | (1%)                | (2%)           |

# INCOME STATEMENT

|                           | FY 2019<br>£m |       | FY 2018<br>£m | ----- Change ----- |      |
|---------------------------|---------------|-------|---------------|--------------------|------|
|                           |               |       |               | Reported<br>FX     | CER  |
| Revenue                   | 2,720         |       | 2,733         | 0%                 | (1%) |
| Gross profit              | 1,861         | 68.4% | 1,897         | 69.4%              | (2%) |
| Operating expenses        | (1,423)       |       | (1,430)       | (1%)               |      |
| Adjusted operating profit | 438           | 16.1% | 467           | 17.1%              | (6%) |
| Adjusting operating items | (1)           |       | (57)          |                    |      |
| Tax*                      | (102)         |       | (119)         |                    |      |
| Adjusted diluted EPS      | 82.1p         |       | 82.1p         | 0%                 | 7%   |
| Reported diluted EPS      | 81.7p         |       | 68.4p         | 19%                |      |

+2% ex  
Beauty at  
CER

\* Effective tax rate on adjusted profit before tax improved 200bps to 23.1%. Note the table above shows the reported tax

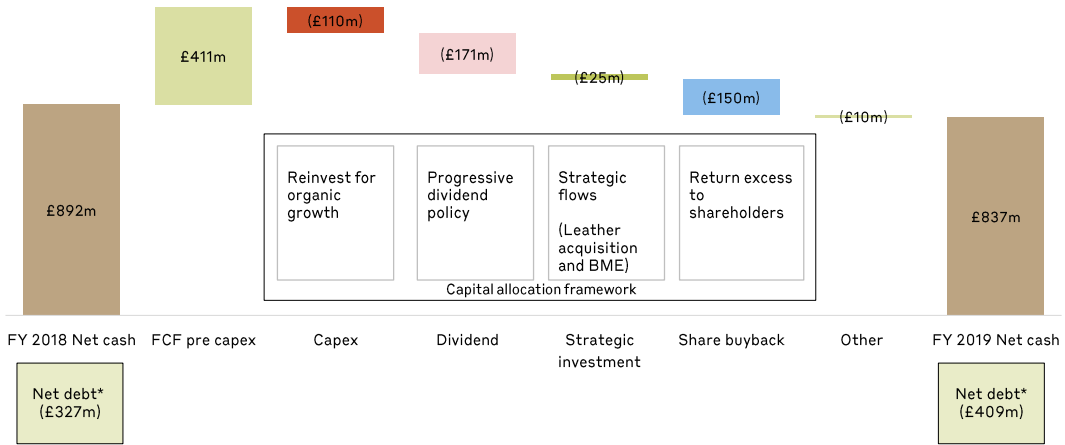
# FREE CASH FLOW

|                                | FY 2019<br>£m | FY 2018<br>£m |
|--------------------------------|---------------|---------------|
| Adjusted operating profit      | 438           | 467           |
| Depreciation and amortisation* | 116           | 124           |
| Working capital*               | (45)**        | 109           |
| Other                          | 7             | 3             |
| Cash inflow from operations    | 516           | 703           |
| Capex                          | (110)         | (106)         |
| Interest                       | 6             | 5             |
| Tax                            | (111)         | (118)         |
| Free cash flow                 | 301           | 484           |
| Cash conversion %              | 93%           | 129%          |

\*Excludes impact of adjusting items

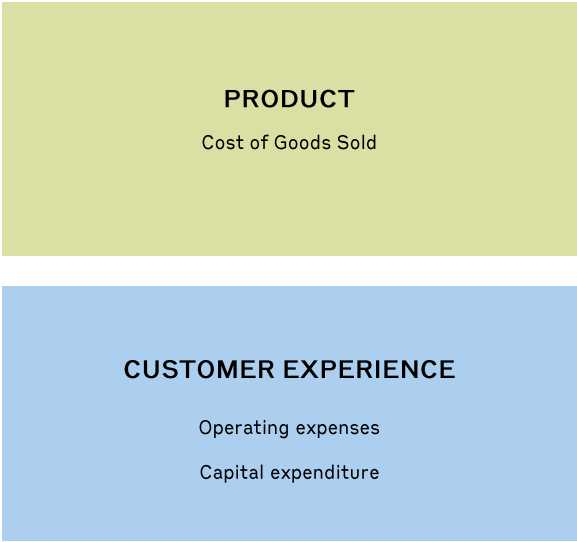
\*\* Inventory outflow £59m, Receivables outflow £52m, Payables inflow £66m

# MOVEMENT IN NET CASH



\* Net debt is lease adjusted net debt. This is defined as five times minimum lease payments, adjusted for charges and utilisation of onerous lease provisions, less cash

# INVESTMENTS IN THE BUSINESS



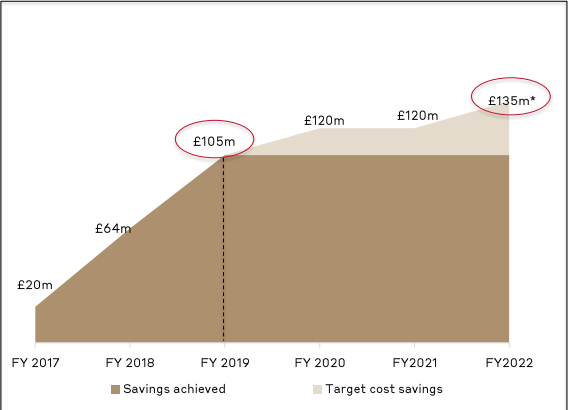
# OPTIMISING OUR RETAIL STORES

|                                       |  |  |
|---------------------------------------|--|--|
| Opening new stores                    | New store openings aligned to new creative vision<br>Store relocations to enhanced sites                                       | Space +1% in FY 20<br>Capital investment in stores doubling                          |
| Investing in existing stores          | Store refurbishments in key locations<br>Programme to enhance store service levels   |  |
| Rationalisation to focus on key doors | 38 retail store closures<br>Enhance productivity & financial performance<br>Optimising resources including capex and inventory | Space: -1% in FY 20 & FY 21<br>Opex savings: c. £25m<br>Adj operating profit neutral |

# OPERATIONAL EXCELLENCE

## EXTENSION OF COST SAVINGS PROGRAMME TO £135M BY FY2022

Cumulative Cost Savings

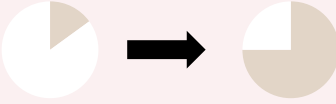


Restructuring costs/savings

| £m                        | Previous Guidance | Cum by FY 2022 | Cum to FY 2019 |
|---------------------------|-------------------|----------------|----------------|
| Total cost savings        | 120               | 135*           | 105            |
| Total restructuring costs | 110               | 110            | 88             |

\*Total cost savings exclude £25m of opex savings from store rationalisation

FY 20 GUIDANCE FRAMEWORK

|  | FY 2020   |
|--|---|
| Revenue                                  |   |
| Retail                                   | <br>-1% → +1% |
| Riccardo % of mainline and digital offer | -MSD → -MSD   |
| Net contribution from retail space       |   |
| Wholesale                                |   |
| Total Revenue                            | Broadly stable at CER   |
| Gross margin                             | Down around 100bps  |
| Cumulative cost savings                  | £120m   |
| Operating margin                         | Broadly stable at CER   |
| Capex                                    | £200m   |

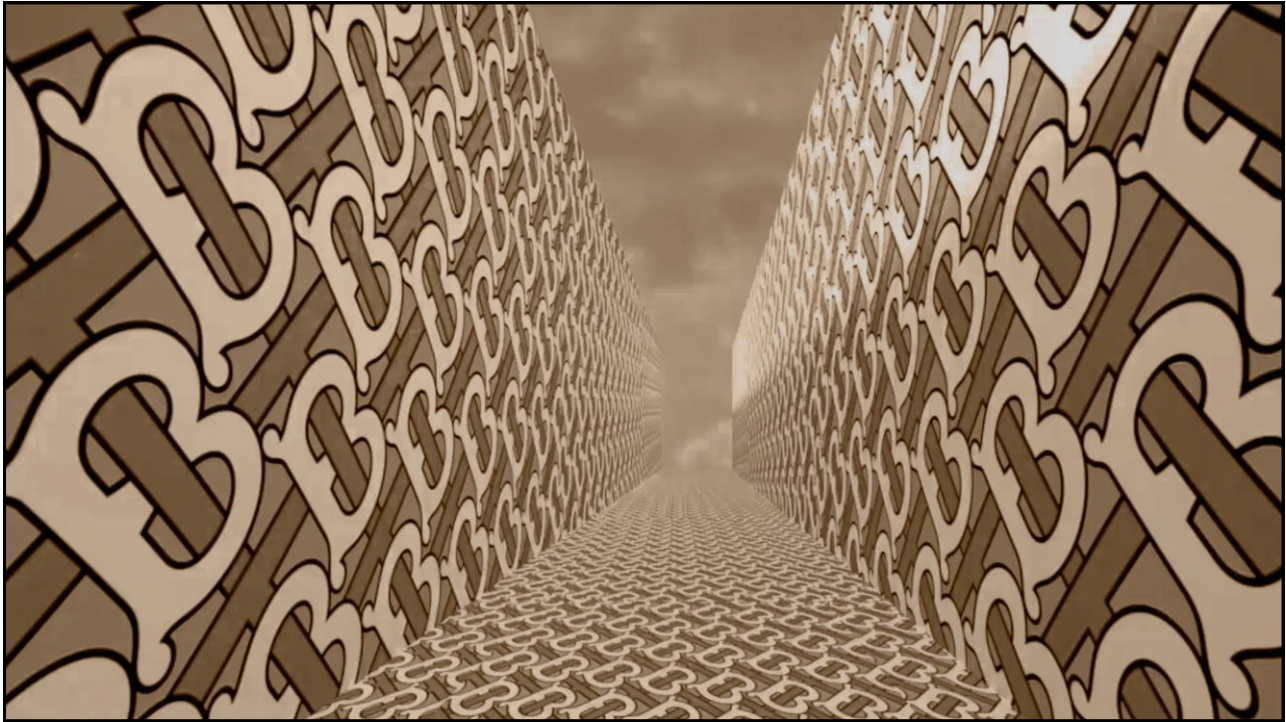


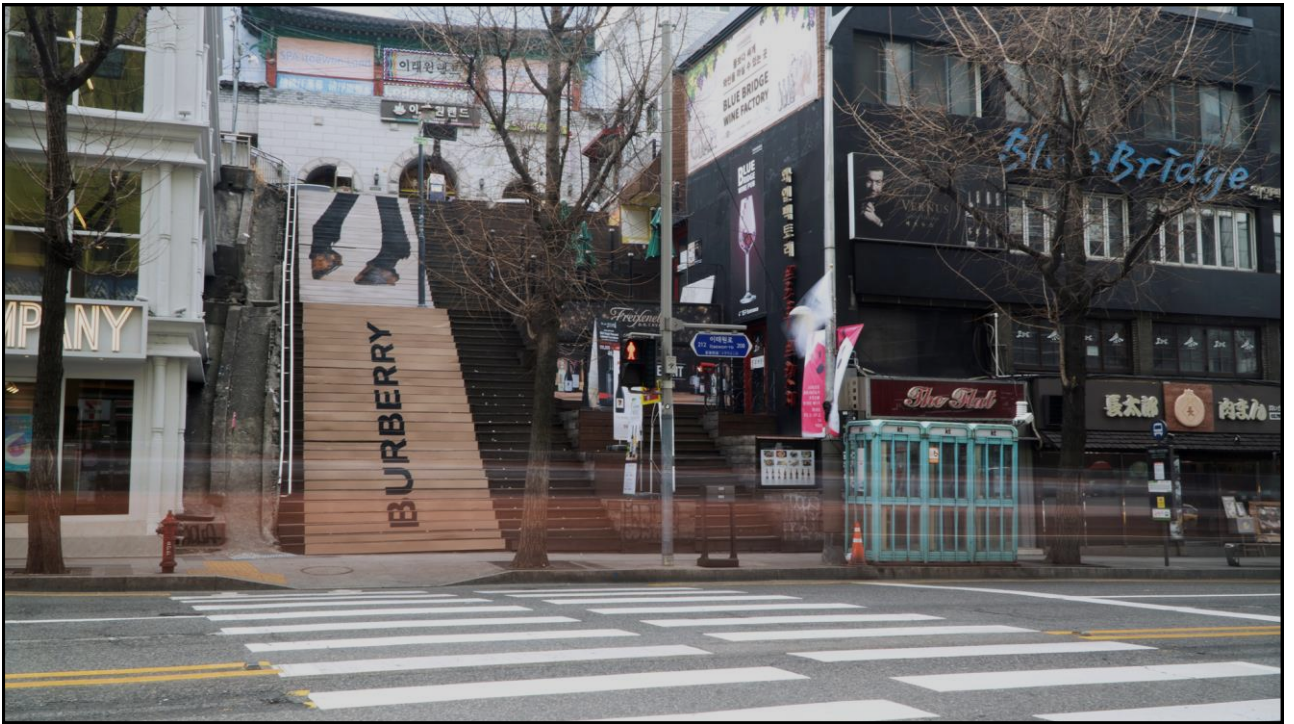
DELIVERED FOUNDATIONAL STEPS  
-  
RESULTS IN LINE WITH GUIDANCE  
-  
ENCOURAGING EARLY SIGNS

MARCO GOBBETTI

CHIEF EXECUTIVE OFFICER

BRAND







**HIGHSNOBIETY**

STYLE SNEAKERS MUSIC SHOPPING LIFE DESIGN VIDEO STORE

London's Greatest Risk  
French Dream: Rieckhoff's First  
Gather With Wave's Scott  
Wrestle 070: Shady's Journey  
11 Angles When Jim Went  
Twin's 2019: Carter's Last  
Air: Jesse IV: Rottentail  
Take Our Surfer on Luxury  
Fashion for 2-Chance

Here's How to Cop Every Piece From  
Riccardo Tisci's Debut Burberry 24-Hour  
Capsule Collection, The B Series

Here's how to cop Burberry's 24-hour exclusive capsule collection, The B Series, the first collection from new creative director Riccardo Tisci.

ENGLAND BURBERRY LONDON ENGLAND BURBERRY LONDON ENGLAND BURBERRY LONDON ENGLAND BURBERRY LONDON ENGLAND BURBERRY LONDON ENGLAND BURBERRY LONDON ENGLAND

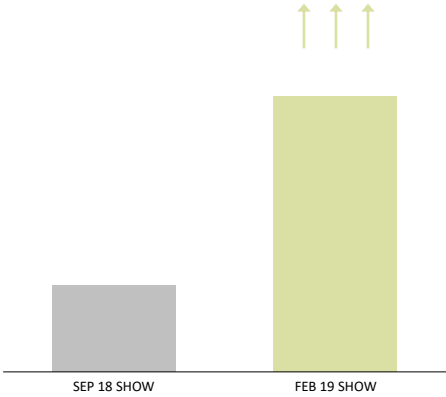




INFLUENCER EARNED MEDIA VALUE

EARNED MEDIA VALUE

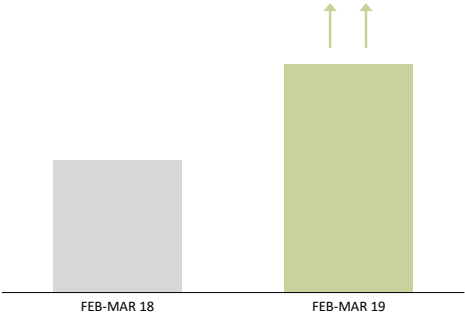
£



PRESS REACTION

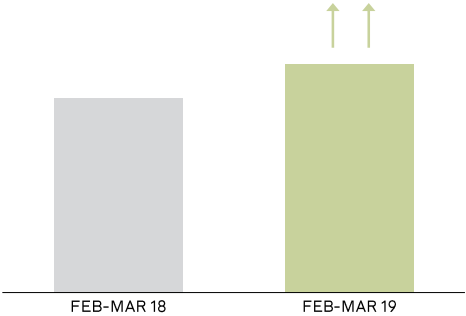
FULL PAGE EDITORIALS

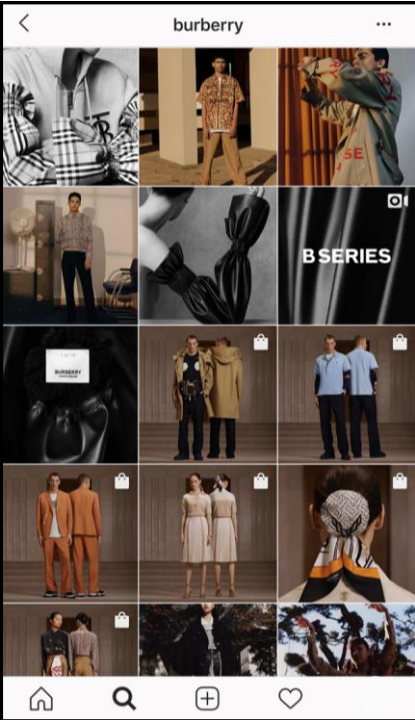
#



EDITORIAL ROI

# editorial pages per 1 ad pages

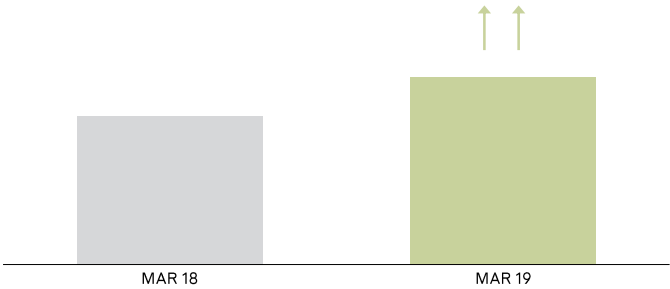




SOCIAL PERFORMANCE

INSTAGRAM TOTAL FOLLOWERS

#



PRODUCT

JUDY COLLINSON

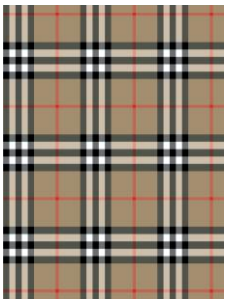
CHIEF MERCHANDISING OFFICER

## NEW CREATIVE VISION

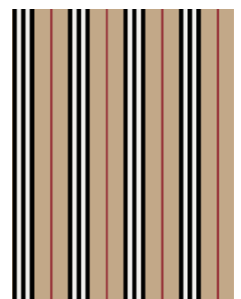
The first Runway SS19 was a defining moment



## NEW BURBERRY LANGUAGE



**BURBERRY**  
LONDON ENGLAND



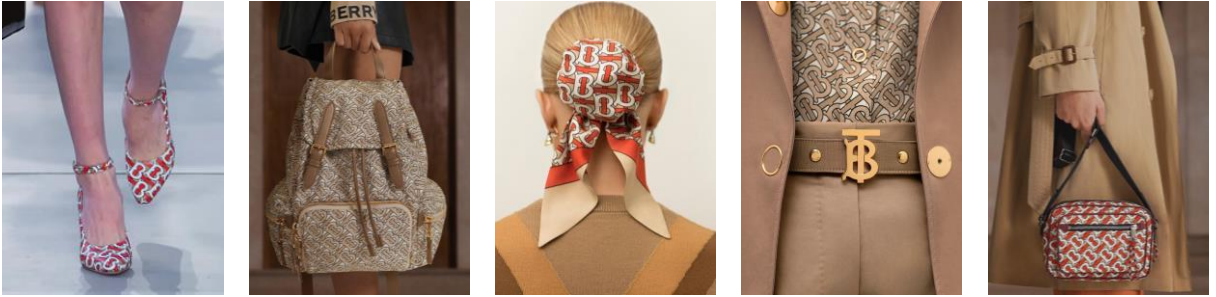
## ICON STRIPE



## THE MONOGRAM



## THE MONOGRAM PRINT



## WARDROBING



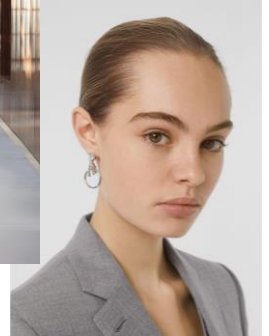
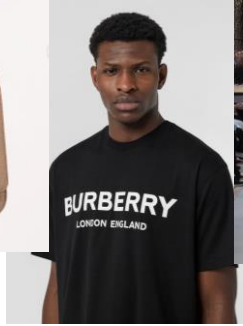
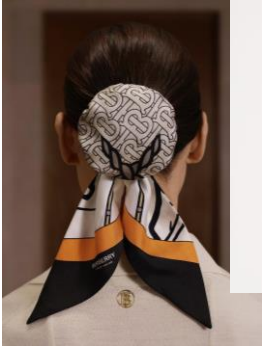
## LEATHER GOODS TRANSITION



## READY TO WEAR TRANSITION



## PRICING



## CONTINUOUS ENGAGEMENT



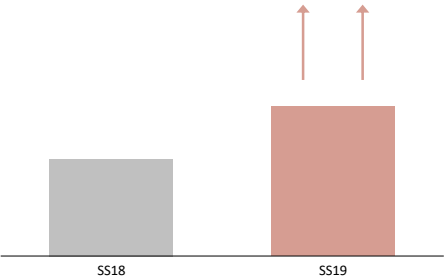
# MARCO GOBBETTI

CHIEF EXECUTIVE OFFICER



## RICCARDO'S FIRST COLLECTION RESULTS

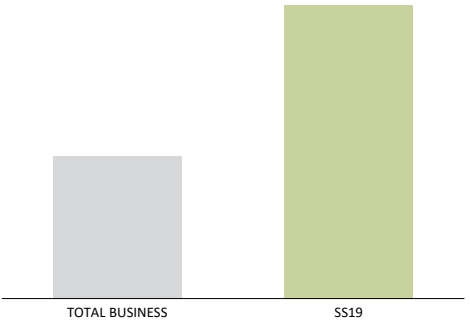
SALES OF RT COLLECTION  
%



CUSTOMERS

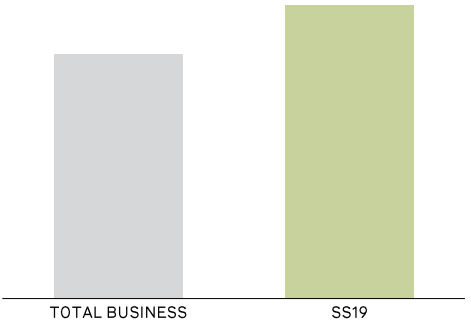
TOP BURBERRY CUSTOMERS

% of total



CHINESE CUSTOMERS

% of total



LEATHER GOODS



## LEATHER GOODS

Leather goods evolution will take time

Investing in product quality



## SUPPLY CHAIN INNOVATION

Step-change in agility and efficiency

Focus on quality

Streamlining processes

MANAGING INVENTORY

Changed the way we buy

Maximise new product

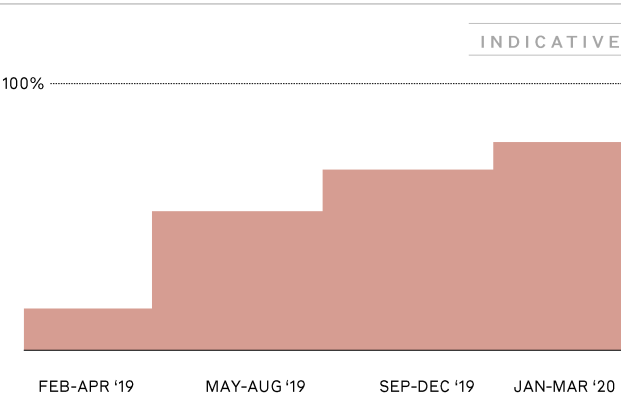
Proactively manage previous collections



DELIVERING RICCARDO'S PRODUCT

AVAILABLE PRODUCT  
% of total

% RT product available  
at end of period



Note: mainline and digital only

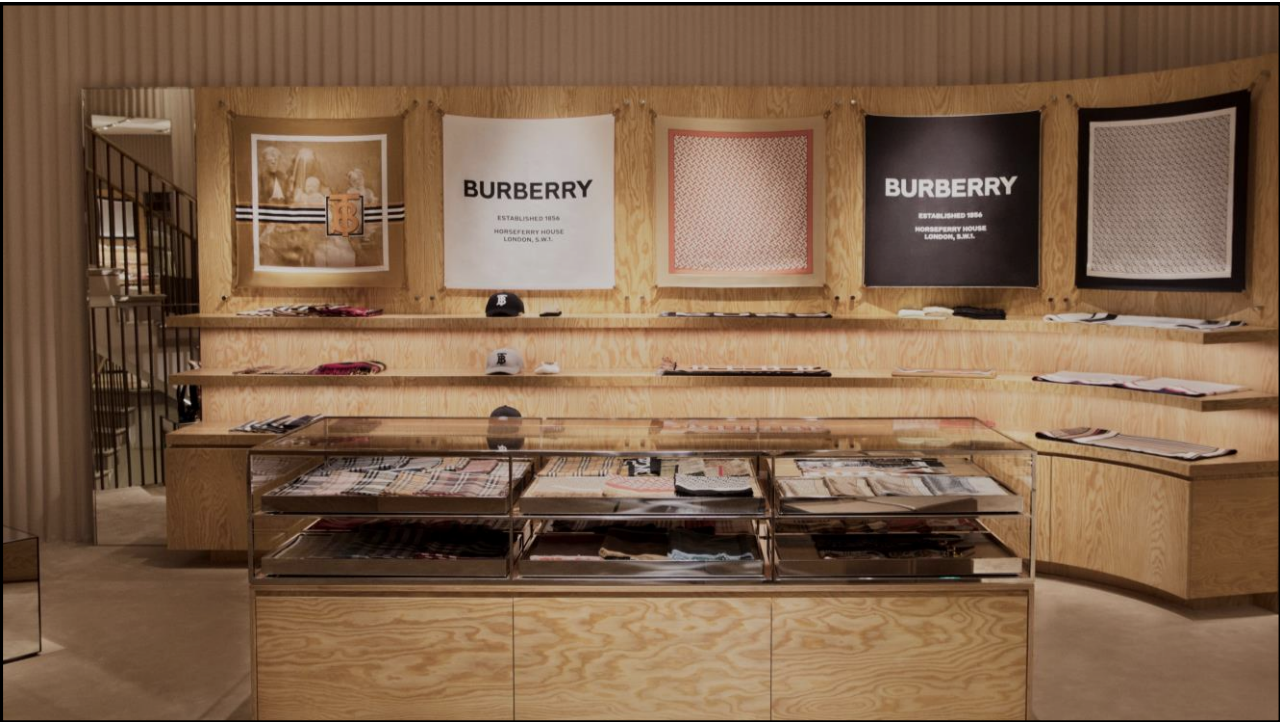
## RETAIL











MORE THAN 80 STORES TO BE TRANSFORMED BY END OF FY 2020



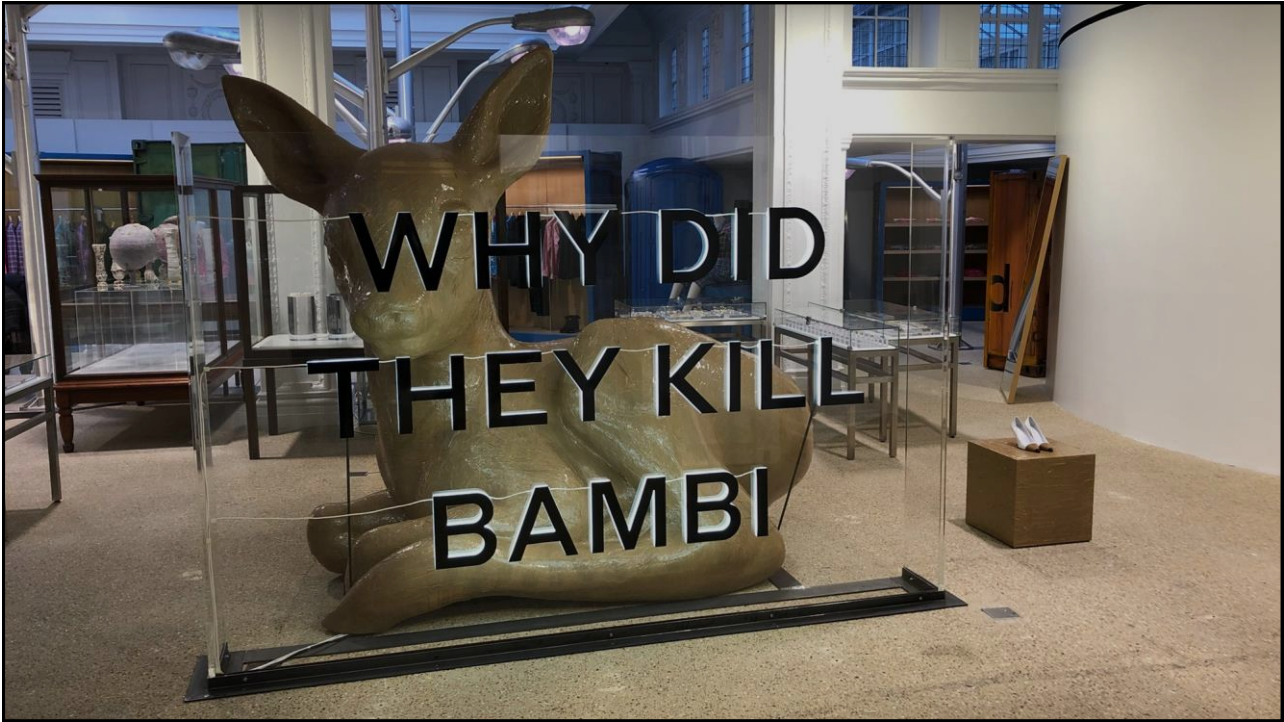


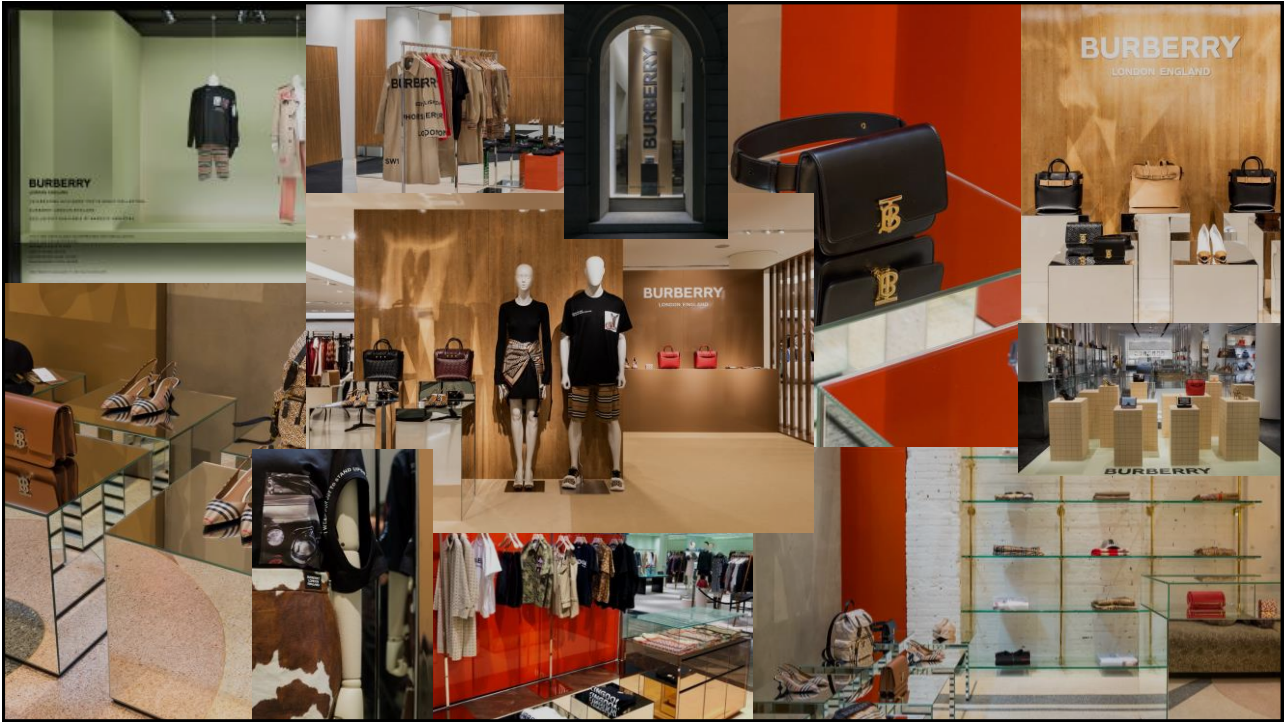




WHOLESALE



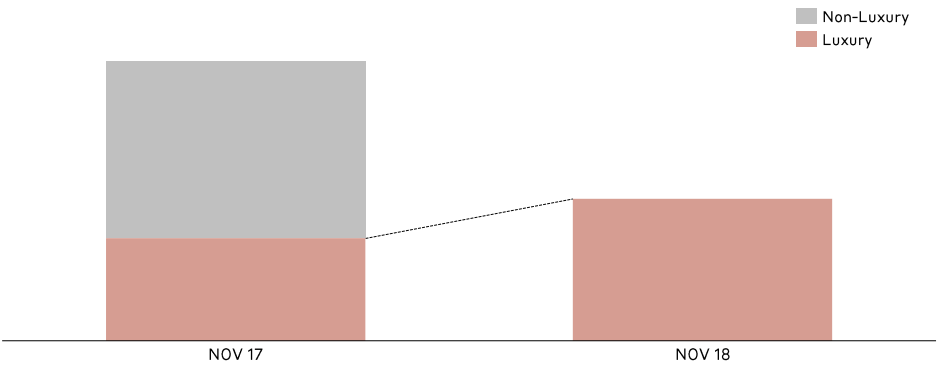




# US WHOLESALE DOORS

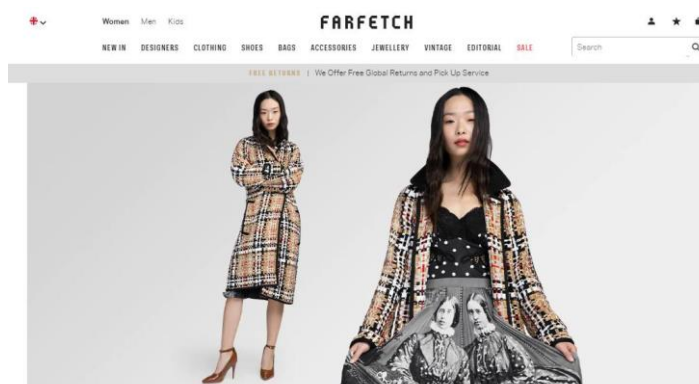
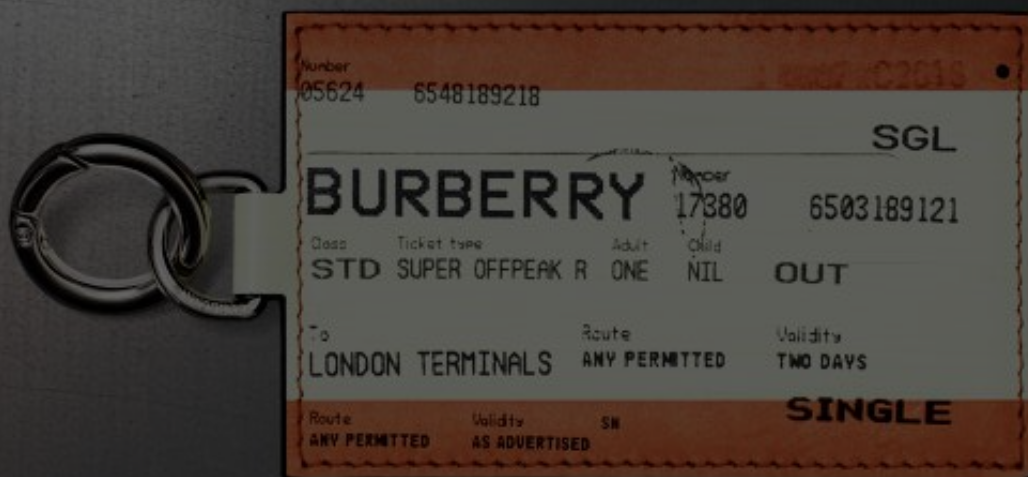
TOTAL US WHOLESALE DOORS AT MARKET

# of doors



DIGITAL

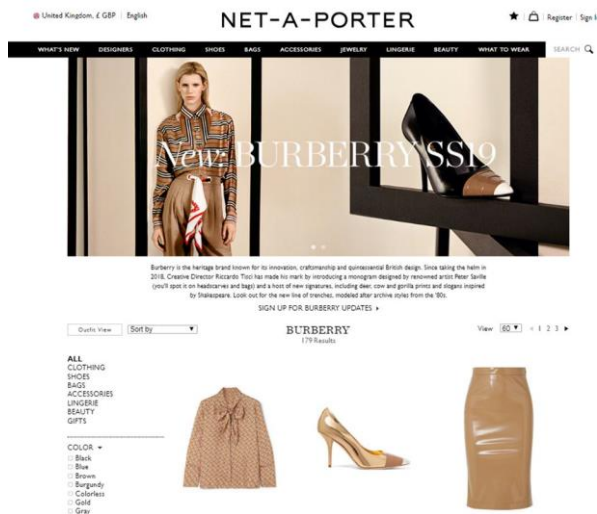




## Burberry: new collection, new aesthetic, new era

Riccardo Tisci's debut collection for Burberry was the most highly anticipated show of the season. How did Tisci's streetwear-led design trajectory translate to the 160-year-old British heritage brand? In short, very well. You can expect reworks of the classic trench, the best kind of non-beige beige and a hefty dose of Tisci's punk references. There are styles to satisfy every Burberry woman in the mammoth 135-look collection. And to celebrate the launch, we've hand-picked our 20 favourite pieces.

PHOTOGRAPHY TOM SLOAN AT LALU/LAND; STYLING VANNI VASSALLO; MODEL CHELSEA AT SELECT MODEL MANAGEMENT; HAIR VANNI FRANCOISE PANTIER AT CLAU; MAKEUP JAVIER DRAU/ENHANCE BY VIVANT ARTISTS



MEN WOMEN SEARCH

SSENSE

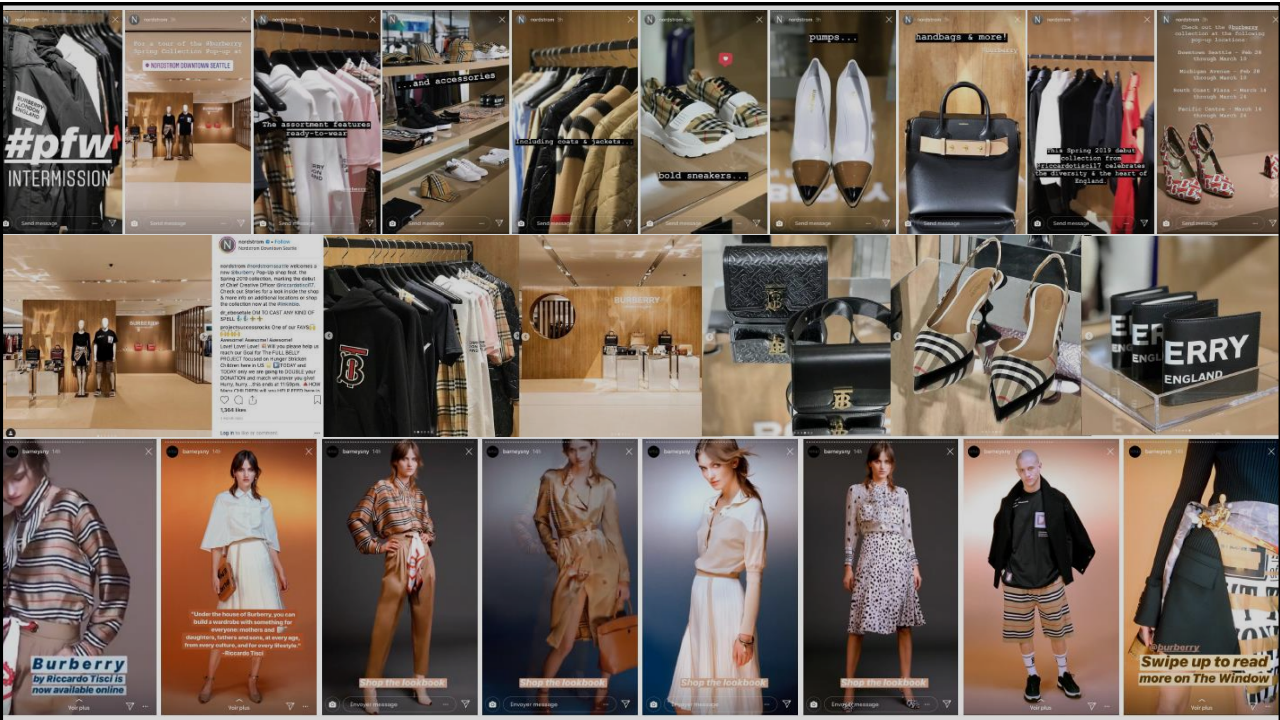
ENGLISH LOGIN WISHLIST SHOPPING BAG (0)

## BURBERRY'S KINGDOM

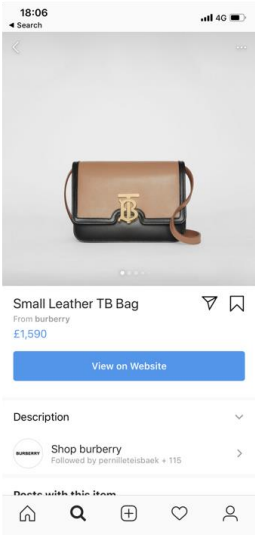
Photographer Suffo Moncloa Captures Riccardo Tisci's Inaugural SS19 Burberry Collection for SSENSE

[VIEW EDITORIAL](#)





## INSTAGRAM & INFLUENCER CHECKOUT



## PEOPLE



## PEOPLE

Increased employee engagement

Focus on leaders

Diversity & inclusion



OUR SUSTAINABILITY AGENDA

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM 





## THE FIRST YEAR

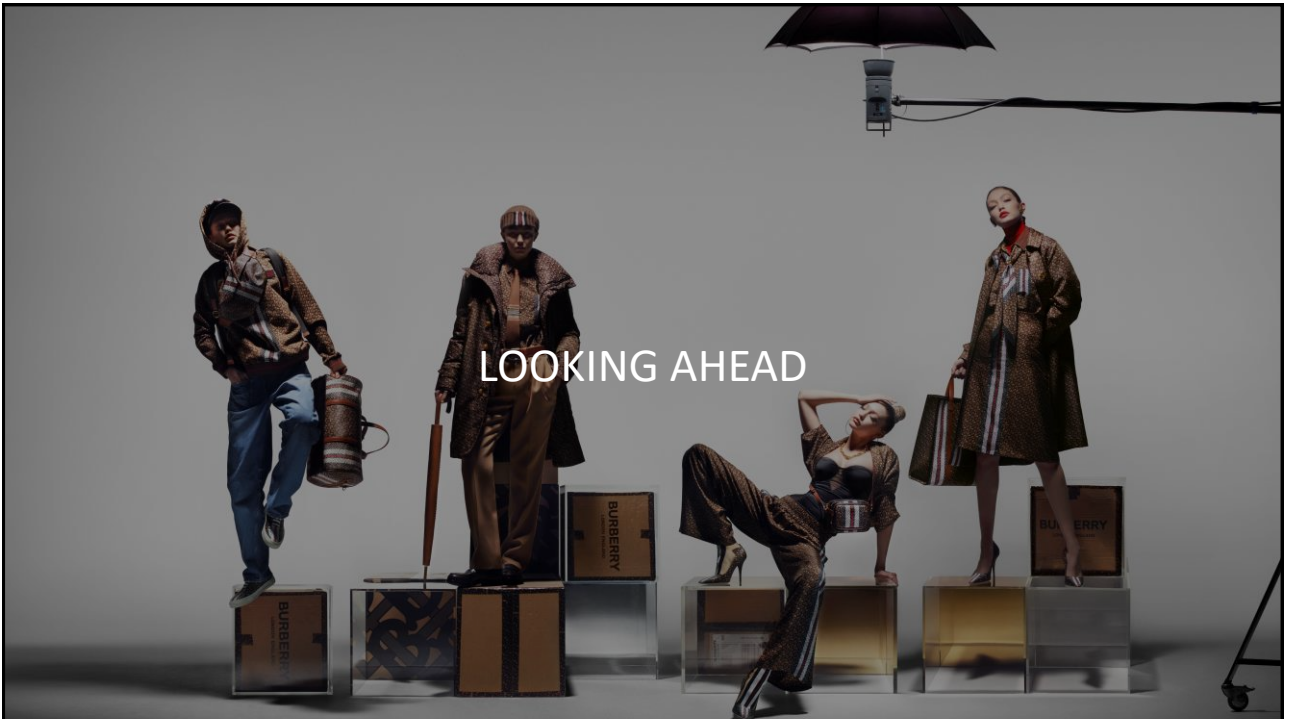
Brand relaunch

Heat with press, influencers, wholesale partners and consumers

Transformation in product aesthetic and quality, with encouraging early sales

Evolution of store environment

Continued innovation across the business



## LOOKING AHEAD

## DISCLAIMER

- The financial information contained in this presentation is unaudited.
- Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future results in forward-looking statements. Burberry Group plc undertakes no obligation to update these forward-looking statements and will not publicly release any revisions it may make to these forward-looking statements that may result from events or circumstances arising after the date of this document. Nothing in this announcement should be construed as a profit forecast. All persons, wherever located, should consult any additional disclosures that Burberry Group plc may make in any regulatory announcements or documents which it publishes. All persons, wherever located, should take note of these disclosures. This announcement does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any Burberry Group plc shares, in the UK, or in the US, or under the US Securities Act 1933 or in any other jurisdiction.
- Burberry is listed on the London Stock Exchange (BRBY.L) and is a constituent of the FTSE 100 index. ADR symbol OTC:BURBY.
- BURBERRY, the Equestrian Knight Device, the Burberry Check, and the Thomas Burberry Monogram and Print are trademarks belonging to Burberry.

## FY 2020 OUTLOOK

| Item                | Financial impact   |
|---------------------|--|
| Revenue             | We expect revenue to be broadly stable at CER  |
| Retail revenues     | No expected impact from net space on our retail revenue with the headwind from non-strategic store rationalisation programme offset by strategic store openings <ul style="list-style-type: none"> <li>• H1 2020 -1%</li> <li>• H2 2020 +1%</li> </ul> |
| Wholesale revenues  | Reduce by a mid-single digit percentage reflecting the strength from luxury doors partly offsetting non-luxury door closures   |
| Gross margin        | FY down around 100bps reflecting investment into product with a more pronounced impact in H1 2020  |
| Cost savings        | Cost savings will reach a cumulative £120m, an incremental £15m from the prior year  |
| Operating margin    | We expect operating margin to be broadly stable at CER   |
| Tax                 | We anticipate a further c100bps reduction to around 22% in FY 2020   |
| Currency            | At 30 April spot rates*, the expected impact of year-on-year exchange rate movements on reported adjusted operating profit is a £7m headwind. The headwind to revenue is expected to be c.£20m   |
| Restructuring costs | £16m (including the non-strategic store rationalisation)   |
| Capital expenditure | £200m with the incremental spend predominantly reflecting new store openings and our store refurbishment programme   |
| Share buyback       | £150m  |

\* Spot rates at 30 April 2019, taking into account the current hedged positions

# IFRS 16 LEASES

Subject to the completion of the adoption project, the impact of adopting IFRS 16 is set out below

| IFRS 16 changes   | Expected estimated impact  |
|---|--|
| Modified retrospective adoption approach  | No prior year restatement  |
| Balance Sheet<br>Recognition of right of use asset ("ROU")<br>Recognition of lease liabilities  | Balance sheet<br>Right of use asset: c£1.0-1.2bn<br>Lease liability: c£1.0-1.2bn |
| Income statement<br>Replacement of minimum lease payments<br>with lease interest expense and depreciation                               | Income statement<br>PBT £10m-£30m lower in FY 2020                               |
| Cash flow<br>Payment of lease principal moved from "Cash<br>generated from operating activities" to "Cash<br>from financing activities" | No impact on net cash flow   |

# ALTERNATIVE PERFORMANCE MEASURES

| APM                                | Description and purpose  | GAAP measure reconciled to  |              |               |               |      |  |  |                                    |       |       |                  |      |    |                         |       |       |    |      |      |                |    |    |
|------------------------------------|--|---|--------------|---------------|---------------|------|--|--|------------------------------------|-------|-------|------------------|------|----|-------------------------|-------|-------|----|------|------|----------------|----|----|
| Constant Exchange Rates (CER)      | This measure removes the effect of changes in exchange rates compared to the prior period. It incorporates 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.                      | Results at reported rates   |              |               |               |      |  |  |                                    |       |       |                  |      |    |                         |       |       |    |      |      |                |    |    |
| Comparable sales                   | 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. This measure is used to strip out the impact of store openings and closings, allowing a comparison of equivalent store performance against the prior period. | Retail Revenue:<br><table> <tr> <th>Period ended</th><th>30 March 2019</th><th>31 March 2018</th></tr> <tr> <td>YoY%</td><td></td><td></td></tr> <tr> <td>Comparable sales</td><td>2%</td><td>3%</td></tr> <tr> <td>Change in space</td><td>(1%)</td><td>0%</td></tr> <tr> <td>IFRS 15/Retail Calendar</td><td>0%</td><td>0%</td></tr> <tr> <td>FX</td><td>(1%)</td><td>(1%)</td></tr> <tr> <td>Retail revenue</td><td>0%</td><td>2%</td></tr> </table> | Period ended | 30 March 2019 | 31 March 2018 | YoY% |  |  | Comparable sales                   | 2%    | 3%    | Change in space  | (1%) | 0% | IFRS 15/Retail Calendar | 0%    | 0%    | FX | (1%) | (1%) | Retail revenue | 0% | 2% |
| Period ended                       | 30 March 2019  | 31 March 2018   |              |               |               |      |  |  |                                    |       |       |                  |      |    |                         |       |       |    |      |      |                |    |    |
| YoY%                               |  |   |              |               |               |      |  |  |                                    |       |       |                  |      |    |                         |       |       |    |      |      |                |    |    |
| Comparable sales                   | 2%   | 3%  |              |               |               |      |  |  |                                    |       |       |                  |      |    |                         |       |       |    |      |      |                |    |    |
| Change in space                    | (1%)   | 0%  |              |               |               |      |  |  |                                    |       |       |                  |      |    |                         |       |       |    |      |      |                |    |    |
| IFRS 15/Retail Calendar            | 0%   | 0%  |              |               |               |      |  |  |                                    |       |       |                  |      |    |                         |       |       |    |      |      |                |    |    |
| FX                                 | (1%)   | (1%)  |              |               |               |      |  |  |                                    |       |       |                  |      |    |                         |       |       |    |      |      |                |    |    |
| Retail revenue                     | 0%   | 2%  |              |               |               |      |  |  |                                    |       |       |                  |      |    |                         |       |       |    |      |      |                |    |    |
| Revenue excluding beauty wholesale | Revenue excluding beauty wholesale is presented to exclude beauty wholesale from total revenue. This provides an equivalent measure of revenue against the prior period, following the disposal of the beauty business in October 2017.  | Total Revenue:<br><table> <tr> <th>Period ended</th><th>30 March 2019</th><th>31 March 2018</th></tr> <tr> <td>£m</td><td></td><td></td></tr> <tr> <td>Revenue excluding beauty wholesale</td><td>2,720</td><td>2,660</td></tr> <tr> <td>Beauty wholesale</td><td>0</td><td>73</td></tr> <tr> <td>Total Revenue</td><td>2,720</td><td>2,733</td></tr> </table>  | Period ended | 30 March 2019 | 31 March 2018 | £m   |  |  | Revenue excluding beauty wholesale | 2,720 | 2,660 | Beauty wholesale | 0    | 73 | Total Revenue           | 2,720 | 2,733 |    |      |      |                |    |    |
| Period ended                       | 30 March 2019  | 31 March 2018   |              |               |               |      |  |  |                                    |       |       |                  |      |    |                         |       |       |    |      |      |                |    |    |
| £m                                 |  |   |              |               |               |      |  |  |                                    |       |       |                  |      |    |                         |       |       |    |      |      |                |    |    |
| Revenue excluding beauty wholesale | 2,720  | 2,660   |              |               |               |      |  |  |                                    |       |       |                  |      |    |                         |       |       |    |      |      |                |    |    |
| Beauty wholesale                   | 0  | 73  |              |               |               |      |  |  |                                    |       |       |                  |      |    |                         |       |       |    |      |      |                |    |    |
| Total Revenue                      | 2,720  | 2,733   |              |               |               |      |  |  |                                    |       |       |                  |      |    |                         |       |       |    |      |      |                |    |    |

All metrics and commentary in this presentation are at reported FX and exclude adjusting items unless stated otherwise. Certain financial data within this presentation have been rounded.

# ALTERNATIVE PERFORMANCE MEASURES

| APM  | Description and purpose  | GAAP measure reconciled to  |                 |               |               |  |     |      |                      |         |         |  |       |       |                |     |     |
|--|--|---|-----------------|---------------|---------------|--|-----|------|----------------------|---------|---------|--|-------|-------|----------------|-----|-----|
| Adjusted Profit                              | Adjusted profit measures are presented to provide additional consideration of the underlying performance of the Group's ongoing business. These measures remove the impact of those items which should be excluded to provide a consistent and comparable view of performance. | <i>Reported Profit:</i><br>A reconciliation of reported profit before tax to adjusted profit before tax is included in the income statement. The Group's accounting policy for adjusted profit before tax is set out in the financial statements.   |                 |               |               |  |     |      |                      |         |         |  |       |       |                |     |     |
| Free Cash Flow                               | Free cash flow is defined as net cash generated from operating activities less capital expenditure plus cash inflows from disposal of fixed assets and excluding the net one-off operating cash inflow for deferred income relating to the beauty licence.                     | <i>Net cash generated from operating activities:</i> <table><tr><td>Period ended £m</td><td>30 March 2019</td><td>31 March 2018</td></tr><tr><td>Net cash generated from operating activities</td><td>411</td><td>678</td></tr><tr><td>Capital expenditure</td><td>(110)</td><td>(106)</td></tr><tr><td>One-off cash inflow for beauty licence</td><td>-</td><td>(88)</td></tr><tr><td>Free cash flow</td><td>301</td><td>484</td></tr></table> | Period ended £m | 30 March 2019 | 31 March 2018 | Net cash generated from operating activities | 411 | 678  | Capital expenditure  | (110)   | (106)   | One-off cash inflow for beauty licence | -     | (88)  | Free cash flow | 301 | 484 |
| Period ended £m                              | 30 March 2019  | 31 March 2018   |                 |               |               |  |     |      |                      |         |         |  |       |       |                |     |     |
| Net cash generated from operating activities | 411  | 678   |                 |               |               |  |     |      |                      |         |         |  |       |       |                |     |     |
| Capital expenditure                          | (110)  | (106)   |                 |               |               |  |     |      |                      |         |         |  |       |       |                |     |     |
| One-off cash inflow for beauty licence       | -  | (88)  |                 |               |               |  |     |      |                      |         |         |  |       |       |                |     |     |
| Free cash flow                               | 301  | 484   |                 |               |               |  |     |      |                      |         |         |  |       |       |                |     |     |
| Cash Conversion                              | Cash conversion is defined as free cash flow pre tax/adjusted profit before tax. It provides a measure of the Group's effectiveness in converting its profit into cash.  | <table><tr><td>Period ended £m</td><td>30 March 2019</td><td>31 March 2018</td></tr><tr><td>Cash conversion</td><td>93%</td><td>128%</td></tr></table>  | Period ended £m | 30 March 2019 | 31 March 2018 | Cash conversion                              | 93% | 128% |                      |         |         |  |       |       |                |     |     |
| Period ended £m                              | 30 March 2019  | 31 March 2018   |                 |               |               |  |     |      |                      |         |         |  |       |       |                |     |     |
| Cash conversion                              | 93%  | 128%  |                 |               |               |  |     |      |                      |         |         |  |       |       |                |     |     |
| Lease Adjusted Net Debt                      | Defined as five times minimum lease payments, adjusted for charges and utilisation of onerous lease provisions, less net cash. This is considered to be a reasonable estimate of the Group's net debt, including operating lease debt which is currently off balance sheet.    | <i>Net cash:</i> <table><tr><td>Period ended £m</td><td>30 March 2019</td><td>31 March 2018</td></tr><tr><td>Net cash</td><td>837</td><td>892</td></tr><tr><td>Operating lease debt</td><td>(1,246)</td><td>(1,219)</td></tr><tr><td>Lease adjusted net debt</td><td>(409)</td><td>(327)</td></tr></table>  | Period ended £m | 30 March 2019 | 31 March 2018 | Net cash                                     | 837 | 892  | Operating lease debt | (1,246) | (1,219) | Lease adjusted net debt                | (409) | (327) |                |     |     |
| Period ended £m                              | 30 March 2019  | 31 March 2018   |                 |               |               |  |     |      |                      |         |         |  |       |       |                |     |     |
| Net cash                                     | 837  | 892   |                 |               |               |  |     |      |                      |         |         |  |       |       |                |     |     |
| Operating lease debt                         | (1,246)  | (1,219)   |                 |               |               |  |     |      |                      |         |         |  |       |       |                |     |     |
| Lease adjusted net debt                      | (409)  | (327)   |                 |               |               |  |     |      |                      |         |         |  |       |       |                |     |     |

All metrics and commentary in this presentation are at reported FX and exclude adjusting items unless stated otherwise. Certain financial data within this presentation have been rounded.

# RETAIL & WHOLESALE REVENUE BY REGION

(EX BEAUTY WHOLESALE)

|              | FY 2019 | FY 2018 | YOY Growth Reported | YOY CER Growth |
|--------------|---------|---------|---------------------|----------------|
|              | £2,674m | £2,630m | 2%                  | 2%             |
| ASIA PACIFIC | £1,104m | £1,081m | 2%                  | 2%             |
| EMEIA        | £958m   | £938m   | 2%                  | 2%             |
| AMERICAS     | £612m   | £611m   | 0%                  | 0%             |

## FOREIGN EXCHANGE RATES

| £1=                   | Forecast effective rates for FY 2020 | Actual average exchange rates |         |
|-----------------------|--------------------------------------|-------------------------------|---------|
|                       | 30 April 2019                        | FY 2019                       | FY 2018 |
| Euro                  | 1.16                                 | 1.13                          | 1.13    |
| US Dollar             | 1.30                                 | 1.31                          | 1.33    |
| Chinese Yuan Renminbi | 8.78                                 | 8.82                          | 8.79    |
| Hong Kong Dollar      | 10.23                                | 10.26                         | 10.37   |
| Korean Won            | 1,520                                | 1,460                         | 1,473   |

Currency sensitivity:

In FY 2019, a +/-5% move in sterling would have resulted in a -/+£45-50m impact on the adjusted operating profit of £438m

## ADJUSTING ITEMS

|                                   | FY 2019<br>£m | FY 2018<br>£m |
|-----------------------------------|---------------|---------------|
| Restructuring costs               | (12)          | (54)          |
| Disposal of Beauty business       | 7             | -             |
| Goodwill impairment               | -             | (7)           |
| BME deferred consideration income | 4             | 4             |
| <b>Adjusting operating items</b>  | <b>(1)</b>    | <b>(57)</b>   |
| Adjusting financing items         | (1)           | (2)           |
| Adjusting tax item                | 0             | (12)          |

# STORE PORTFOLIO

|                  | Directly-operated stores |             |         |       | Franchise stores |
|------------------|--------------------------|-------------|---------|-------|------------------|
|                  | Stores                   | Concessions | Outlets | Total |                  |
| At 31 March 2018 | 240                      | 155         | 54      | 449   | 46               |
| Additions        | 11                       | 5           | 1       | 17    | -                |
| Closures         | (18)                     | (14)        | (3)     | (35)  | (2)              |
| At 30 March 2019 | 233                      | 146         | 52      | 431   | 44               |

| At 30 March 2019 | Directly-operated stores |             |         |       | Franchise stores |
|------------------|--------------------------|-------------|---------|-------|------------------|
|                  | Stores                   | Concessions | Outlets | Total |                  |
| Asia Pacific     | 95                       | 85          | 14      | 194   | 6                |
| EMEIA            | 67                       | 54          | 21      | 142   | 38               |
| Americas         | 71                       | 7           | 17      | 95    | -                |
| Total            | 233                      | 146         | 52      | 431   | 44               |

## UK DEPARTURE FROM THE EU

- We remain hopeful that an orderly exit can be achieved with a close trading relationship with the EU
- We continue to prepare for all outcomes, modelling Brexit scenarios to identify risks and implementing mitigating actions, including impacts on our supply chain and IT systems.
- In the event of a no deal exit, there is likely to be a **material but manageable** operational and financial impact on Burberry's business
- We remain committed to our operations in the UK
- We have provided guidance to employees and new hires in respect of settled status applications
- We continue to represent our views to government and other stakeholders
- Duty exposure under WTO rules low tens of millions



## IR CONTACTS

Annabel Gleeson  
Head of Investor Relations  
[annabel.gleeson@burberry.com](mailto:annabel.gleeson@burberry.com)

Rachel Byrne  
Director, Investor Relations  
[rachel.byrne@burberry.com](mailto:rachel.byrne@burberry.com)

Sophie Parker  
Investor Relations Coordinator  
[sophie.parker@burberry.com](mailto:sophie.parker@burberry.com)

### Reporting calendar

|                   |                  |
|-------------------|------------------|
| Q1 Trading update | 16 July 2019     |
| Interim results*  | 14 November 2019 |

Horseferry House  
Horseferry Road  
London  
SW1P 2AW  
Tel: +44 (0)20 3367 3524  
[investor.relations@burberry.com](mailto:investor.relations@burberry.com)

\*preliminary date