

BURBERRY

LONDON ENGLAND

BURBERRY IN A SNAPSHOT

FY 2019 FINANCIAL PERFORMANCE

Revenue
£2.7bn

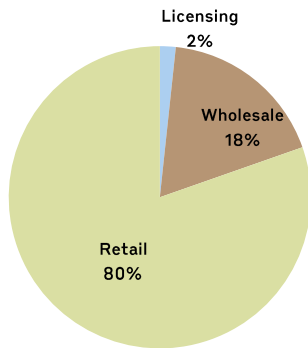
Adjusted EBIT
£437m

Operating Margin
16.1%

Net cash
£837m

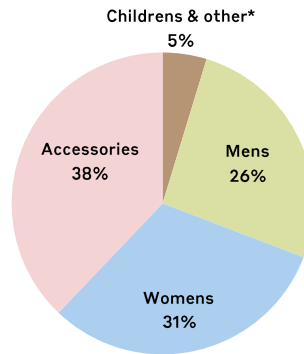
FY 2019 GROUP REVENUE

BY CHANNEL

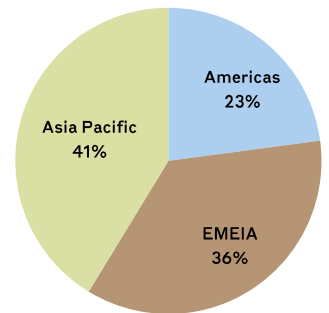


FY 2019 RETAIL/WHOLESALE REVENUE

BY PRODUCT

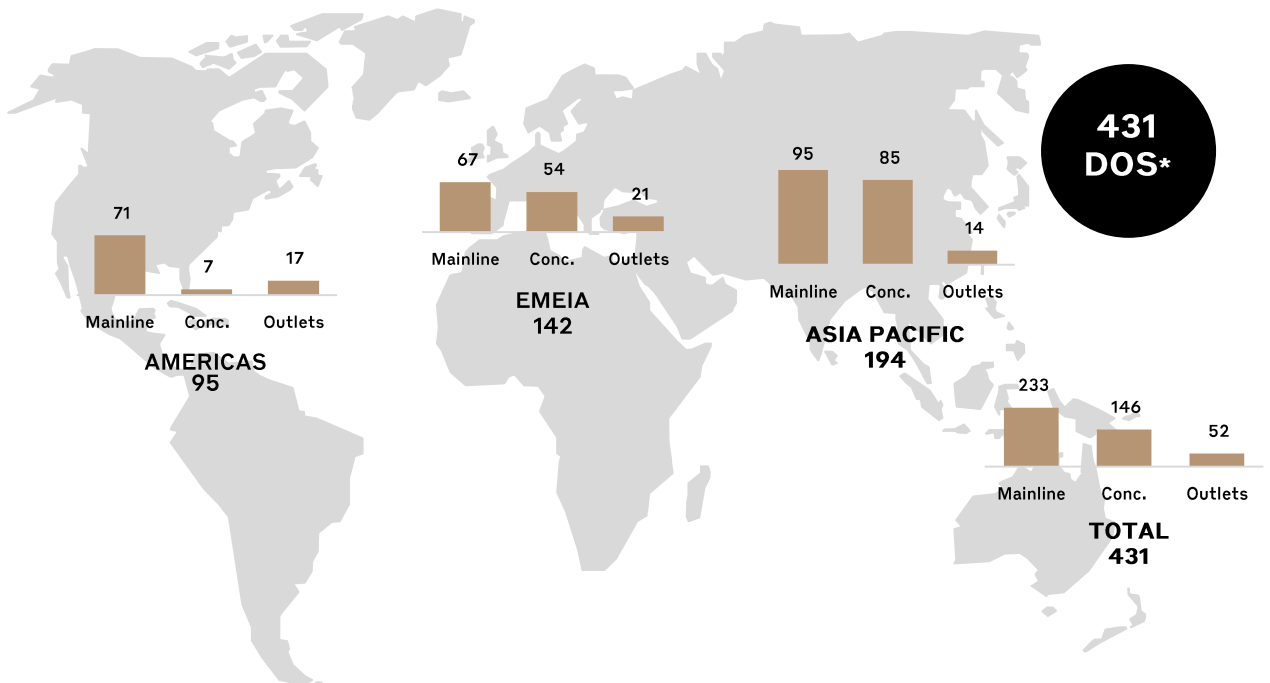


BY REGION



*Includes Beauty wholesale

EXTENSIVE LUXURY DISTRIBUTION FOOTPRINT

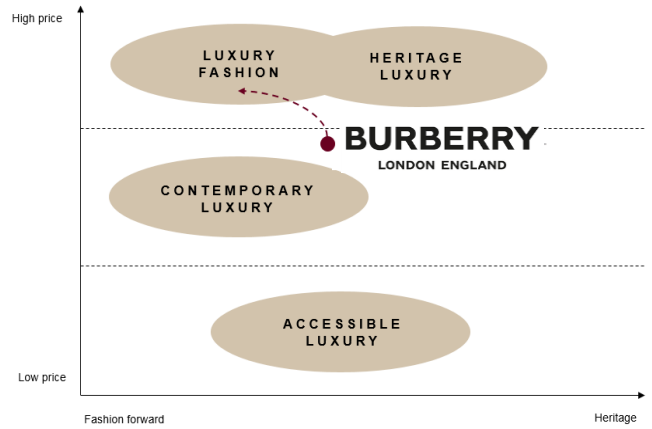


*Footprint as of March 2019
Burberry also has 44 franchise stores

STRATEGY

In November 2017, we set out our multi-year strategy to establish our position firmly in luxury fashion, inspiring luxury customers and delivering long-term sustainable value for our shareholders.

We are sharpening our brand positioning, changing our approach to products, communication and customer experience. Our actions are underpinned by a continued focus on productivity, simplification and financial discipline. We will continue to engage and motivate our teams and reinforce our culture and values.



DISTRIBUTION

- Transform customer service
- Upgrade/reduce non-luxury doors
- Grow image-driving wholesale
- Rationalise non-strategic stores
- Refurbish existing retail stores

COMMUNICATION

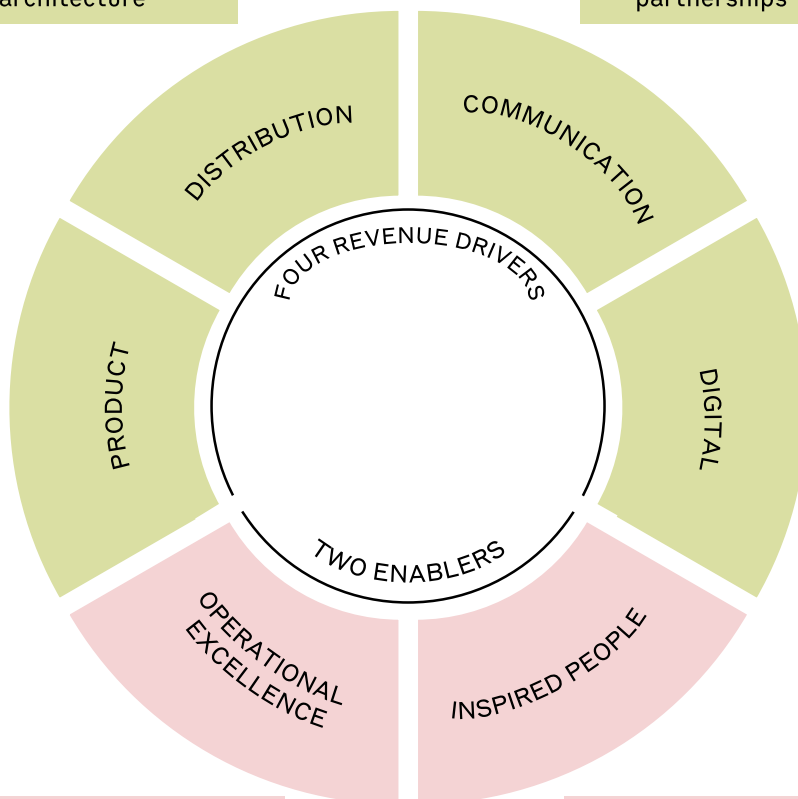
- Emphasise product in our communications
- Produce differentiated content
- Focus on experiences
- Broaden reach through influencers

PRODUCT

- Create a new, strong, fashionable product offer
- Transform leather goods
- Continuously engage customers
- Develop outfitting
- Rebalance price architecture

DIGITAL

- Editorialise website and create meaningful social content
- Ensure a seamless omnichannel experience
- Strengthen third party partnerships



OPERATIONAL EXCELLENCE

- Ensure our operations, organisational structures and processes are simplified and efficient
- Adapt our supply chain
- Invest in technology
- Drive procurement savings

INSPIRED PEOPLE

- Motivate our teams, reinforcing behaviours, culture and values
- Invest in leadership, core capabilities and talent
- Build a sustainable future through our Responsibility Agenda

STRATEGIC HIGHLIGHTS

- New product, c50% of mainline offer, delivering strong double-digit growth
 - Building our leather goods architecture
 - Building brand heat and shifting consumer perceptions
 - 23 stores aligned to new creative vision, on track for 80 by end FY 2020
 - Majority of US non-luxury wholesale doors to be closed by end of FY 2020
 - 9 of the 38 non-strategic retail stores closed to date
- Delivered £105m of cumulative opex savings, on track for £120m by end FY 2020
- Recognised as leading luxury brand in the 2018 Dow Jones Sustainability Index



FINANCIAL AMBITIONS AND PROGRESS

5 YEAR STRATEGIC PLAN TWO PHASED TRANSFORMATION JOURNEY

BUILD THE FOUNDATION

FY 2019 AND FY 2020

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

Broadly stable revenue and adjusted operating margin for FY 2019 and FY 2020 (CER)

ACCELERATE AND GROW

FY 2021 - 2023

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

High single digit revenue growth
Meaningful adjusted operating margin improvement (CER)

OUR CAPITAL ALLOCATION FRAMEWORK

1.
REINVEST FOR
ORGANIC GROWTH

2.
PROGRESSIVE
DIVIDEND POLICY

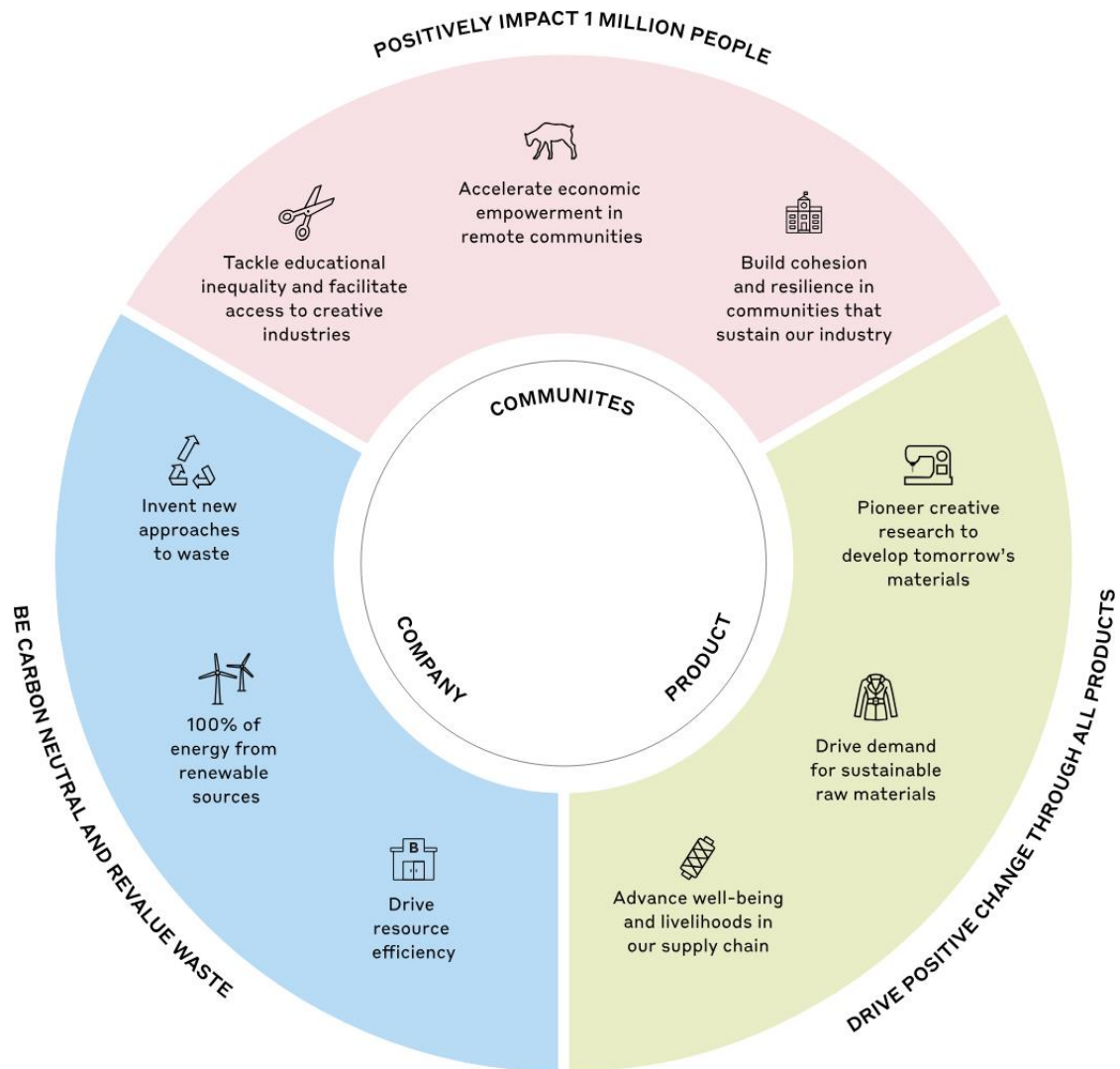
3.
STRATEGIC
INVESTMENTS

4.
RETURN EXCESS
CASH



Maintain strong balance sheet with solid investment grade credit metrics

RESPONSIBILITY GOALS FOR FY 2022



DRIVE POSITIVE CHANGE THROUGH ALL PRODUCTS

Ensure 100% of products have >1 positive attribute (social and/or environmental)

FY 2019 progress:

36% of products with >1 positive attribute*

68% of cotton procured through BCI*

49% of leather sourced from tanneries with environmental and social certifications*

BECOME CARBON NEUTRAL AND REVALUE WASTE

Improving energy efficiency and reducing carbon consumption. Target 100% renewable sourced energy

FY 2019 progress:

43% reduction in market-based CO2e emissions*^

68% of electricity procured from renewable sources*

Ended the practice of destroying unsaleable finished products

POSITIVELY IMPACT 1 MILLION PEOPLE

Primarily supporting the Burberry Foundation in delivering impactful community projects

FY 2019 progress:

125k people positively impacted in Yorkshire, Italy and Afghanistan*

*Reference year is FY 2017

^ Carbon neutral across the Americas region, EMEIA retail stores and UK operations

FY 2020 FINANCIAL OUTLOOK

BROADLY STABLE REVENUE & ADJUSTED OPERATING MARGIN AT CER

Item	Financial impact
Retail space	FY 2020 flat with H1 2020 -1%, H2 2020 +1%
Wholesale revenues	Down mid-single digit percentage
Gross margin	FY down around 100bps with a more pronounced impact in H1 2020
Tax	c100bps reduction to around 22%
Currency	£15m benefit to operating profit
Restructuring costs	£16m (including the non-strategic store rationalisation)
Capital expenditure	£200m

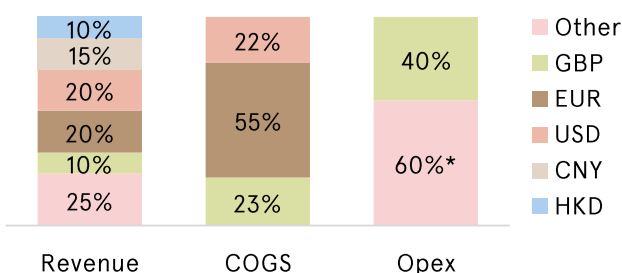
FOREIGN EXCHANGE

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

FX rate assumptions

Forecast effective rates for FY 2020 £1=	28 Jun 2019	Average exchange rates	
		FY 2019	FY 2018
Euro	1.12	1.13	1.13
US Dollar	1.27	1.31	1.33
Chinese Yuan	8.73	8.82	8.79
Hong Kong Dollar	9.93	10.26	10.37
Korean Won	1,473	1,460	1,473

Simplified view of Burberry's FX exposures in 2019



*Other opex includes HKD, USD, EUR and CNY



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 Valextra



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, VP Group Finance, VP Corporate Strategy Country President and Regional Commercial VP. She is also a Non Executive Director and Audit Committee Chair of Roche Holding Ltd.

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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 P12 of the Preliminary Announcement
- Certain financial data within this presentation have been rounded.