

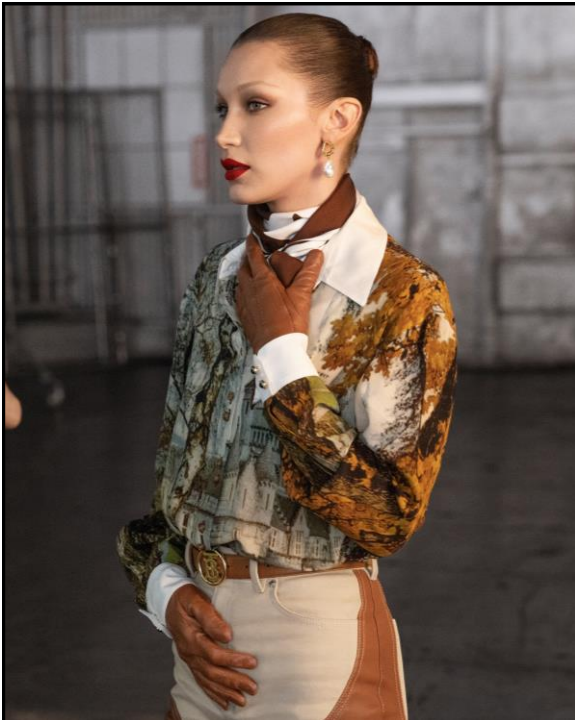
# BURBERRY

LONDON ENGLAND

Q1 2021 TRADING UPDATE

## Q1 2021 | TRADING UPDATE

- 1 RETAIL & BRAND PERFORMANCE
- 2 ORGANISATIONAL CHANGES
- 3 OUTLOOK

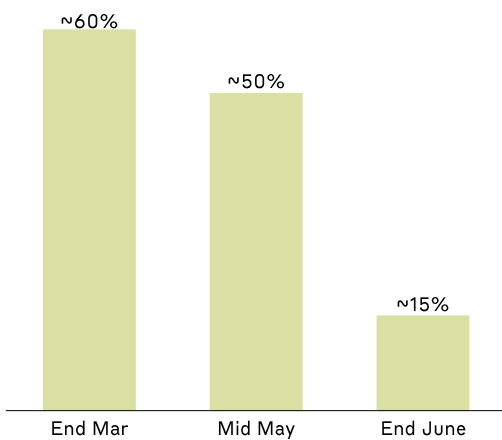


## SUMMARY OF PROGRESS

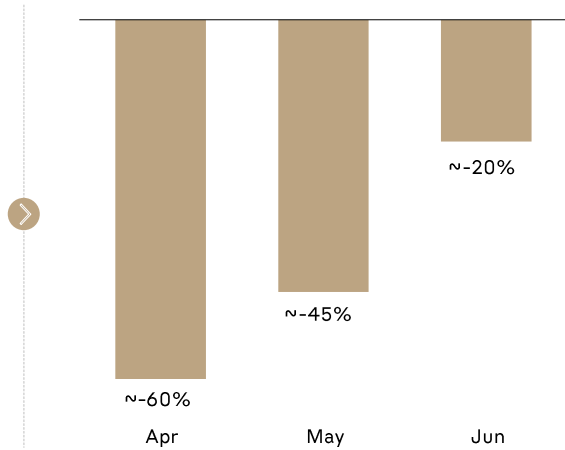
- Excellent consumer response to new product launches in recovering economies and online
- Focused on rebounding economies, with initiatives tailored to each market
- Innovated in digital to inspire customers and drive sales both online and offline
- Organisational changes to increase product focus and agility and deliver savings

## Q1 IMPACTED BY STORE CLOSURES

Q1 PERCENTAGE OF STORES CLOSED

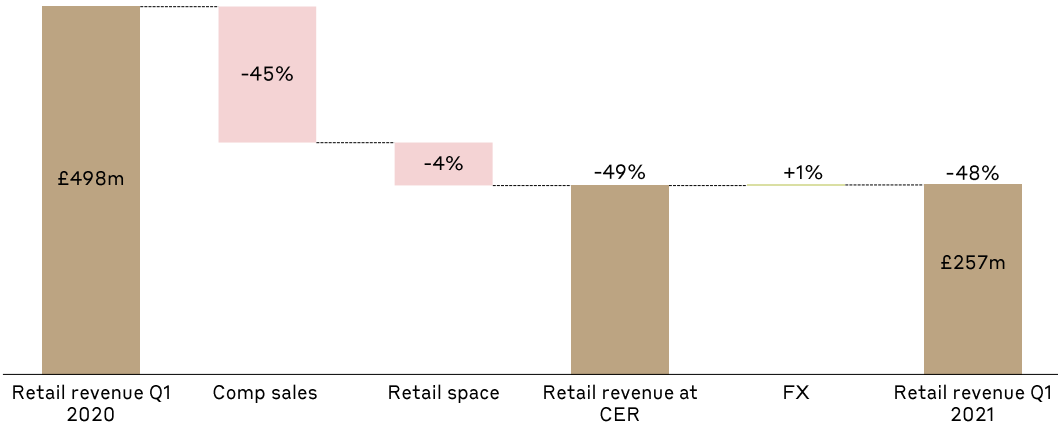


Q1 -45% AND MONTHLY COMPARABLE SALES GROWTH



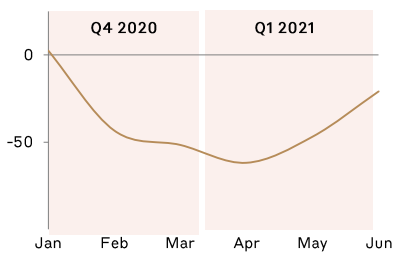
## GROUP RETAIL SALES IMPACTED BY COVID-19 WITH RETAIL REVENUE -49% AT CER

Q1 RETAIL SALES BRIDGE

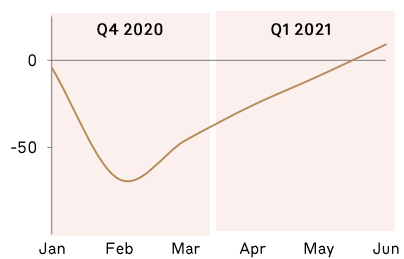


## ALL REGIONS SHOWING AN IMPROVING PERFORMANCE

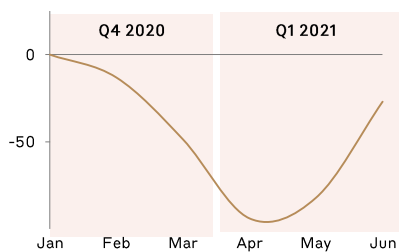
GLOBAL: Q1 COMP SALES -45% YOY



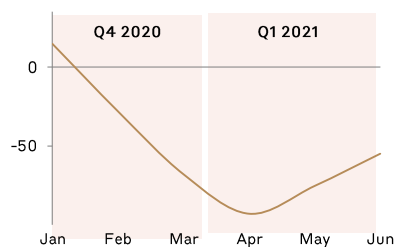
ASIA PACIFIC: Q1 COMP SALES -10% YOY



AMERICAS: Q1 COMP SALES -70% YOY

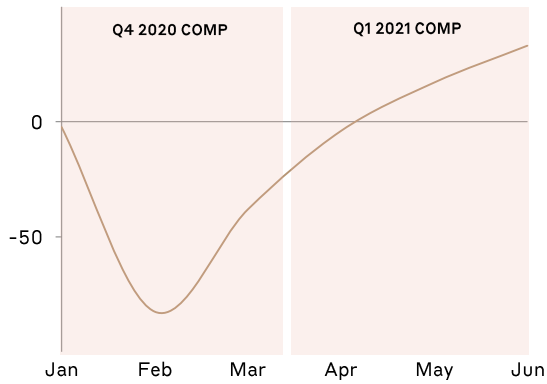


EMEIA: Q1 COMP SALES -74% YOY

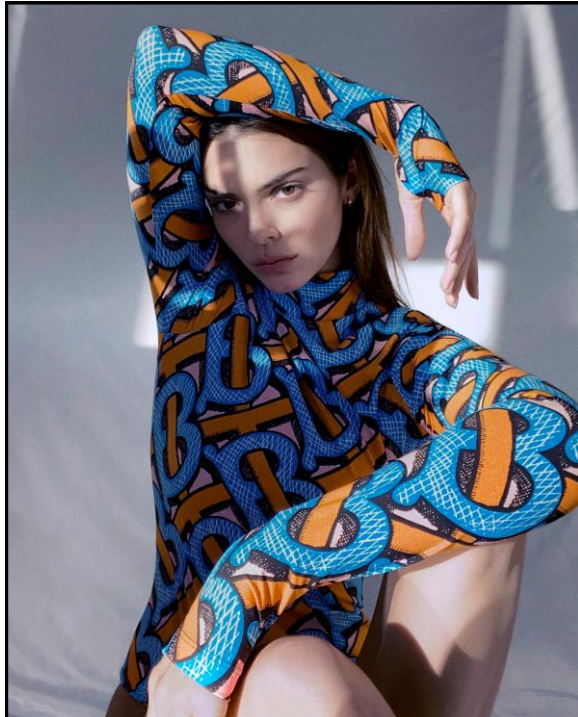


## CHINA DELIVERING STRONG MOMENTUM WITH JUNE EXCEEDING PRE-COVID SALES TREND

MAINLAND CHINA: Q1 COMP SALES



- Exceptional growth in digital sales
- Localised bespoke approach
- Dedicated leather goods campaign and pop up store programme
- Strong full price performance of bags and small leather goods
- Evidence of some repatriation



## BRAND AND PRODUCT MOMENTUM

EXCITED THE CONSUMER WITH NEW PRODUCT LAUNCHES OVER THE QUARTER

EXCELLENT CONSUMER RESPONSE TO PRODUCT AND CAMPAIGNS IN RECOVERING ECONOMIES, RECRUITING NEW, YOUNGER CUSTOMERS TO THE BRAND

INNOVATIVE CAMPAIGN TO SUPPORT AUTUMN/WINTER 2020 PRE COLLECTION

PROMISING REACTION TO OUR SUMMER MONOGRAM CAPSULE

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### ORGANISATIONAL CHANGES TO SUPPORT SECOND PHASE OF STRATEGY

#### EVOLVING OUR APPROACH TO PRODUCT

- Embedding product specialism
- Creating three new business units: RTW, Accessories and Shoes
- Pooling of expertise allows enhanced product focus, increased agility and elevated quality

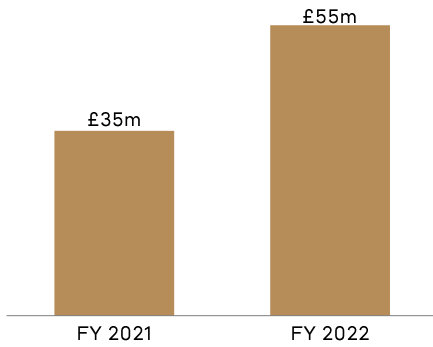
#### OTHER ORGANISATIONAL CHANGES

- Further streamlining enabling functions and improving retail efficiency
- Office space rationalisation

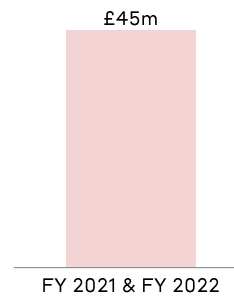


## FINANCIAL IMPLICATIONS OF ORGANISATIONAL CHANGES

### CUMULATIVE COST SAVINGS



### CUMULATIVE ONE OFF RESTRUCTURING CHARGE (ADJUSTING ITEM)



SAVINGS ALLOW US TO RE-INVEST INTO CONSUMER FACING ACTIVITIES INCLUDING POP UP STORES, VISUAL MERCHANDISING, DIGITAL ACTIVATIONS, EVENTS AND MARKETING

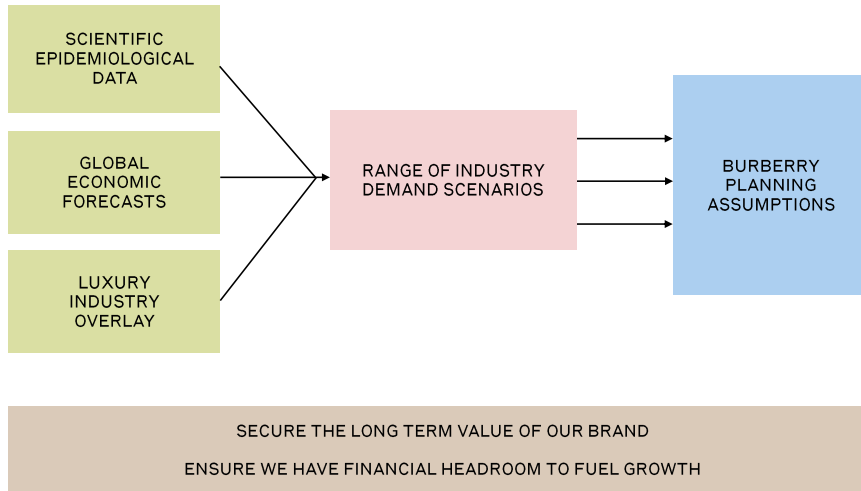
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## RECAP | PLANNING FOR THE FUTURE



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## NEAR TERM GUIDANCE

Q2 sales to continue to be materially impacted by COVID-19

Uncertainty due to virus progression, the risk of second waves and reduced tourist flows

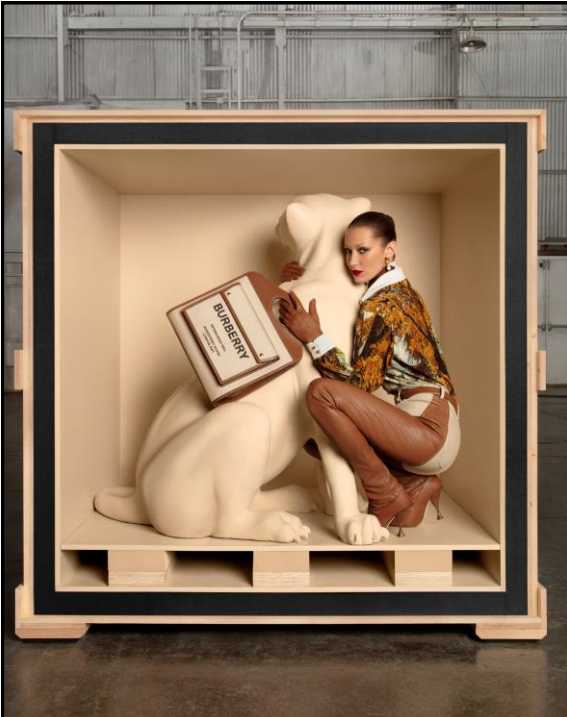
Q2 retail comp sales -15% to -20%

H1 Wholesale expected to decline 40% to 50%

On this trading assumption:  
H1 Gross margin to decline 200bps to 300bps

H1 Opex to decline by a mid-teen percentage

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## SUMMARY

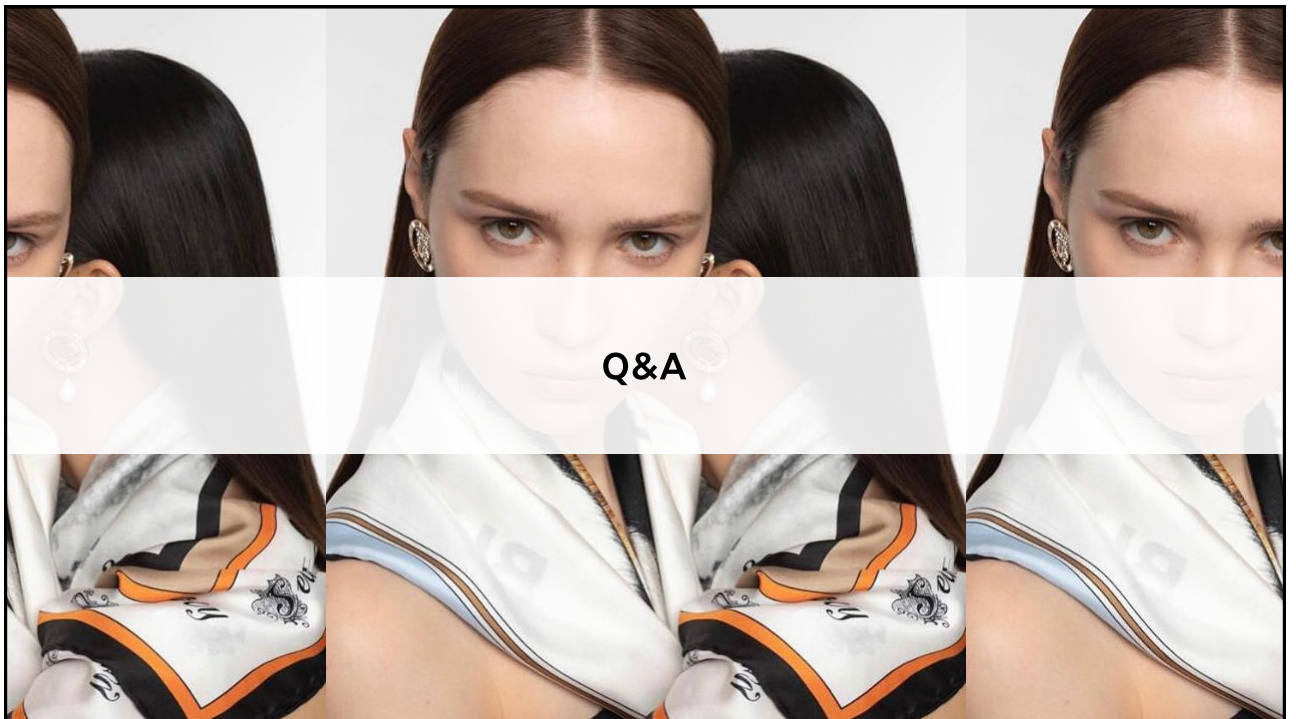
H1 trading impacted by COVID-19 pandemic

Continuing to strengthen the brand

Continuing to excite the consumer with new product and innovative campaigns

Organisational changes to increase product focus and operational efficiency

Investing in consumer facing activities in recovering markets





## APPENDIX

## 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.
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## ALTERNATIVE PERFORMANCE MEASURES

All metrics and commentary in this presentation are at reported FX and exclude adjusting items unless stated otherwise.

Constant exchange rates (CER) 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.

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. This measure is used to strip out the impact of store openings and closings, or those closures relating to refurbishments, allowing a comparison of equivalent store performance against the prior period. The measurement of comparable sales has not excluded stores temporarily closed as a result of the COVID-19 outbreak.

Certain financial data within this presentation have been rounded.

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## FOREIGN EXCHANGE RATES

Exchange rates	Forecast effective rates for FY 2021		Actual average exchange rates
	27 June 2020	1 May 2020	FY 2020
£1=			
Euro	1.11	1.15	1.14
US Dollar	1.24	1.26	1.27
Chinese Yuan Renminbi	8.79	8.90	8.88
Hong Kong Dollar	9.62	9.76	9.89
Korean Won	1,498	1,529	1,504

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Reporting calendar	
AGM	15 July 2020
Interim Results	12 November 2020

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