

BURBERRY

LONDON ENGLAND

BURBERRY IN A SNAPSHOT

FY 2019 FINANCIAL PERFORMANCE

Revenue
£2.7bn

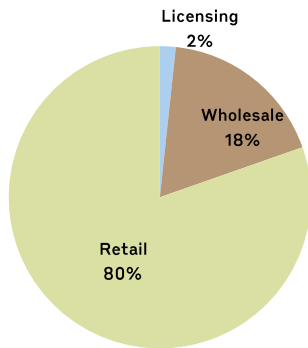
Adjusted EBIT
£437m

Operating Margin
16.1%

Net cash
£837m

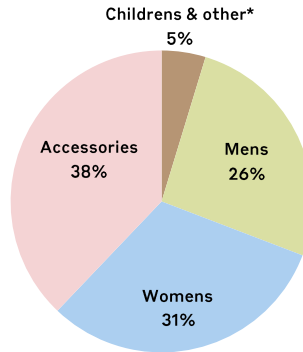
FY 2019 GROUP REVENUE

BY CHANNEL

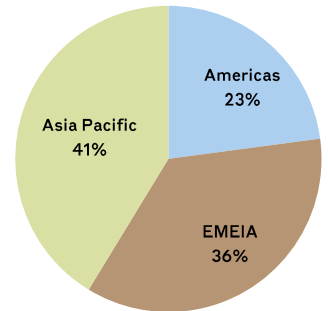


FY 2019 RETAIL/WHOLESALE REVENUE

BY PRODUCT

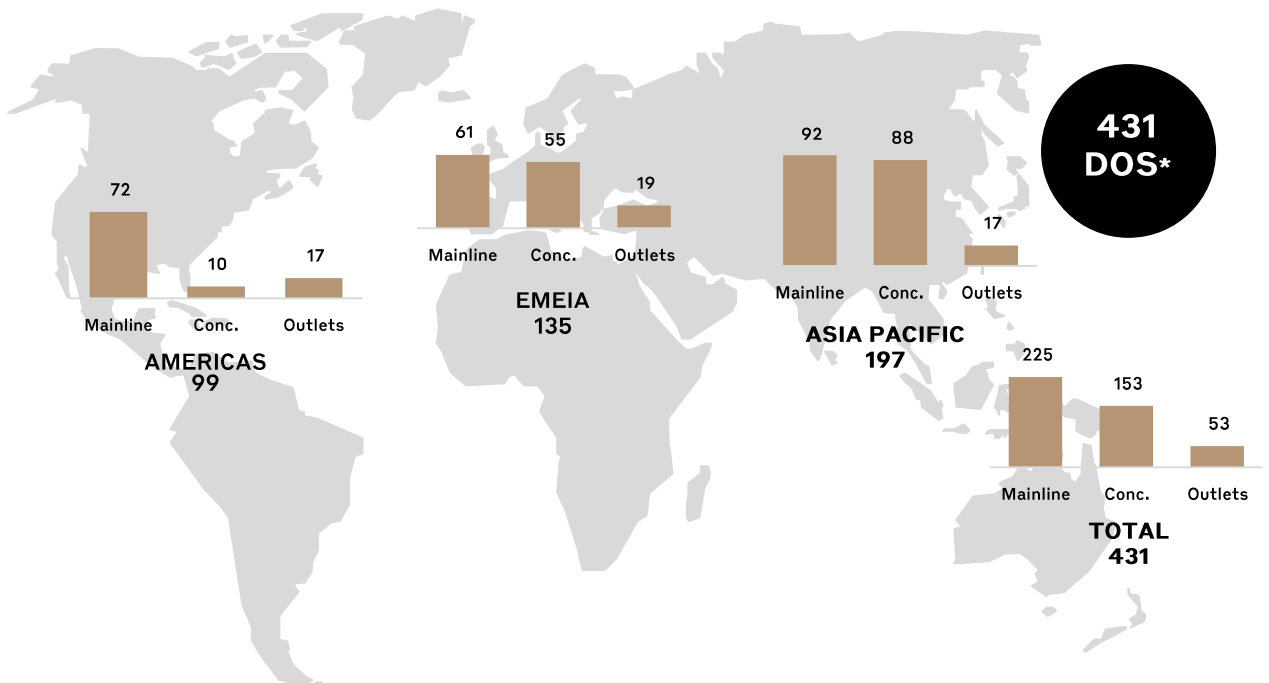


BY REGION



*Includes Beauty wholesale

EXTENSIVE LUXURY DISTRIBUTION FOOTPRINT

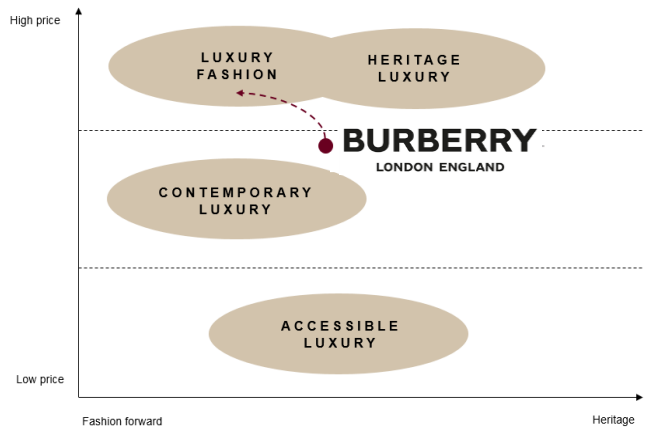


*Footprint as of December 2019
Burberry also has 44 franchise stores

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

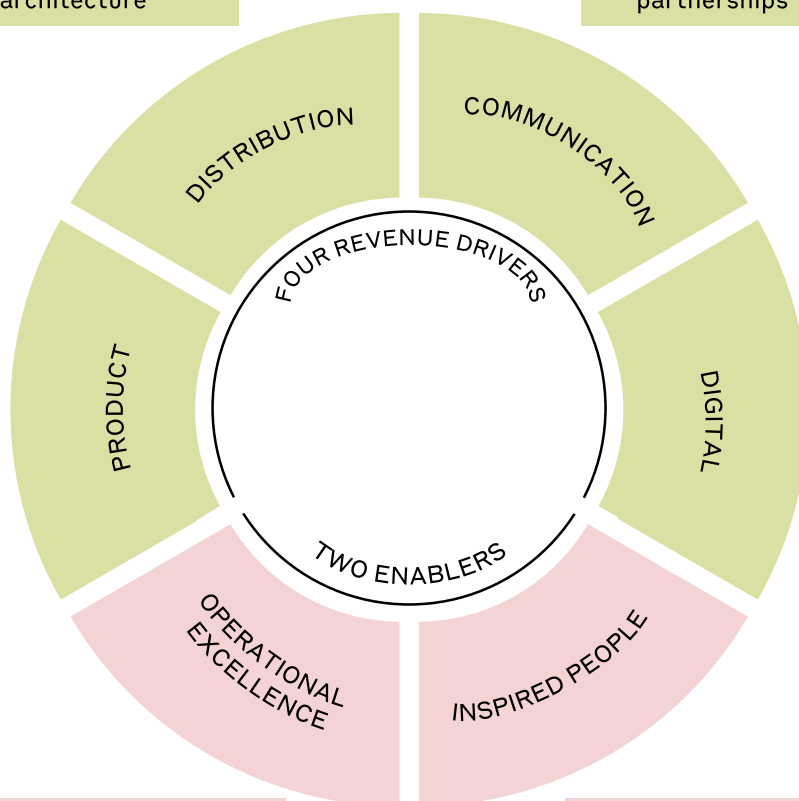
- Emphasise product in our communications
- Produce differentiated content
- Focus on experiences
- Broaden reach through influencers

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, c75% of mainline offer, delivering double-digit growth
 - Building out a fuller leather goods architecture
- Continued focus on consumer inspiration with social and digital innovations and around 60 stores now aligned to new creative vision
 - Staging a runway show in Shanghai in April
- Preparations underway for our first social retail store in Shenzhen in partnership with Tencent
 - Majority of US non-luxury wholesale doors to be closed by end of FY 2020
- Delivered £114m of cumulative opex savings in H1 2020 and extended FY 2020 target to £125m
 - Achieved our highest ever score in the 2019 Dow Jones Sustainability Index
 - Introduced a new, global parental leave policy



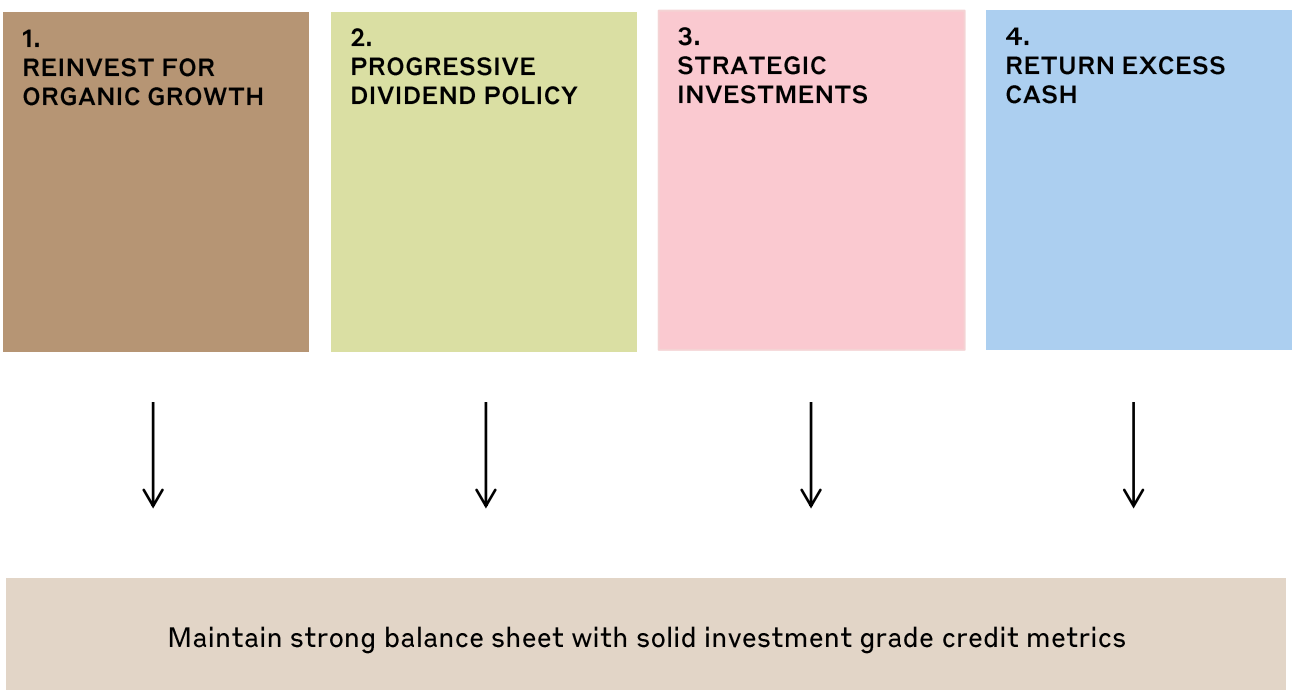
FY 2020 OUTLOOK EXCLUDING THE IMPACT OF CORONAVIRUS OUTBREAK

LOW SINGLE DIGIT REVENUE GROWTH & BROADLY STABLE ADJUSTED OPERATING MARGIN AT CER

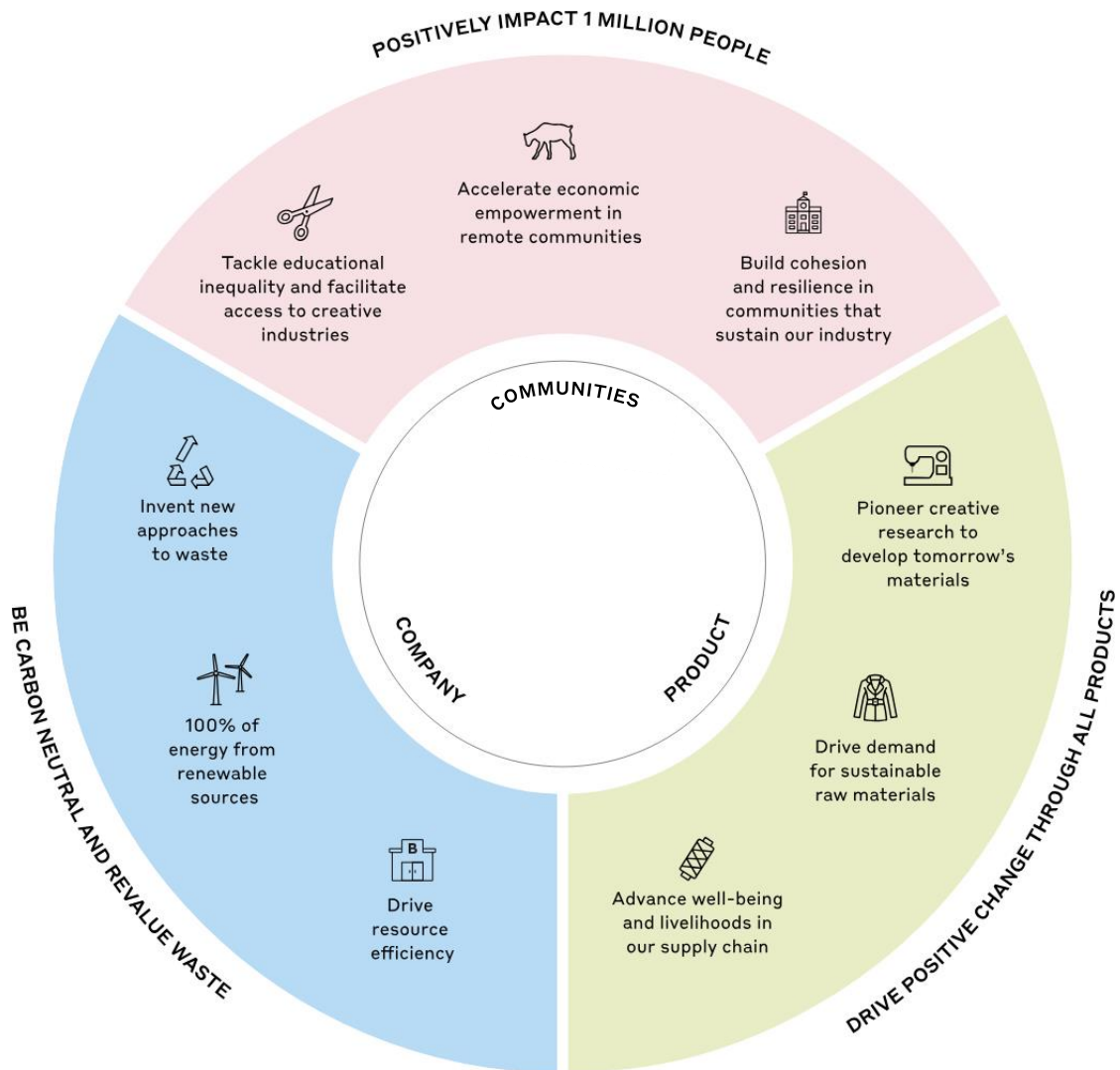
Item	Financial impact
Retail space	Retail space expected to be flat
Wholesale revenues	Expected to be broadly stable YoY
Gross margin	FY down around 150bps
Tax	c100bps reduction to around 22%
Currency	No expected impact on adjusted operating profit
Restructuring costs	£16m (including the non-strategic store rationalisation)
Capital expenditure	£150m

- Guidance is before the impact of IFRS 16 and assumes constant exchange rates, a stable economic environment and current tax legislation. It assumes there is no operational or financial impact arising as a result of the UK's exit from the EU on 31 January 2020 under the Withdrawal Agreement Bill
- The operating margin guidance excludes the impact of the adoption of IFRS 16. The impact of the adoption of IFRS 16 is now expected to be below our previous expectations of £30-35m on adjusted operating profit and £5-10m on profit before tax.

OUR CAPITAL ALLOCATION FRAMEWORK



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

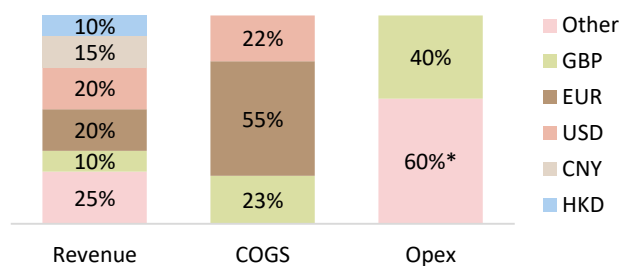
^ Carbon neutral across the Americas region, EMEIA retail stores and UK operations

FOREIGN EXCHANGE

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

Exchange rates					
£1=	Forecast effective rates for FY 2020		Actual average exchange rates		
	27 Dec 2019	1 Nov 2019	H1 2020	H1 2019	FY 2019
EUR	1.14	1.14	1.12	1.13	1.13
USD	1.28	1.28	1.26	1.33	1.31
CNY	8.92	8.92	8.71	8.78	8.82
HKD	9.93	9.97	9.82	10.42	10.26
KRW	1,501	1,500	1,486	1,463	1,460

Simplified view of Burberry's FX exposures in 2019



*Other opex includes HKD, USD, EUR and CNY

EXECUTIVE MANAGEMENT



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 the 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 page 12 of the Preliminary Announcement 2019
- Certain financial data within this presentation have been rounded.