

BURBERRY

LONDON ENGLAND

BURBERRY IN A SNAPSHOT

FY 2020 FINANCIAL PERFORMANCE

Revenue
£2.6bn

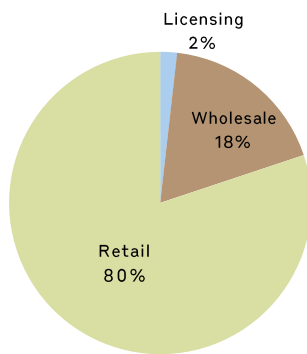
Adjusted operating profit*
£433m

Adjusted operating margin
16.4%

Cash balance
£887m

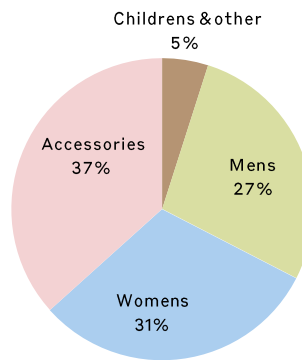
FY 2020 GROUP REVENUE

BY CHANNEL

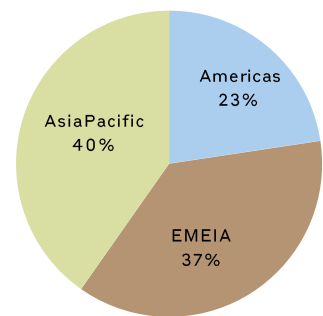


FY 2020 RETAIL/WHOLESALE REVENUE

BY PRODUCT

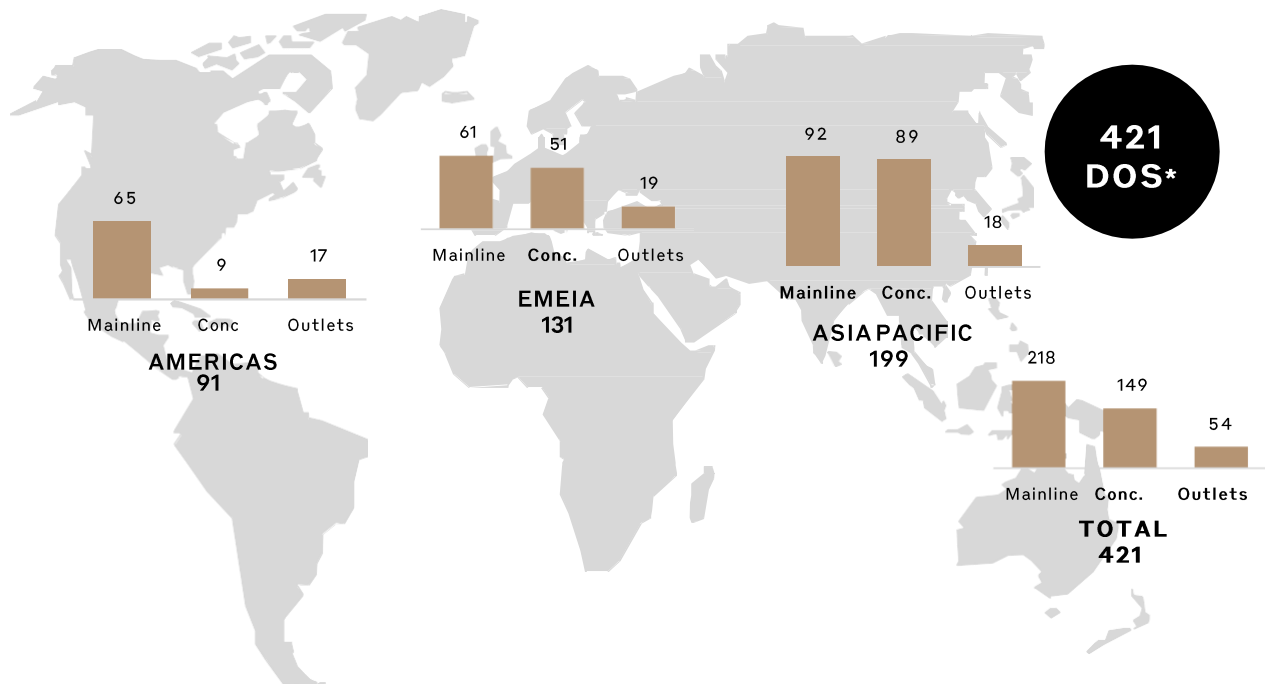


BY REGION



*Adjusted Profit is an alternative performance measure. For details of Burberry's reported results and alternative performance measures please see page 13 of our preliminary announcement FY 2020

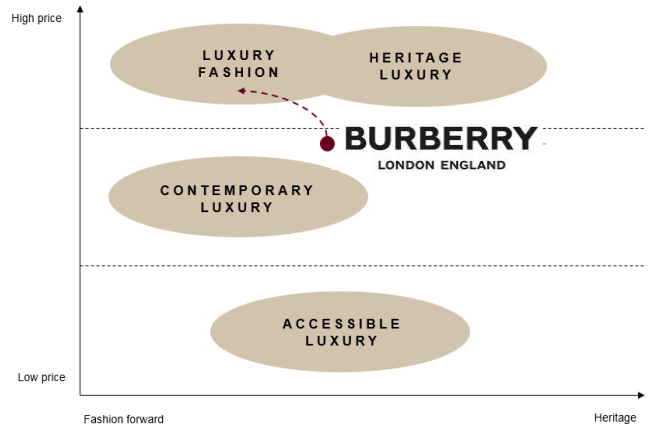
EXTENSIVE LUXURY DISTRIBUTION FOOTPRINT



*Footprint as of March 2020
Burberry also has 44 franchise stores

STRATEGY

Launched in November 2017, our strategy focuses on rooting Burberry firmly in luxury fashion. We believe that by fostering the creativity that has driven our brand since its inception, we will introduce Burberry to new customers while delighting our existing customer base. In doing so, we aim to deliver sustainable long-term value for our shareholders.



DISTRIBUTION

- Enhance the luxury store experience
- Elevated customer service
- Grow the proportion of image driving luxury doors

COMMUNICATION

- Product first
- Content revolution
- Focus on experience

PRODUCT

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

DIGITAL

- Content curation and storytelling
- Personalised luxury service
- Seamless omnichannel experiences
- Accelerate digital partnerships



OPERATIONAL EXCELLENCE

- Simplification and efficiency
- Adapt our supply chain
- Invest in technology
- Drive procurement savings

INSPIRED PEOPLE

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

OUR TRANSFORMATION JOURNEY

BUILD THE FOUNDATIONS

- Commence programme to re-energise the brand
- Rationalise and invest to align our distribution
- Manage creative transition

STRENGTHEN

- Continue to strengthen the brand
- Complete product transformation
- Adapt the business to the new consumer environment

ACCELERATE AND GROW

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

OUR STRATEGIC RESPONSE TO COVID-19

As a result of the COVID-19 outbreak, we believe luxury customers are likely to become increasingly discerning in their purchases, focusing on strong brands, and the wider market is likely to polarise further between luxury and mass products. Diminished demand is likely to increase competition and reinforce the importance of investment in brand and inspiration. As a result, our strategy to reposition Burberry firmly in luxury fashion is particularly relevant and critical at this time.

In the short term, our strategic initiatives will be focused on the four key areas shown below underpinned by rigorous management of our liquidity and we will support our people and communities.

PROTECTING OUR LIQUIDITY

BRAND

- Strong luxury positioning
- Brand strength
- Authenticity
- Positive emotions through creativity

LOCALISATION

- Bespoke plans for each market, rapidly shifting investment as needed
- Focus on local consumers
- Ability to accelerate China and other Asian economies

DTC & DIGITAL

- DTC both online and offline
- Digital capabilities
- Strong connection between physical and digital, supported by CRM/data

PRODUCT, INVENTORY AND SUPPLY CHAIN

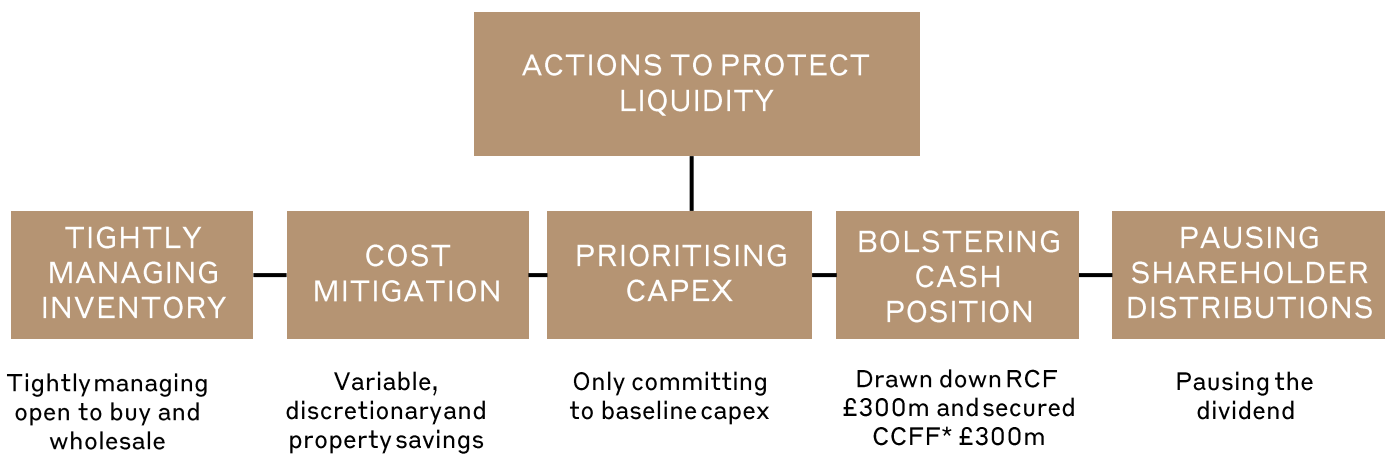
- High quality product
- Strong leather goods offering
- Casualwear
- Entry price point
- Tight inventory management
- Flexible supply chains

SUPPORT OUR PEOPLE AND COMMUNITIES

STRATEGIC HIGHLIGHTS

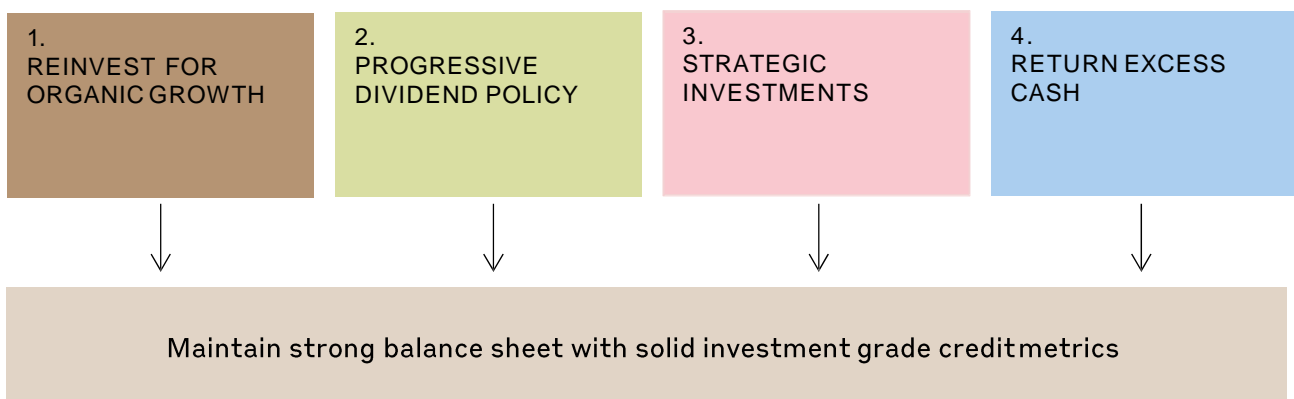
- Strong momentum in brand, product and sales delivered before the COVID-19 outbreak
- Double digit growth in followers and engagement on social platforms year on year, including through the crisis
- Responded rapidly to COVID-19 with a comprehensive cost mitigation programme tailored to the outcome of several scenarios
 - Prioritising the safety and wellbeing of our people, customers and communities
 - Retooled our factory in Yorkshire to make gowns and masks
- To date >150,000 pieces of PPE donated to NHS and care charities, funded research into a University of Oxford vaccine and donated to charities tackling UK food poverty
- Existing cost saving programme delivered cumulative savings of £125m in FY 2020 and programme accelerated to deliver cumulative savings of £140m by FY 2021

PROTECTING OUR LIQUIDITY

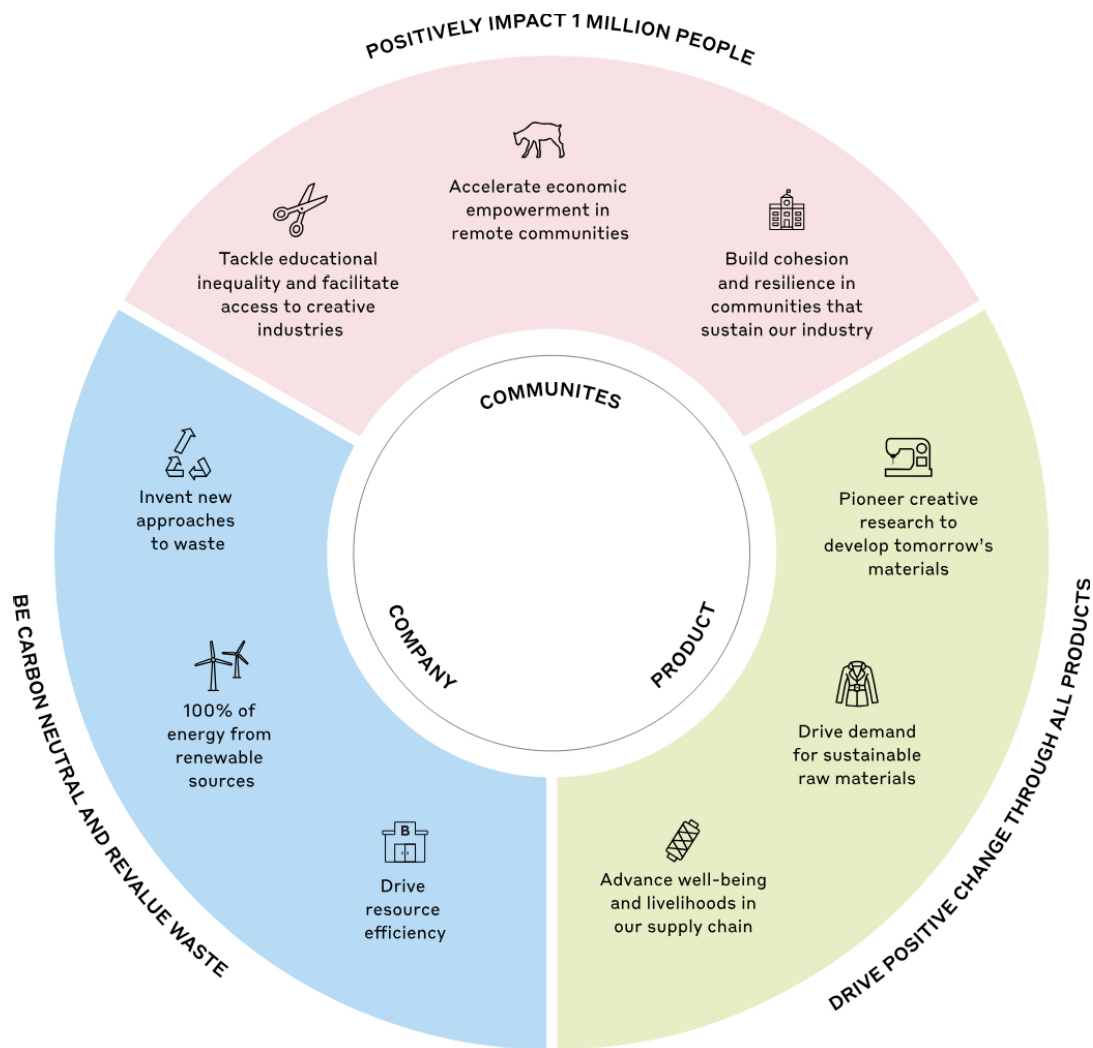


OUR CAPITAL ALLOCATION FRAMEWORK

Our capital allocation principles remain unchanged. However, given the uncertainty from COVID-19, short term we are taking a prudent approach to conserve cash and secure liquidity. We will temporarily be reducing capex to focus on the highest priority projects, and a final dividend was not declared in respect of FY 2020. Our intention is the earliest possible return to our stated progressive dividend policy.



RESPONSIBILITY GOALS FOR FY 2022



DRIVE POSITIVE CHANGE THROUGH ALL PRODUCTS

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

FY 2020 progress:

89% of products had at least 1 positive attribute and 67% had more than one

75% of cotton procured more sustainably, including working with partners such as the BCI

64% of leather sourced from tanneries with environmental, traceability and social certifications

BECOME CARBON NEUTRAL AND REVALUE WASTE

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

FY 2020 progress:

86% reduction in market-based emissions since base year FY 2016/17[^]

90% of electricity procured from renewable sources

Ended the practice of destroying unsaleable finished products. Zero waste to landfill in key UK and Italy operations

POSITIVELY IMPACT 1 MILLION PEOPLE

Primarily supporting the Burberry Foundation in delivering impactful community projects

FY 2020 progress:

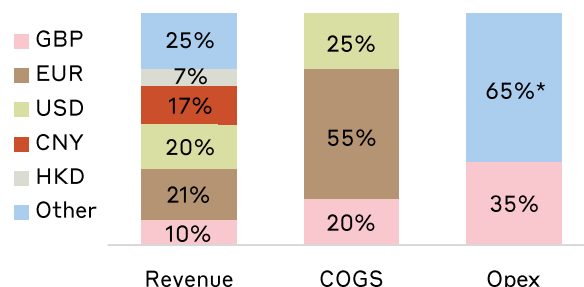
Over 290k people positively impacted in FY2020 and 416k since the start of the programme, including in the UK, US, Italy and Afghanistan.

Targets relate to Burberry's 2017-2022 Responsibility strategy.
[^]Carbon neutral across 85% of our operations.

FOREIGN EXCHANGE

Exchange rates				
	Spot rates		Average effective exchange rates	
	1 May 2020	FY 2020	FY 2019	
£1=				
Euro	1.15	1.14	1.13	
US Dollar	1.26	1.27	1.31	
Chinese Renminbi	8.90	8.88	8.82	
Hong Kong Dollar	9.76	9.89	10.26	
Korean Won	1,529	1,504	1,460	

Simplified view of Burberry's FX exposures in 2020



*Other opex includes HKD, USD, EUR and CNY

EXECUTIVE MANAGEMENT



Marco Gobbetti became Chief Executive Officer on 5 July 2017. Marco joined Burberry from the French luxury leather group Céline, where he was Chairman and CEO from 2008 to 2016. Marco has previously served as Chairman and CEO of Givenchy and was CEO of Moschino from 1993 to 2004. In his early career Marco worked as Marketing and Sales Director at Bottega Veneta, before joining luxury leather specialist Valextra as Managing Director.



Julie joined Burberry from Smith & Nephew where she was the Group CFO from 2013-2017. Prior to this, she was Interim Group CFO of AstraZeneca after serving 25 years with AstraZeneca, working in three continents. In Julie's earlier career with AstraZeneca, she held a number of positions covering Group and Business Finance, together with Strategy and Commercial positions, including time as a Regional and Country head. She gained extensive M&A and transformational experience through the merger between Astra and Zeneca and her role in Smith & Nephew. Julie is also a NED and Audit Chair of Roche Holding Limited and on the Business Advisory Board to the Major of London. She is a Fellow of the Institute of Chartered Accountancy and the Institute of Tax, after qualifying with KPMG.

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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 2020
- Certain financial data within this presentation have been rounded.