

BURBERRY

LONDON ENGLAND

BURBERRY IN A SNAPSHOT

FY 2020 FINANCIAL PERFORMANCE*

Revenue
£2.6bn

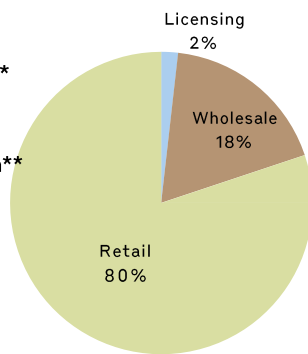
Adjusted operating profit**
£433m

Adjusted operating margin**
16.4%

Cash (net of overdrafts and borrowings)
£587m

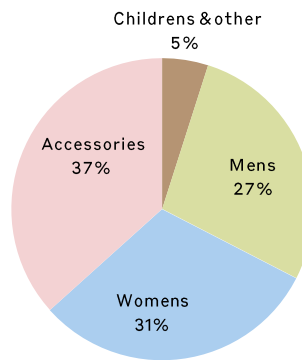
FY 2020 GROUP REVENUE

BY CHANNEL

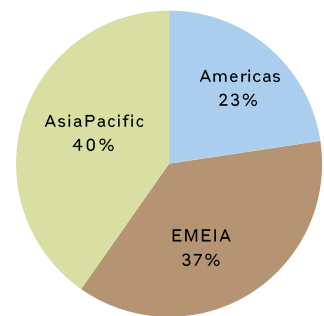


FY 2020 RETAIL/WHOLESALE REVENUE

BY PRODUCT



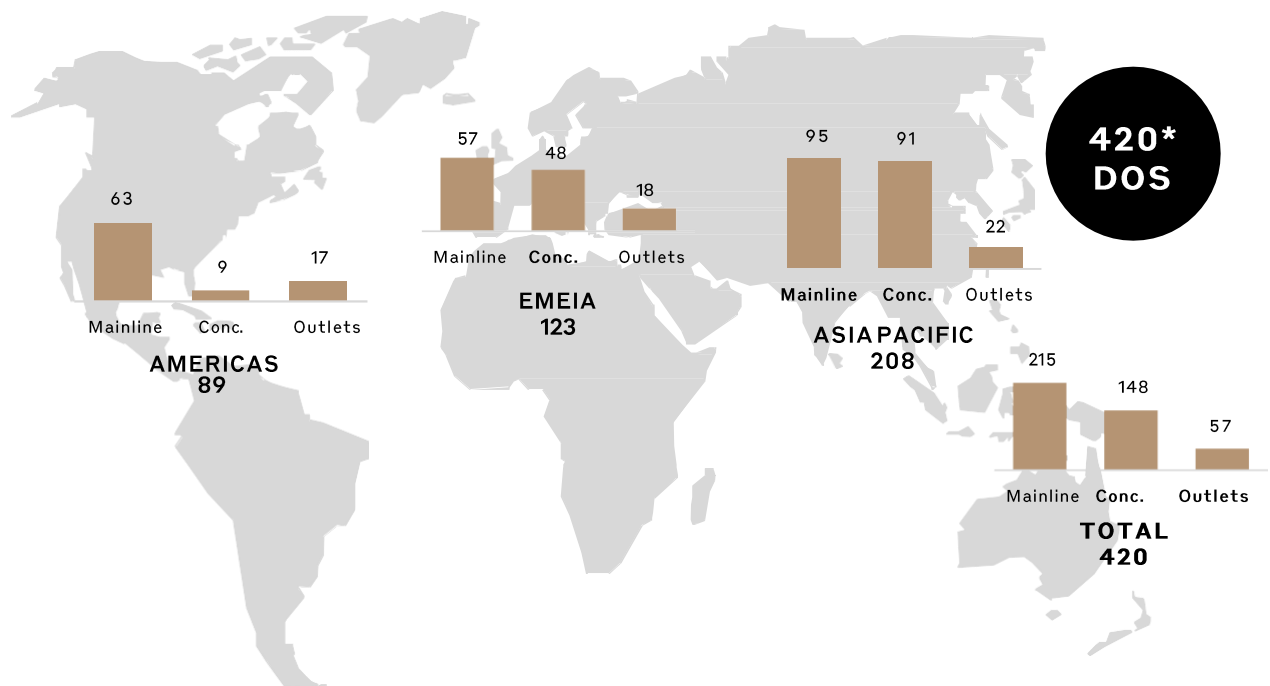
BY REGION



*Financial information is presented at reported exchange rates

**Adjusted Profit is an alternative performance measure. For details of Burberry's reported results and alternative performance measures please see page 88 of the FY 2020 Annual Report and Accounts

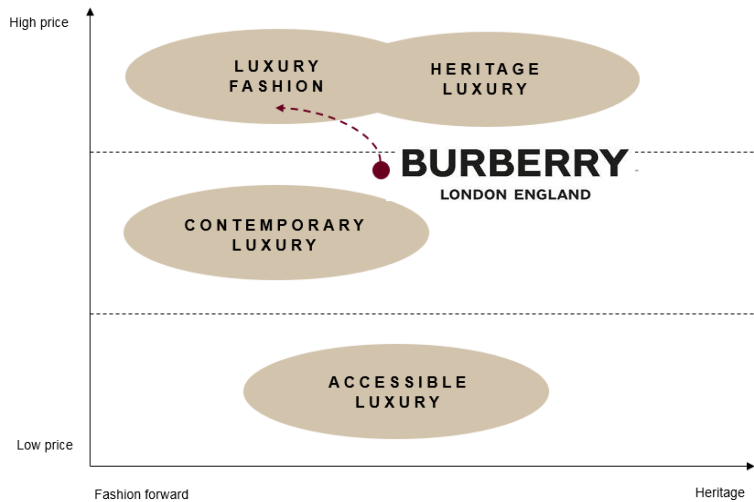
EXTENSIVE LUXURY DISTRIBUTION FOOTPRINT



*Footprint as of 26 December 2020 Burberry also has 44 franchise stores

STRATEGY

Launched in November 2017, our strategy focuses on rooting Burberry firmly in the luxury sector. 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. We have based the strategy on four revenue drivers with two enablers as we show in the diagram below:



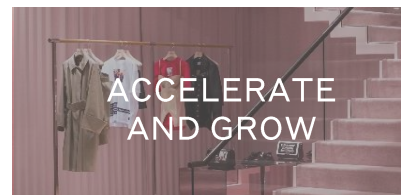
OUR TRANSFORMATION JOURNEY



- Ignite brand heat with influencers and key opinion leaders
- Manage product transition and invest in image-driving channels

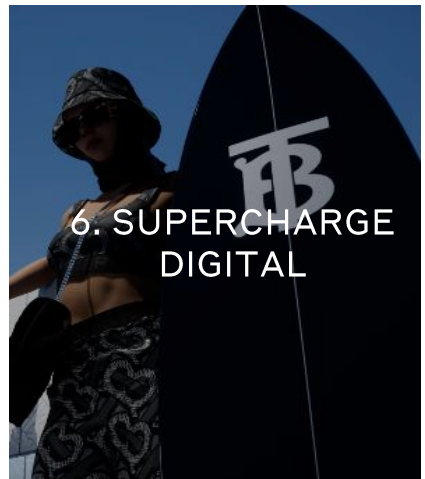
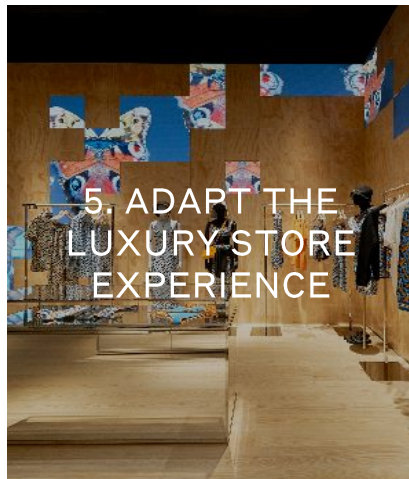
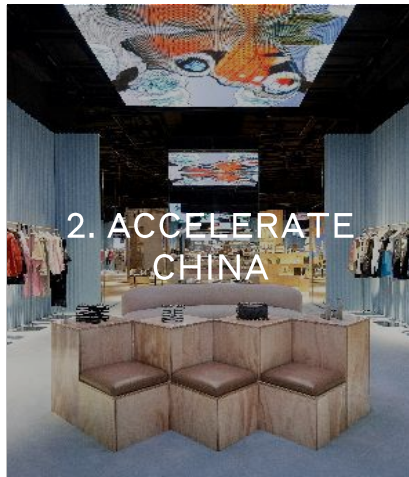
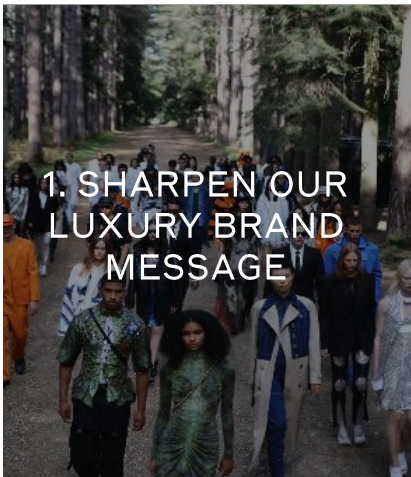


- Adapt business to the COVID environment
- Continue to strengthen brand and product



- Accelerate growth

PLANS IN PLACE TO DRIVE PERFORMANCE



FLEXIBILITY AND AGILITY

SUPPORT OUR PEOPLE AND COMMUNITIES

BALANCE SHEET AND LIQUIDITY

Q3 2021 STRATEGIC HIGHLIGHTS

- Retail comparable store sales declined 9% as planned reductions in markdown and reduced tourist traffic in outlets offset high single-digit full-price sales growth
 - COVID-19 related store closures averaged 7% in Q3 FY2021 impacting trading
 - Full price sales growth driven by new, younger clientele as well as repeat customers
 - Highly successful festive campaign featuring Marcus Rashford MBE

Good strategic progress in key areas:

- Full price sales in leather and outerwear increased low teens
- Digital full-price sales growth over 50% with Mainland China in triple digits

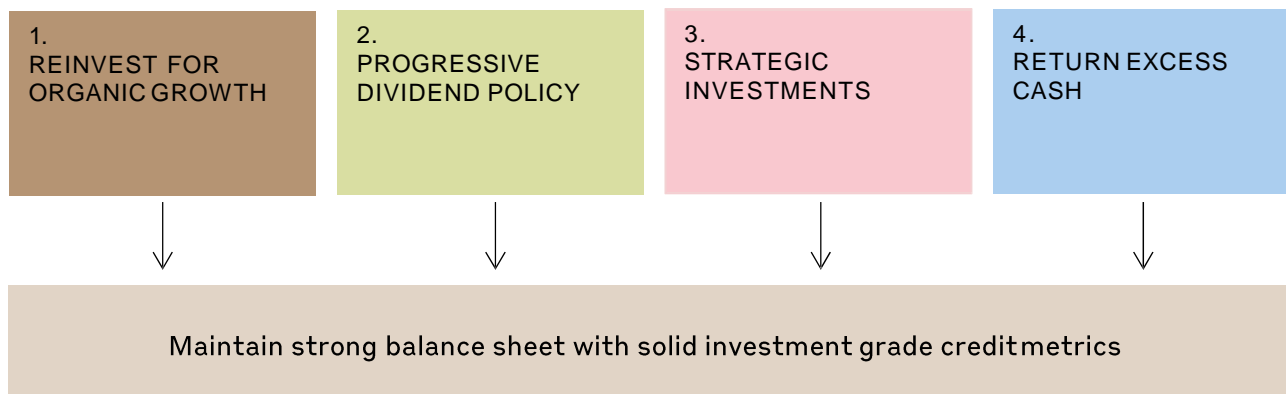
OUTLOOK FY2021

We remain encouraged by the strong underlying outperformance of full-price sales in Q3 FY2021. Notwithstanding further COVID-19 disruption, we expect continued progress on our strategic objectives in Q4 FY2021. Gross margins will benefit from full price, regional, and channel mix changes as well as lower stock provisions. Inventory and cost management plans remain on track. Whilst Q4 FY2021 headwinds persist from store closures, the performance of Q2/Q3 FY2021, driven by product and digital capabilities, reinforces confidence in our prospects.

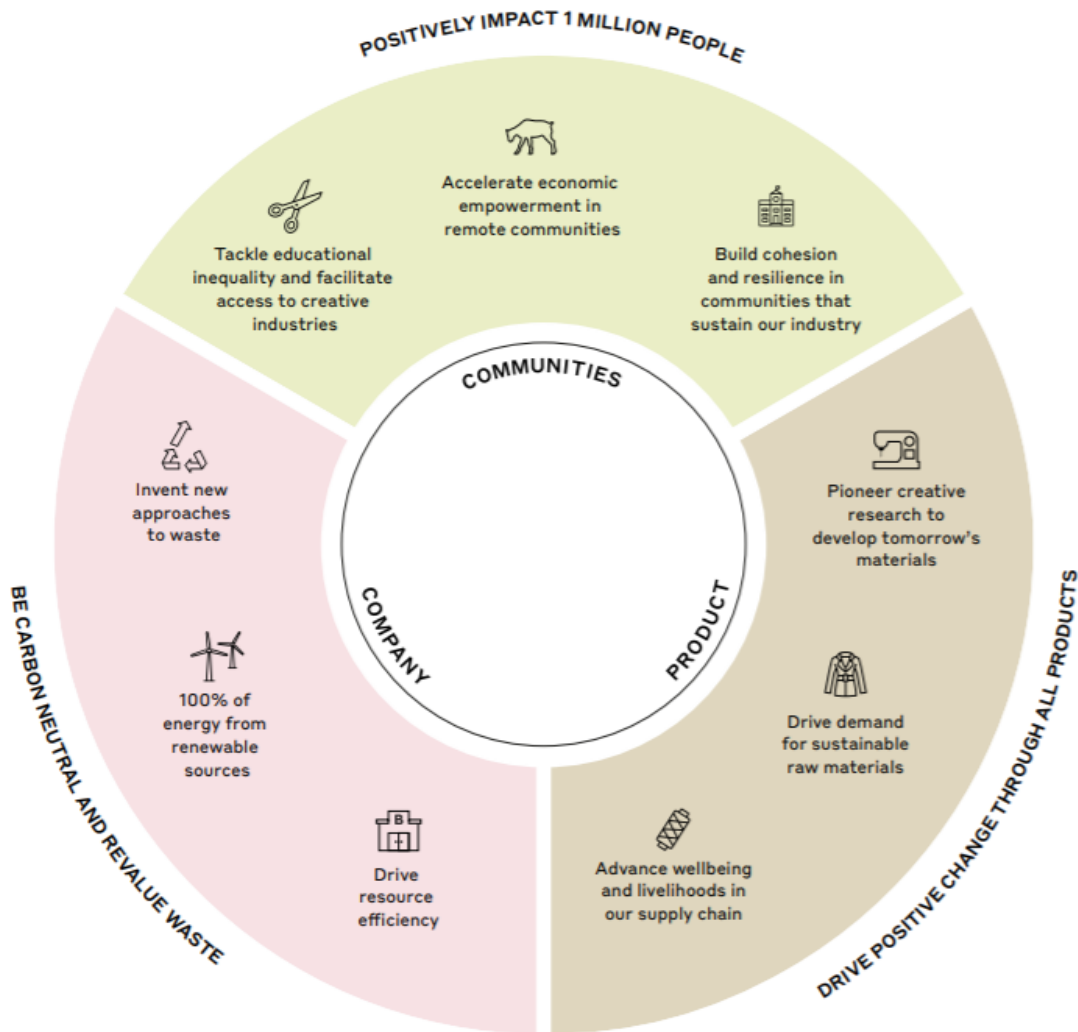
OUR CAPITAL ALLOCATION FRAMEWORK

Our capital allocation principles are based on maintaining an investment grade credit rating - Moody's Baa2 (stable). We aim for Net Debt/adjusted EBITDA to be in the range of 0.5x to 1.0x on a rolling 12 month period - H1 FY2021 0.9x.

Our first priority for capital is to invest in organic growth



RESPONSIBILITY GOALS FOR FY 2022



DRIVE POSITIVE CHANGE THROUGH ALL PRODUCTS

Ensure 100% of products have >1 positive attribute (social and/or environmental improvements achieved at either the raw materials sourcing or manufacturing stage)

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

Zero carbon footprint in our own operations through efficiencies to reduce emissions by 95% and source 100% renewable electricity by 2022. Inclusive of our supply chain we have a target to reach Net Zero by 2040.

FY 2020 progress:

86% reduction in market-based emissions since base year FY 2017[^]

90% of electricity procured from renewable sources

0% of 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:

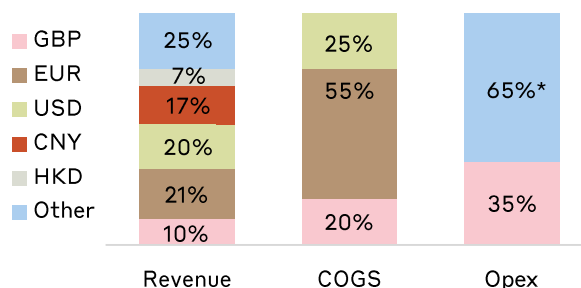
Over 290k people positively impacted and 416k since the start of the programme, including in the UK, Italy, Afghanistan and USA.

UK	Italy	Afghanistan	USA
191,456	57,388	40,003	1,297

FOREIGN EXCHANGE

Exchange rates £1=	Forecast effective rates for FY2021		Actual average exchange rates FY2020
	4 January 2021	30 October 2020	
Euro	1.11	1.11	1.14
US Dollar	1.29	1.27	1.27
Chinese Yuan	8.80	8.76	8.88
Hong Kong Dollar	10.08	9.88	9.89
Korean Won	1,495	1,492	1,504

Simplified view of Burberry's FX exposures in FY2020



*Other opex includes HKD, USD, EUR and CNY

Based on our latest forecast for FY2021, a +/- 5% move in GBP would result in a +/- £35m impact on adjusted operating profit

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 Mayor of London. She is a Fellow of the Institute of Chartered Accountancy and the Institute of Tax 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.