



1



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## H1 FY23 | SUMMARY

- Q2 comparable retail sales growth of **+11%**, bringing H1 to **+5%**
- Strong performance in the majority of regions in Q2 and a good recovery in Mainland China
- **Double digit** growth in Leather goods and Outerwear in Q2
- Adjusted operating profit up **6%** (CER)
- Adjusted EPS growth of **+15%** (CER) and **+32%** reported, driving **42%** increase in dividend
- **ESG progress** made across our agenda

All metrics and commentary on this slide are at CER unless otherwise stated

3

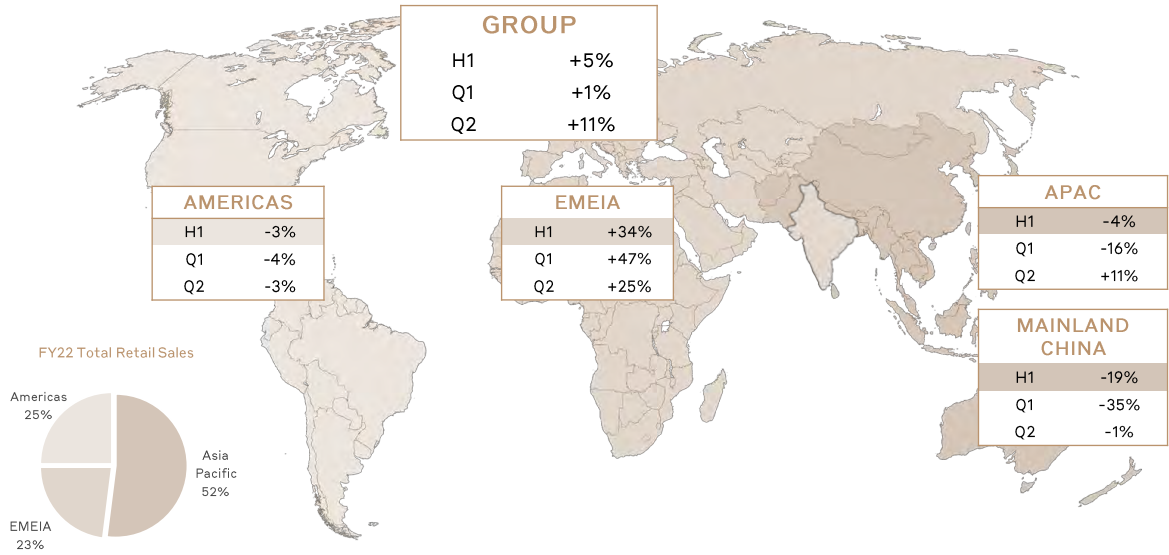
## H1 FY23 | INCOME STATEMENT

Period ended	H1 FY23	H1 FY22	Reported change	CER change
	£m	£m	%	%
<b>ADJUSTED</b>				
Revenue	1,345	1,213	11%	5%
Gross profit	942	841	12%	5%
<i>Gross margin %</i>	<i>70.1%</i>	<i>69.3%</i>	<i>+80bp</i>	<i>0bp</i>
Adjusted operating profit	238	196	21%	6%
<i>Adjusted operating profit margin</i>	<i>17.7%</i>	<i>16.2%</i>	<i>+150bp</i>	<i>+10bp</i>
Adjusted diluted EPS	44.3p	33.5p	32%	15%
Free cash	88	104	(15%)	
Dividend per share	16.5p	11.6p	42%	
<b>REPORTED</b>				
Reported operating profit	263	207	27%	
<i>Reported operating profit margin</i>	<i>19.5%</i>	<i>17.1%</i>		
Reported diluted EPS	48.9p	35.7p		

Note: All figures based on Reported FX unless specified

4

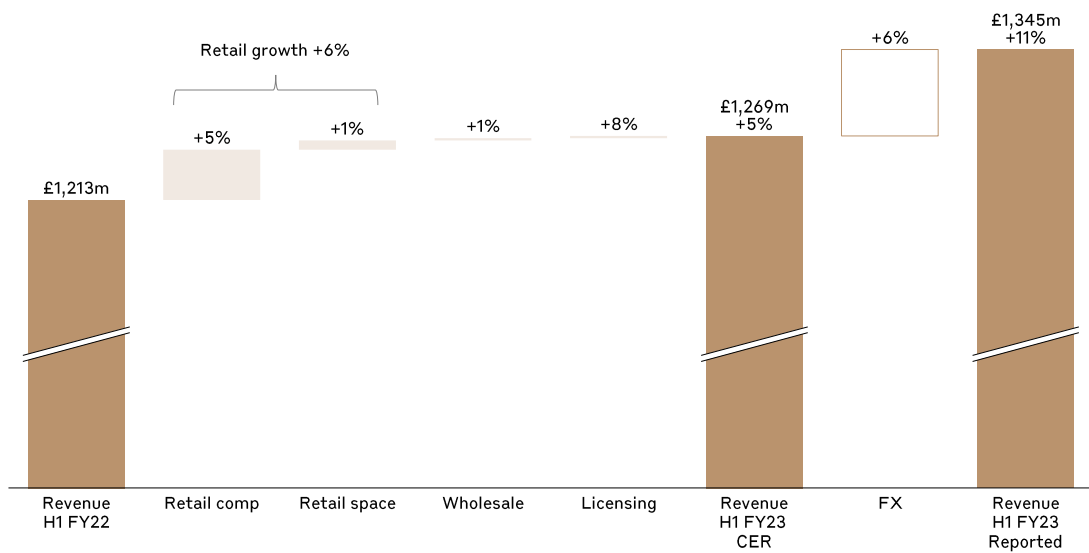
## H1 FY23 | REGIONAL RETAIL COMPARABLE SALES GROWTH



Note: Comp - Comparable store sales at CER; Shading reflects our reporting regions

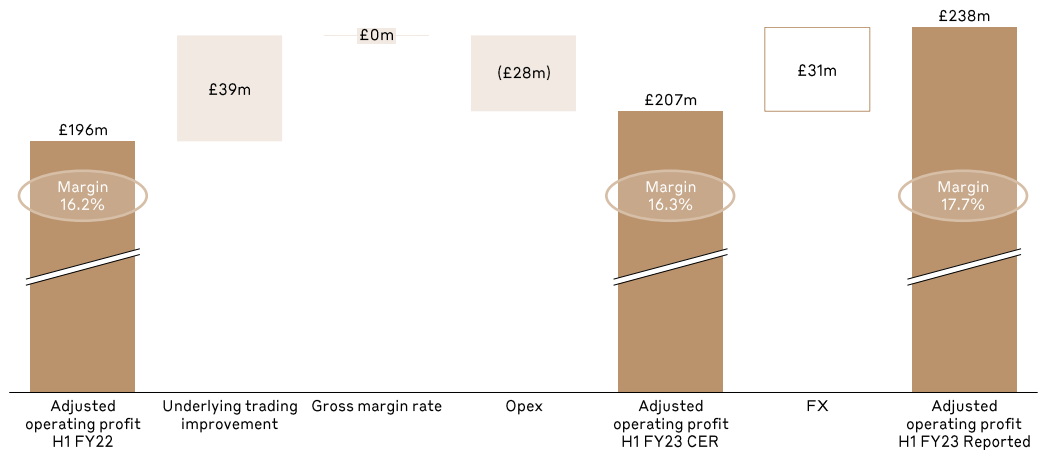
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## H1 FY23 | TOTAL REVENUE GROWTH V LY



6

## H1 FY23 | ADJUSTED OPERATING PROFIT MARGIN



Note: Adjusting items are a credit of £25m (FY22 £11m)

7

## H1 FY23 | FREE CASH FLOW AND GEARING

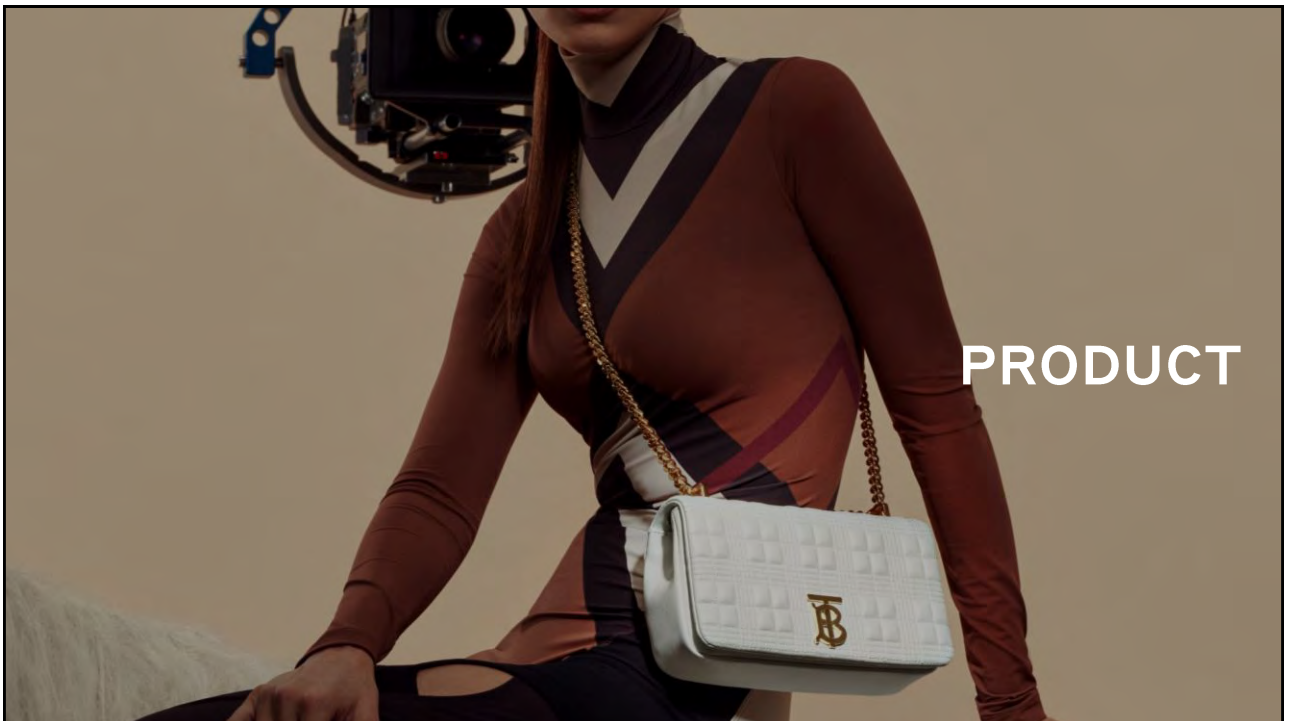
	H1 FY23 £m	H1 FY22 £m
Adjusted operating profit	238	196
Depreciation and amortisation	163	145
<b>EBITDA</b>	<b>401</b>	<b>341</b>
Working capital	(125)	(27)
Other	13	9
Cash inflow from operations	289	323
Payment of lease principal and related cash flows	(93)	(89)
Capital expenditure	(53)	(39)
Proceeds from disposal of non-current assets	22	8
Interest	(12)	(15)
Tax	(65)	(84)
<b>Free cash flow</b>	<b>88</b>	<b>104</b>
Cash conversion	68%	104%
Cash net of overdrafts & borrowings	643	846
<b>Net Debt/adjusted EBITDA</b>	<b>0.6x</b>	<b>0.3x</b>

Note: All figures based on Reported FX

8



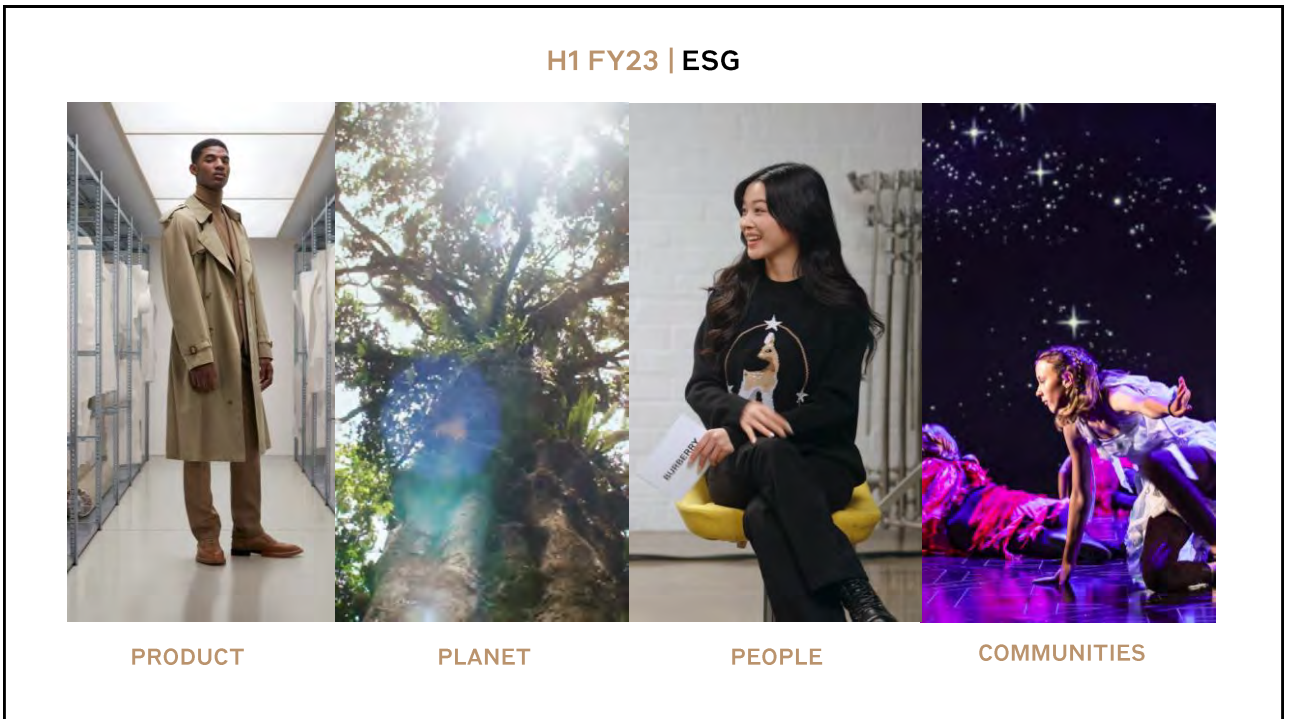
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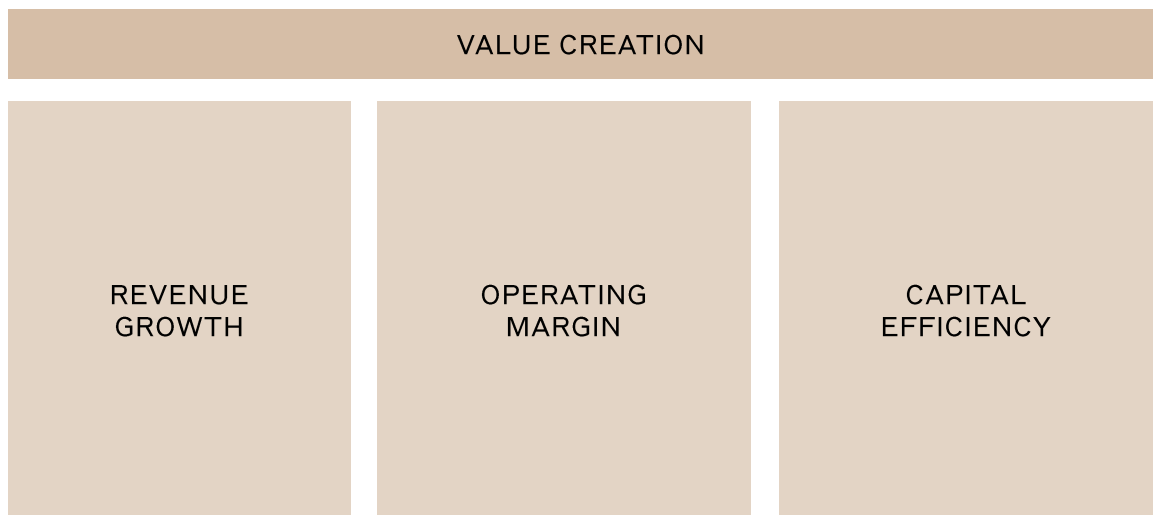
## CURRENT YEAR OUTLOOK

- Confirm existing FY24 guidance of **HSD revenue CAGR** at CER and meaningful **margin accretion**
- **No change** anticipated to overall retail space
- FY23 wholesale expected to be **broadly stable**
- Tax rate expected to be **around 22%**
- Capex expected to be **c.£170m**
- Currency tailwind – **c.£170m** revenue and **c.£70m** adjusted operating profit **tailwind** in FY23 based on 27 Oct spots

Note: FY23 is a 52 week year – 53<sup>rd</sup> week in FY22 benefitted revenue by £35m and adjusted operating profit by £9m

13

## CONCLUDING REMARKS | OUR FRAMEWORK FOR VALUE CREATION



14



15

**CONTEXT | BURBERRY HAS AN EXTRAORDINARY LEGACY...**



1856-1900

The birth of Burberry and the invention of gabardine



1900-1950

Made for the outdoors



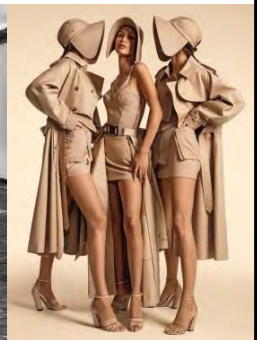
1950-1990

The evolution of the trench



1990-2016

Global icon of British fashion



2017-2022

Brand elevation

16



**CONTEXT | ...AND A VERY STRONG PLATFORM FOR GROWTH**



**BRAND**

Globally loved luxury brand

**PRODUCT**

Established business across multiple categories, allowing brand to scale

**STORE NETWORK**

Global network of 415 luxury stores, able to support rapid sales growth

**DIGITAL**

Strong e-commerce legacy, in luxury's fastest growing channel

**SUPPLY CHAIN**

Unique supply chain network, rooted in British craftsmanship

**RESPONSIBILITY**

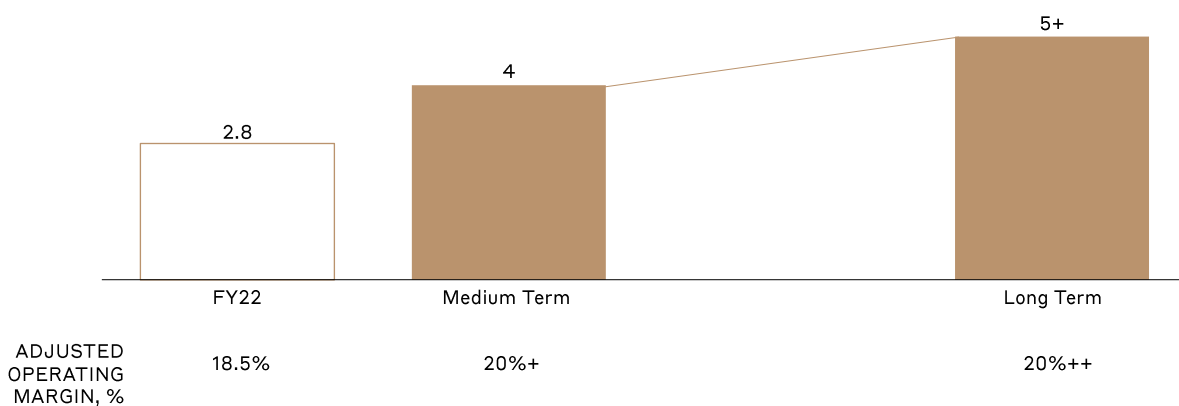
Pioneers in ESG, with industry-leading commitments

**THE NEXT PHASE**

**MODERN BRITISH LUXURY**

## THE NEXT PHASE | GROWTH & ACCELERATION

### BURBERRY REVENUE AMBITION<sup>1</sup>, £BN



<sup>1</sup> FY22 at reported rates, all other figures at CER

19

## OUR PLAN | OPPORTUNITIES TO UNLOCK GROWTH IN THE NEXT PHASE

	2017-2022 BRAND ELEVATION	2022+ MODERN BRITISH LUXURY
<b>BRAND</b>	Elevated the Brand	Improve clarity Broaden appeal through modern luxury aesthetic Refocus on Britishness
<b>COMMUNICATIONS</b>	Redefined Brand image	Drive consistent brand message across all touchpoints Supercharge customer focus
<b>PRODUCT</b>	Established Leather goods	Bring all categories to full potential
<b>DISTRIBUTION</b>	Reorientated business to full price Cleaned up wholesale Upgraded the store network	Accelerate store refurbishments Seize the opportunity in e-commerce
<b>ENABLERS</b>	Operational efficiency	Seamless execution

20

## OUR PLAN | KEY ELEMENTS

### MODERN BRITISH LUXURY

1. Harness the power of our brand



2. Bring all product categories to full potential



3. Strengthen distribution



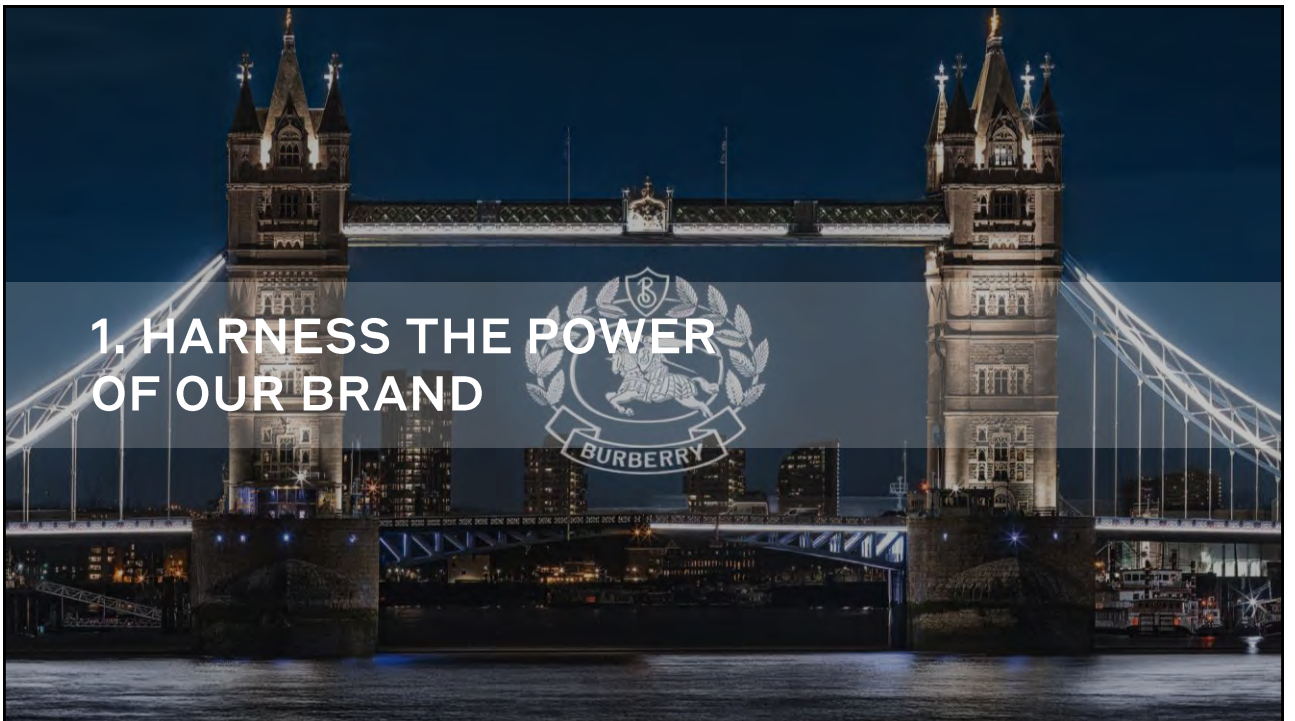
### SEAMLESS EXECUTION

Value Chain Excellence

Inspired People

Values & Sustainability

21

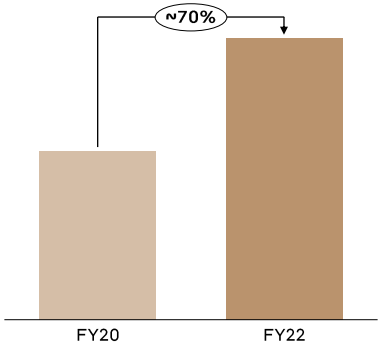


22



**BRAND | FIRMLY ANCHORED IN LUXURY**

SHARE OF CONSUMERS WHO ASSOCIATE BURBERRY WITH "TRUE LUXURY" ATTRIBUTE, %



Source: Consumer research

**BRAND | SHARPEN OUR IDENTITY AND BROADEN OUR APPEAL**





25

**BRAND | CEMENT OUR CONNECTION WITH BRITISH DESIGN, CRAFT AND CULTURE**



**PRODUCT**

Product rooted in the heritage of British design and craftsmanship, and Burberry's signature house codes



**CULTURAL PARTNERS**

Partnerships that support British culture at home and abroad



**ONE WORLD OF INFLUENCE**

Talent community that represents the best of British creativity across all cultural fields



**UK VISIBILITY**

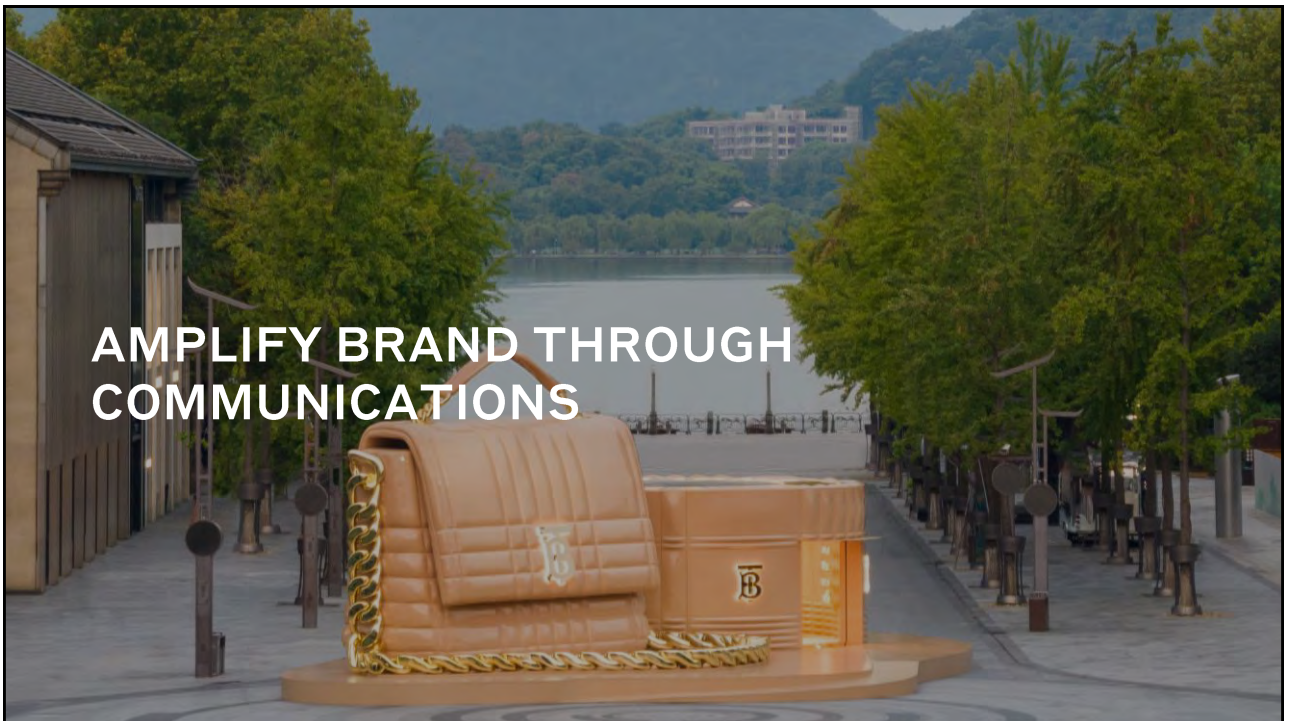
A more dominant presence in brand's home market, in unexpected ways

26



A NEW CREATIVE  
VISION

27



AMPLIFY BRAND THROUGH  
COMMUNICATIONS

28

COMMUNICATIONS | ACTION PLAN



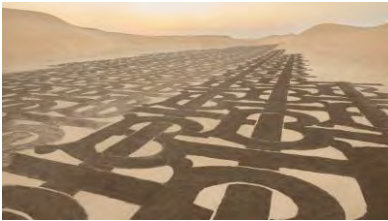
PUT PRODUCT  
FRONT AND CENTRE

Spotlight heroes and enhance product storytelling



DRIVE DESIRABILITY  
WITH WOMEN

Create a more accessible female identity and broaden pool of female influencers



ENHANCE VISIBILITY THROUGH  
INNOVATION AND DISRUPTION

Extend our brand reach through unexpected activations and innovation

Coherent and cohesive messaging across communication channels and regions



## CUSTOMER | ACTION PLAN



### DEVELOP A COMPELLING PROPOSITION

Build customer proposition and engagement models across channels



### ACQUIRE CUSTOMERS AT PACE

Set ambitious acquisition targets across every customer touchpoint



### DRIVE LOYALTY AND RETENTION

Drive "24/7 relationship" with the brand

Develop a 360-degree customer view



### GROW CUSTOMER LIFETIME VALUE

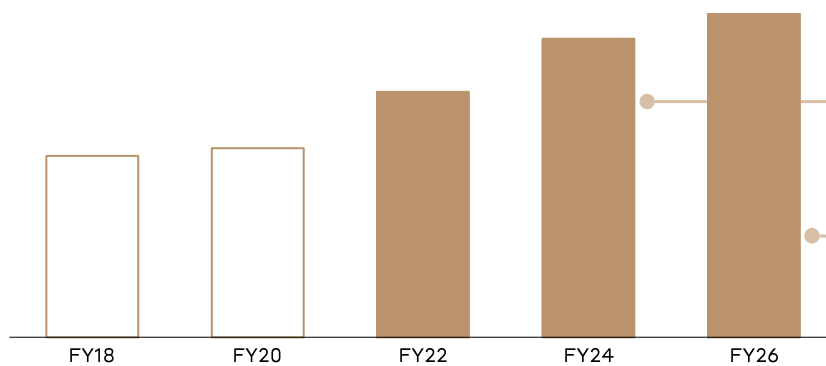
Increase frequency and value of purchase

Continue to grow share of top clients

31

## BRAND | INCREASE MARKETING INVESTMENT TO SUPPORT THE NEXT PHASE

BURBERRY MARKETING & VM INVESTMENT, £m



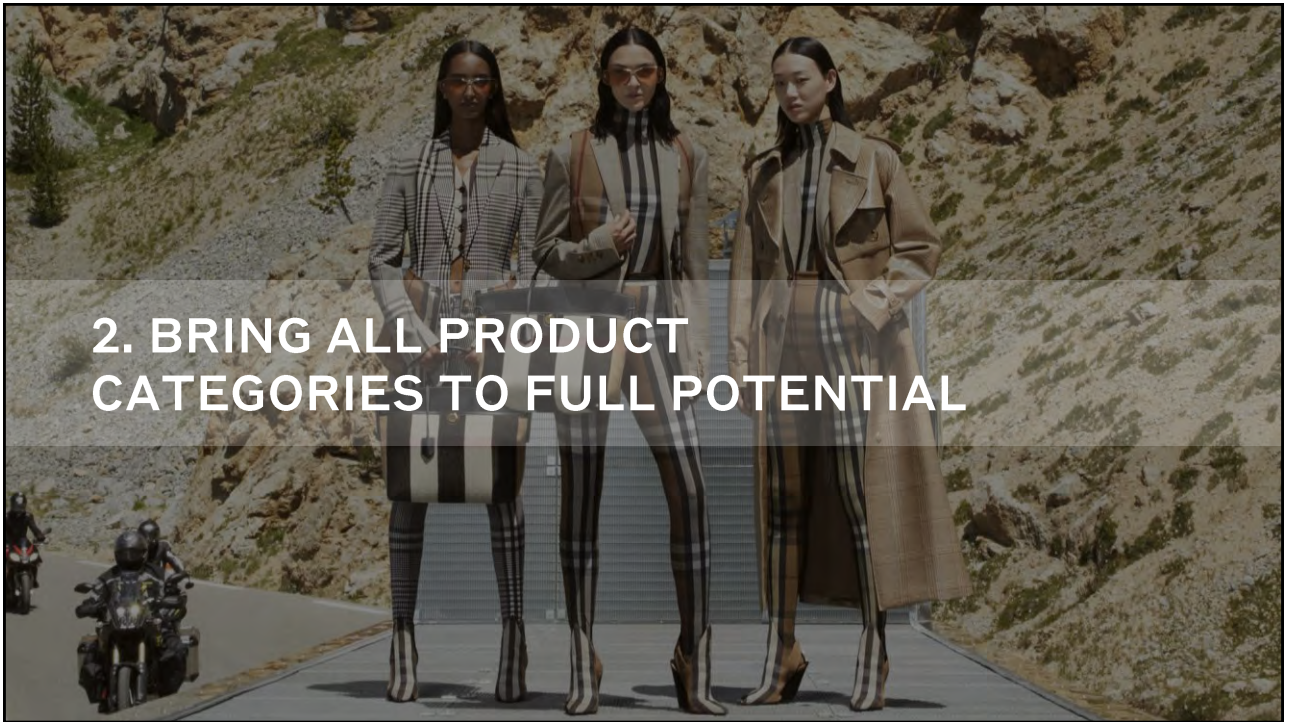
Step up investment in FY24 to support launch of new creative vision...

... and sustain investment over the medium term to support the brand and drive shareholder returns

Consumer facing spend as % of sales will stabilise at HSD levels

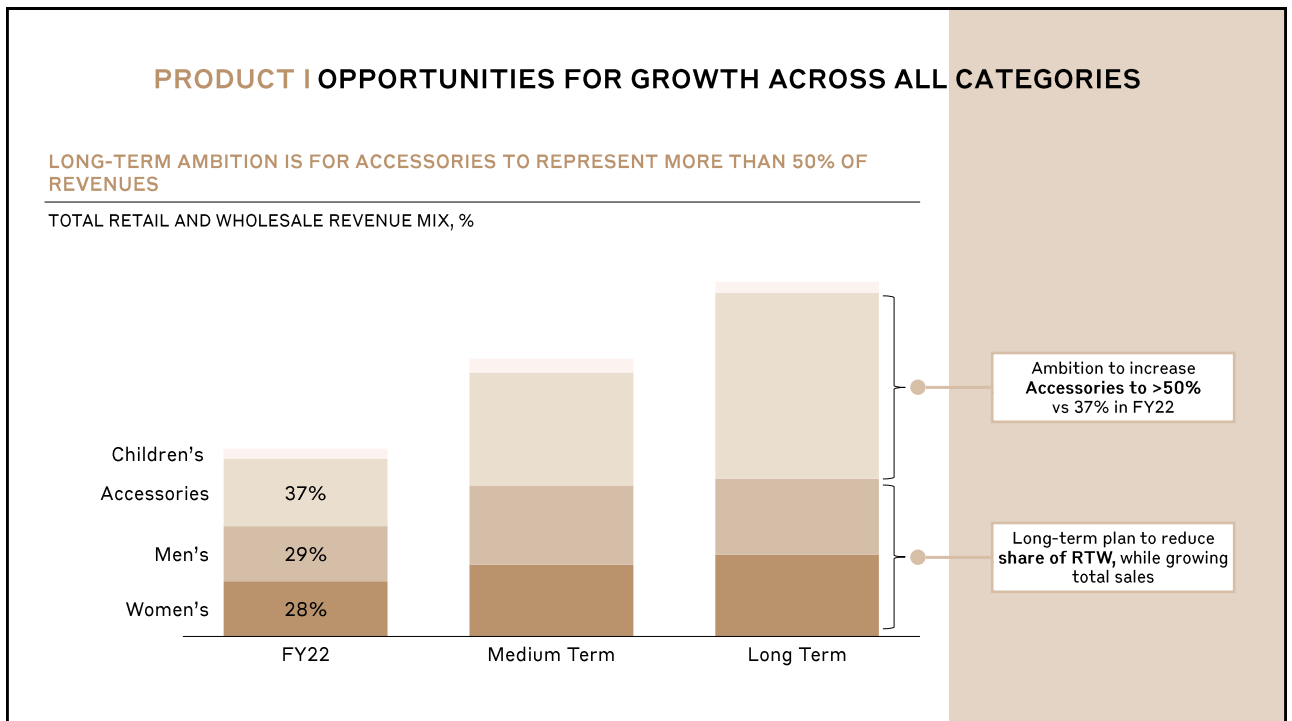
32





## 2. BRING ALL PRODUCT CATEGORIES TO FULL POTENTIAL

33



34



## PRODUCT | MEDIUM TERM TARGETS

~2x leather goods business

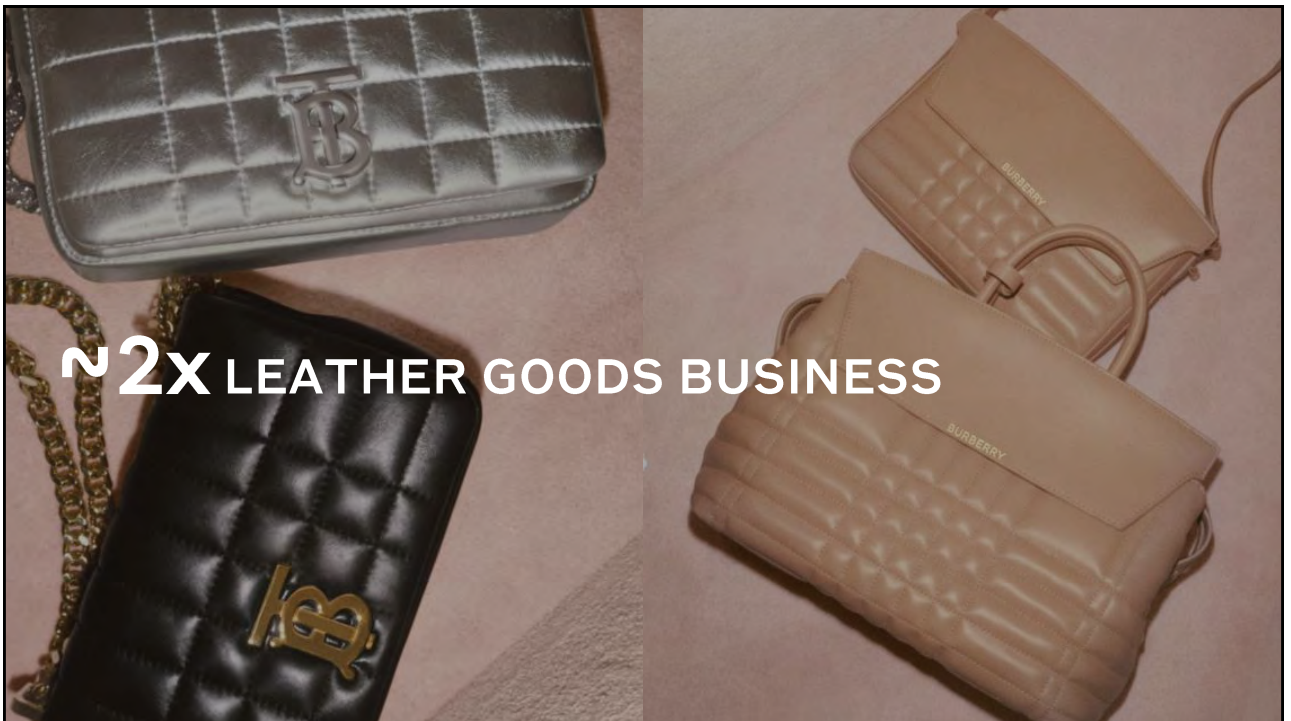
>2x shoe sales

~2x women's ready-to-wear, rebalancing offering and driving high potential categories

~1.5x outerwear sales

Based on Retail revenue

35



~2x LEATHER GOODS BUSINESS

36

## LEATHER GOODS | ACTION PLAN

CREATE ICONIC, DISTINCTIVELY BRITISH LEATHER GOODS, REINFORCING OUR LUXURY POSITIONING



### CREATE NEW CREATIVE AESTHETIC

Develop iconic shapes  
Strengthen use of brand signatures and codes

### EVOLVE WOMEN'S BAGS

Protect and animate core handbag pillars  
Broaden menu of styles and functionalities

### EXPAND MEN'S BAGS

Reinforce and expand commercial core  
Inject fashion and animations

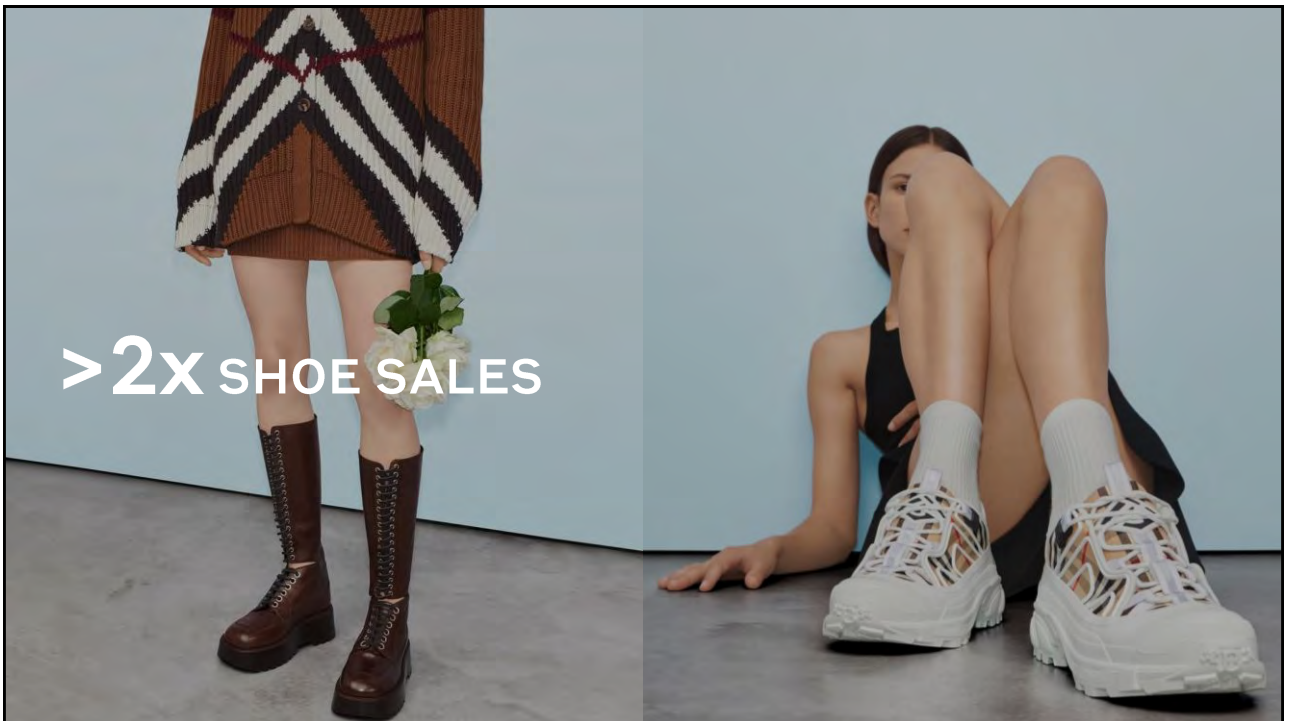
### INTRODUCE PLAYFUL SLGS

Strengthen and broaden assortment, with a more playful approach

### STEP-CHANGE DESIRABILITY

Create impactful, cut-through always-on content and activations

37



38

## SHOES | ACTION PLAN

REBUILD CATEGORY, AND DEVELOP IMAGE-DRIVING BURBERRY SNEAKERS



### DEVELOP SHOE ARCHITECTURE

Develop shoe architecture, focusing on clear icon products

Cover all occasions



### CREATE DISTINCTIVE AESTHETIC

Create a unique and distinctive Burberry aesthetic

Develop cohesive brand signatures



### EVOLVE SNEAKERS

Create image-driving Burberry sneakers

Build assortment across platforms



### SEIZE OPPORTUNITY IN OUTDOORS

Create a new outdoor assortment, harnessing our brand's spirit of exploration

39



40

## WOMEN'S READY-TO-WEAR | ACTION PLAN

REDEFINE THE BURBERRY WOMAN'S WARDROBE, WITH A MODERN, RELATABLE AND FEMININE AESTHETIC



### DEVELOP CLEAR AESTHETIC

- Focus on femininity
- Create elevated silhouettes, playing into modern British luxury
- Strengthen the connection with image and runway and what customers can find in store



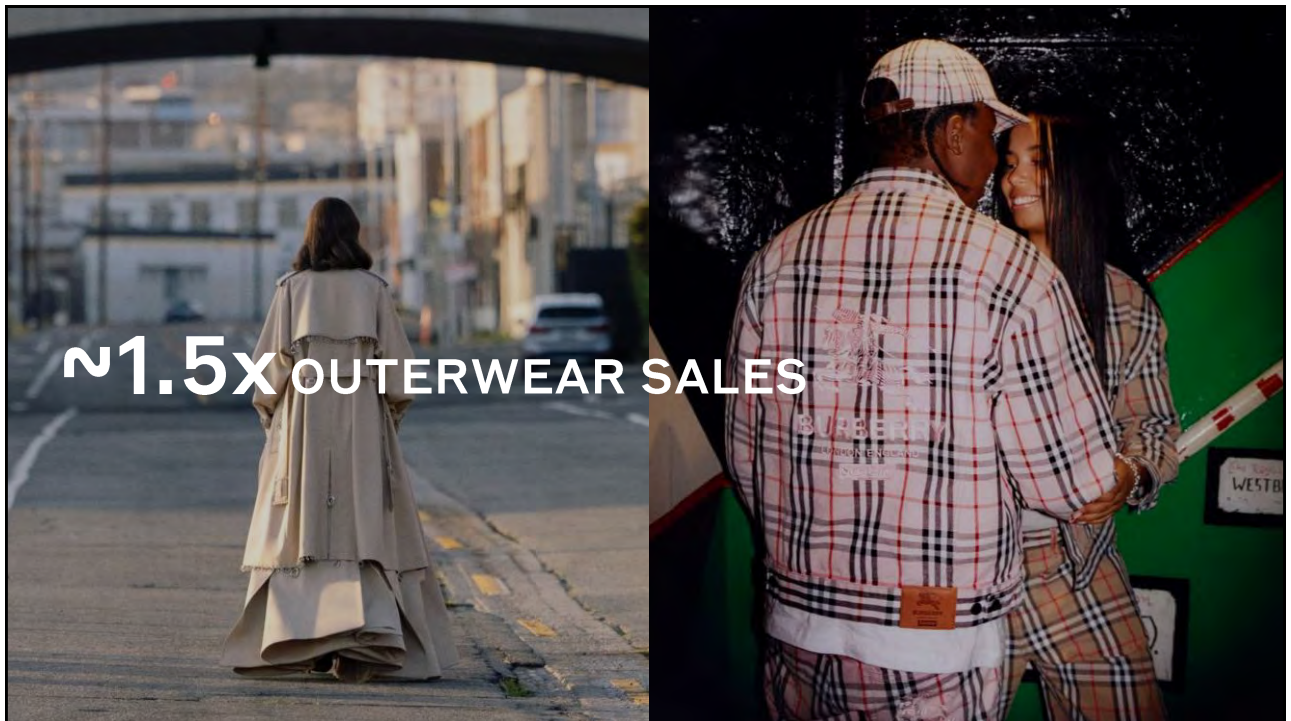
### FOCUS ON EVERYDAY LUXURY

- Create a wearable, relatable and timeless wardrobe
- Elevate and inject newness through colours and fabrics



### CREATE A COMPELLING WARDROBE

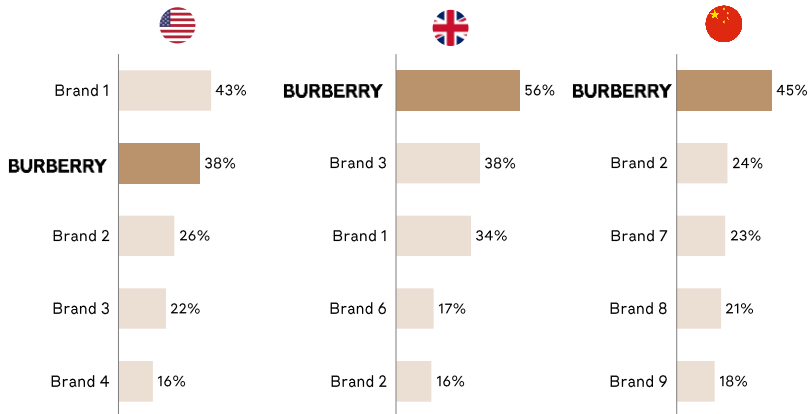
- Expand assortment, ensuring breadth of offer across all occasions
- Establish commercial core in underrepresented categories, particularly dresses



## CONTEXT | ACROSS THE GLOBE, BURBERRY IS PERCEIVED AS THE LEADING OUTERWEAR BRAND

LUXURY CONSUMERS INDICATE BURBERRY AS TOP 2 OUTERWEAR BRAND BASED ON QUALITY ACROSS THE US, THE UK AND CHINA

Q: Which of the following brands are of the best quality in outerwear?



Source: Consumer research

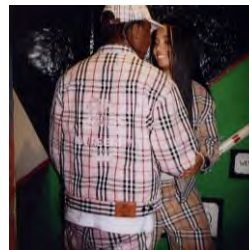
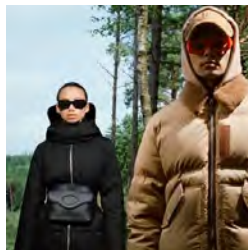
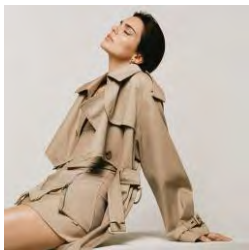
**“Burberry is a well-established brand for Outerwear – when I wear Burberry, people recognise and admire the style”**

Consumer feedback

43

## OUTERWEAR | ACTION PLAN

OWN LUXURY OUTERWEAR, REINFORCING OUR HEROES AND CELEBRATING OUR BRITISH, INNOVATIVE SPIRIT



PROTECT

GROW

STRENGTHEN CORE

RE-INFORCE CLASSICS

FOCUS ON INNOVATION

DIVERSIFY

DEVELOP CUSTOM LUXURY

Focus on core best-selling silhouettes

Continuously reinterpret our classics for today, particularly in Rainwear

Innovate in fabrics, leaning into technical  
Creating product for all conditions

Expand Down, Coat and Jacket offer  
Diversify through colour, silhouettes, weights and brand signatures





Elevate outerwear assortment into custom, visionary pieces

44



45

**DISTRIBUTION | ACTION PLAN**

 <p><b>RETAIL</b></p> <p>Accelerate store investment and transform productivity</p>	 <p><b>WHOLESALE</b></p> <p>Maintain wholesale presence to reach new luxury consumers</p>	 <p><b>E-COMMERCE</b></p> <p>Maximise e-commerce potential</p>	 <p><b>MARKETS</b></p> <p>Accelerate momentum in core markets</p>
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46



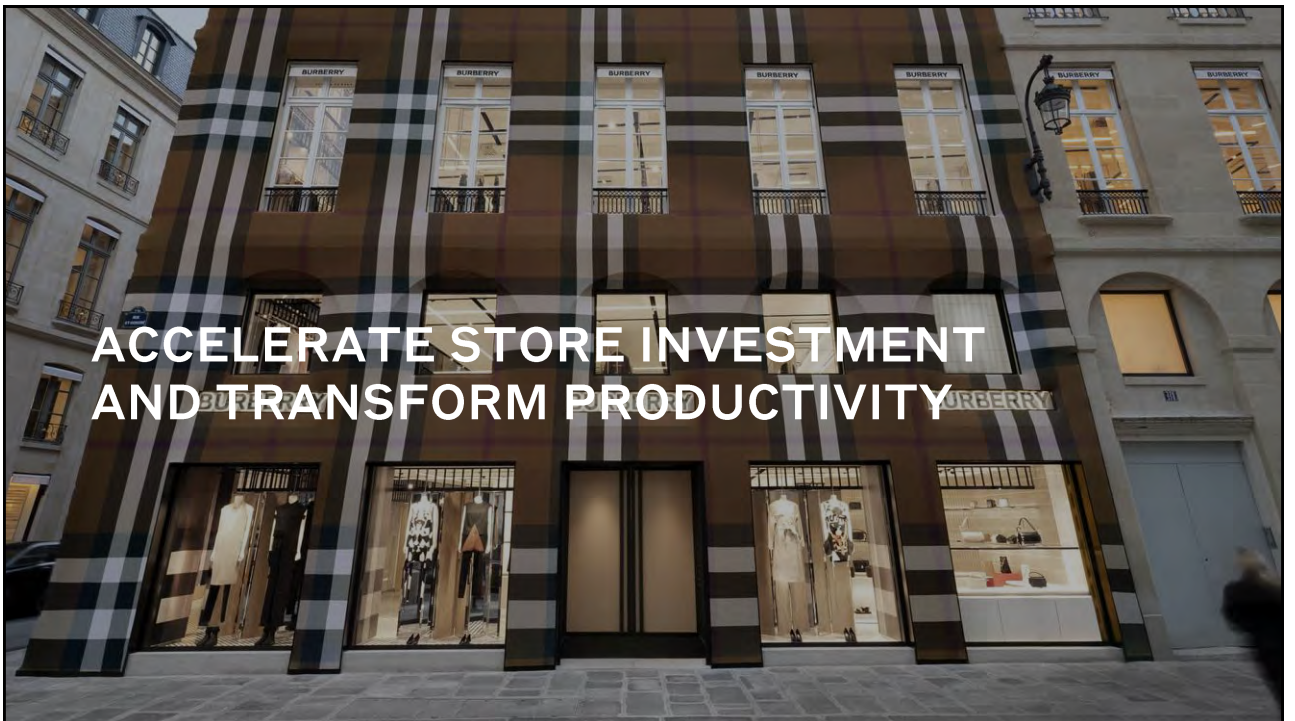
## DISTRIBUTION | MEDIUM TERM TARGETS

**All stores** converted to new store concept by FY26

Drive store productivity to **£25K/sqm**

Double e-commerce sales, reaching **~15%** retail penetration

47



48



**RETAIL | OUR NEW STORE CONCEPT IS HIGHLY EFFECTIVE**

**15%** more productive

**15%** higher AUR

**13%** higher basket size

Based on performance of 43 stores, predominantly in Asia, in H1 FY23, excluding Childrenswear, compared to similar stores in each sub-region



**RETAIL | PLAN TO REACH PRODUCTIVITY OF £25K PER SQM**

**FOCUS ON BAGS & OUTERWEAR TO DRIVE AUR**

**MAXIMISE OPPORTUNITY WITH CONVERSION & UPT-DRIVERS**

**STEP-CHANGE CLIENTELING**

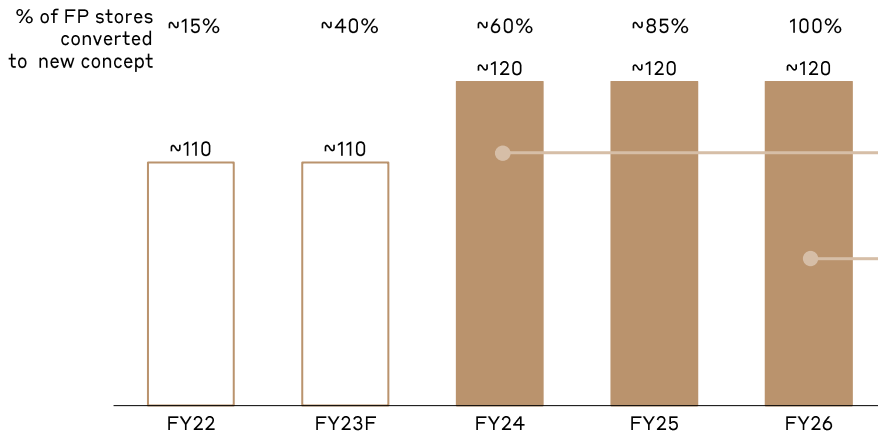
**CONTINUE TO OPTIMISE SPACE ALLOCATION & STORE NETWORK**

**SCALE OMNICHANNEL JOURNEYS**

**STORE PRODUCTIVITY AT £25K PER SQM**

## RETAIL | ENSURE 100% OF STORES ARE CONVERTED TO THE NEW STORE CONCEPT BY FY26

### BURBERRY STORE CAPEX INVESTMENT, £M, FY22-FY26



Increase investment to accelerate store refurbishments to drive consistent brand image

100% of stores to be refurbished by FY26

51



52

## WHOLESALE | ACTION PLAN

### Maintain wholesale presence to reach new luxury consumers

Leverage wholesale channel to drive sales in high-growth categories of leather goods and shoes

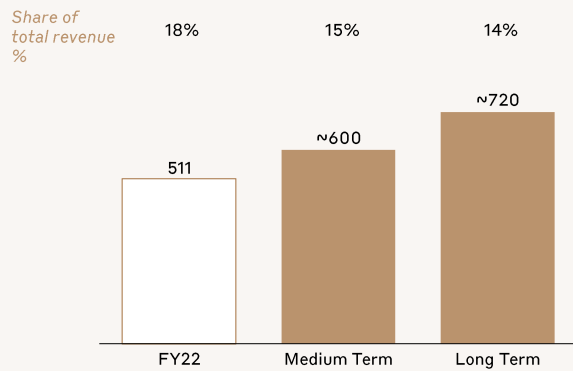
Build reputation in womenswear through image-driving wholesale partners

Continue to refurbish key wholesale doors

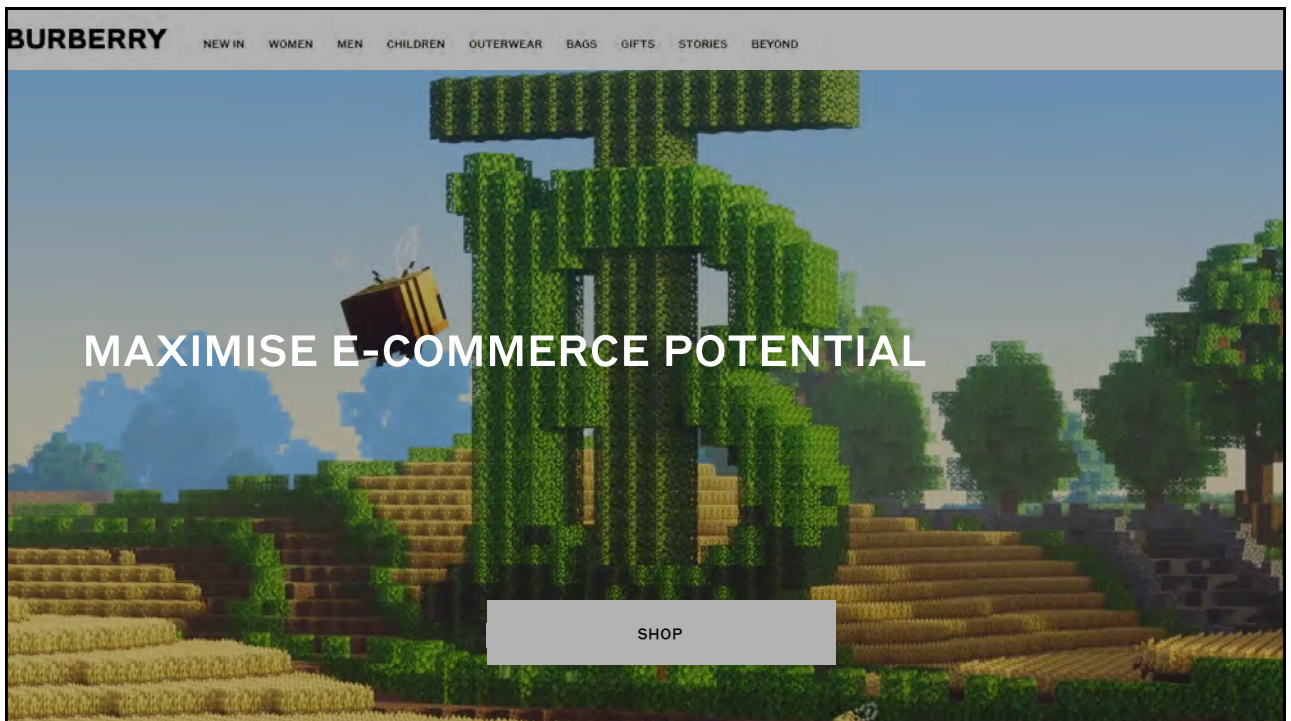
<sup>1</sup> FY22 at reported rates

### WHOLESALE TARGETS

WHOLESALE REVENUE<sup>1</sup>, CER, £M



53

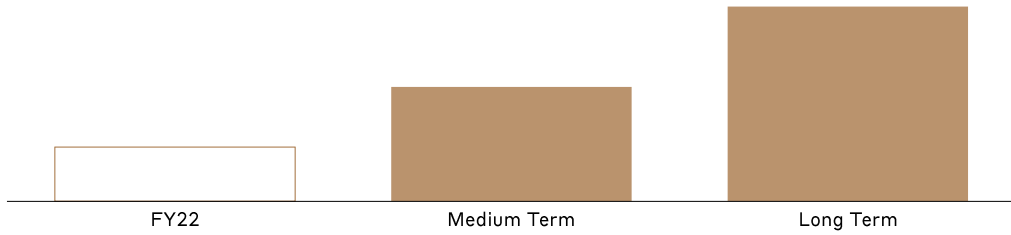


54

## CONTEXT | GROW E-COMMERCE TO REACH ITS FULL POTENTIAL

### TOTAL BURBERRY E-COMMERCE SALES

FY22, MEDIUM- AND LONG-TERM AMBITION, £M



E-COMMERCE PENETRATION, AS % OF RETAIL REVENUE

10%

~15%

~20%

55

## E-COMMERCE | ACTION PLAN



### NEW ENERGY ON .COM

Energise .com through new creative vision

Step-change digital first content to grow visibility and traffic



### PRODUCT

Shape a compelling .com offer

Strengthen stock management



### LOCAL EXECUTION

Hyperfocus on local execution in the US and China

Broaden digital reach through selective e-concession partnerships



### OMNICHANNEL

Perfect and accelerate global expansion of omnichannel journeys

Expand one stock approach



### INNOVATION

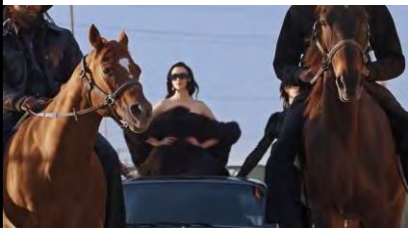
Continue investing in gaming, metaverse and AR to drive heat and attract new, young customers

56



57

**CORE MARKETS | ACTION PLAN**



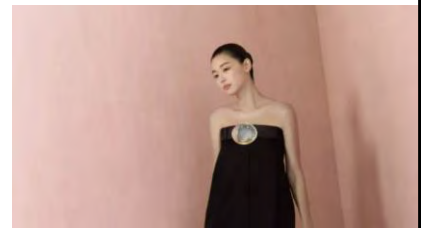
**AMERICAS**

Grow market share, especially with high-net worth clients  
Accelerate store refurbishment



**EMEIA**

Significantly drive local clients  
Step-change store productivity  
Accelerate store refurbishment



**ASIA**

Continue to focus and grow in Mainland China  
Scale business in South Korea  
Gain market share in Japan

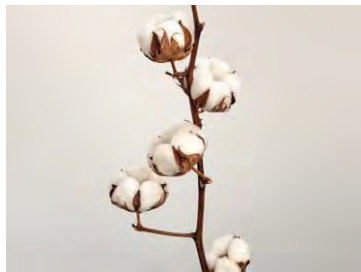
Maintain a well-balanced portfolio

58



59

## EXECUTION | ACTION PLAN



### PROCESS SIMPLIFICATION

Streamline key processes, including dedicated oversight to ensure adherence to critical path



### ORGANISATION EFFECTIVENESS

Improve efficiency in product development and supply chain, and connection between merchandising and design

60



61

## RESPONSIBILITY | PRODUCT AND PLANET



### PRODUCT: RESPONSIBLE CRAFTSMANSHIP

- Ensure 100% of key raw materials in our products are certified by 2025
- Continue to evolve aftercare offer and trial new circular business models
- Eliminate plastic from our consumer packaging by 2025



### PLANET: BECOME CLIMATE POSITIVE

- Reduce our Scope 1, 2 and 3 emissions to become climate positive by 2040
- Embed sustainable manufacturing processes across our supply chain
- Protect nature, supporting zero deforestation

62

## RESPONSIBILITY | PEOPLE AND COMMUNITIES



### PEOPLE: CHAMPION INCLUSION AND WELLBEING

Increase representation and become the best place to work for women in the industry

Continue to ensure ethical trading standards are upheld by supply chain partners

Extend engagement programmes to advance wellbeing, livelihoods, inclusivity and workers' voices



### COMMUNITIES: POSITIVELY IMPACT YOUNG PEOPLE

Empower young people to create better futures through work with The Burberry Foundation

Increase volunteering opportunities for employees around the world

Provide support to colleagues and communities through cost of living challenges

63



## SUMMARY

64



## THE NEXT PHASE | OUR PLAN

### MODERN BRITISH LUXURY

1. Harness the power of our brand



2. Bring all product categories to full potential



3. Strengthen distribution



### SEAMLESS EXECUTION

Value Chain Excellence

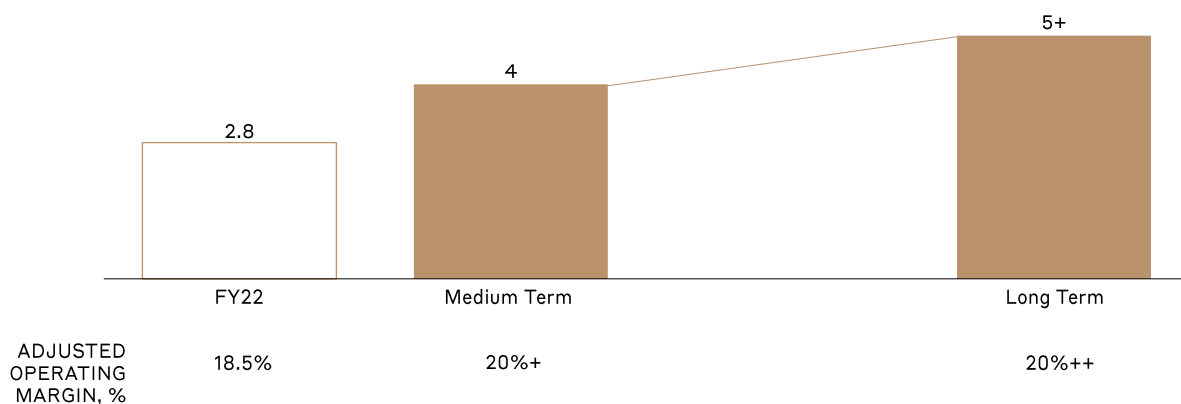
Inspired people

Values & Sustainability

65

## THE NEXT PHASE | AMBITION TO REACH £5BN IN REVENUE IN LONG TERM

### BURBERRY REVENUE<sup>1</sup> AMBITION, £BN



<sup>1</sup> FY22 at reported rates, all other figures at CER

66

**THE NEXT PHASE | BOLD TARGETS IN PLACE TO REACH £4BN IN SALES IN THE MEDIUM TERM, SUPPORTED BY INVESTMENT IN KEY STRATEGIC PRIORITIES**

**MEDIUM TERM TARGETS**

**£4bn** Revenue<sup>1</sup>

**20+%** Adjusted operating margin<sup>1</sup>

**~2x** leather goods, and women's ready-to-wear, and **>2x** shoes

**~1.5x** outerwear

**All stores** converted to new store concept

Drive store productivity to **£25k/sqm**

**2x** e-commerce sales, reaching **~15%** retail penetration

**SUPPORTING INVESTMENTS**

**Marketing & VM** investment at HSD % of sales to support new creative vision

Increase **store capex** to **~£120m** to accelerate refurbishments

Increase **total capex** to **~£200m** in FY24 to support other business investments, including IT, digital, ESG and office refurbishment

<sup>1</sup> At CER; product targets based on Retail revenue

**THE NEXT PHASE | MODERN BRITISH LUXURY**



**1856-1900**

The birth of Burberry and the invention of gabardine

**1900-1950**

Made for the outdoors

**1950-1990**

The evolution of the trench

**1990-2016**

Global icon of British fashion

**2017-2022**

Brand elevation

**2022-**

**Modern British luxury**

*Growth and acceleration*

## APPENDIX



69

## DISCLAIMER

The financial information contained in this presentation is unaudited.

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70

## ALTERNATIVE PERFORMANCE MEASURES

APM	Description and purpose	GAAP measure reconciled to																		
Constant Exchange Rates (CER)	This measure removes the effect of changes in exchange rates and the 53rd week in the prior period. The constant exchange rate 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.	<i>Results at reported rates</i>																		
Comparable sales	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 permanent 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.	<p><i>Retail Revenue:</i></p> <table border="1"> <thead> <tr> <th>Period ended YoY%</th> <th>26 weeks ended 1 October 2022</th> <th>26 weeks ended 25 Sept 2021</th> </tr> </thead> <tbody> <tr> <td>Comparable sales*</td> <td>5%</td> <td>37%</td> </tr> <tr> <td>Change in space</td> <td>1%</td> <td>4%</td> </tr> <tr> <td>CER retail</td> <td>6%</td> <td>41%</td> </tr> <tr> <td>FX</td> <td>6%</td> <td>(7%)</td> </tr> <tr> <td>Retail revenue</td> <td>12%</td> <td>34%</td> </tr> </tbody> </table>	Period ended YoY%	26 weeks ended 1 October 2022	26 weeks ended 25 Sept 2021	Comparable sales*	5%	37%	Change in space	1%	4%	CER retail	6%	41%	FX	6%	(7%)	Retail revenue	12%	34%
Period ended YoY%	26 weeks ended 1 October 2022	26 weeks ended 25 Sept 2021																		
Comparable sales*	5%	37%																		
Change in space	1%	4%																		
CER retail	6%	41%																		
FX	6%	(7%)																		
Retail revenue	12%	34%																		
Comparable sales vs pre-pandemic levels (FY20)	The change in sales over three years measured at constant foreign exchange rates. It also includes online sales. The measurement of comparable sales has not excluded stores temporarily closed as a result of the COVID-19 outbreak. This measure reflects the three year aggregation of the growth rates.																			

All metrics and commentary in this presentation are at reported FX and exclude adjusting items unless stated otherwise. Certain financial data within this presentation have been rounded.

71

## ALTERNATIVE PERFORMANCE MEASURES

APM	Description and purpose	GAAP measure reconciled to																		
Adjusted Profit	Adjusted profit measures are presented to provide additional consideration of the underlying performance of the Group's ongoing business. These measures remove the impact of those items which should be excluded to provide a consistent and comparable view of performance.	<i>Reported Profit:</i> A reconciliation of reported profit before tax to adjusted profit before tax and the Group's accounting policy for adjusted profit before tax are set out in the financial statements.																		
Free Cash Flow	Free cash flow is defined as net cash generated from operating activities less capital expenditure plus cash inflows from disposal of fixed assets and including cash outflows for lease principal payments and other lease related items.	<p><i>Net cash generated from operating activities:</i></p> <table border="1"> <thead> <tr> <th>Period ended £m</th> <th>26 weeks ended 1 October 2022</th> <th>26 weeks ended 25 Sept 2021</th> </tr> </thead> <tbody> <tr> <td>Net cash generated from operating activities</td> <td>212</td> <td>224</td> </tr> <tr> <td>Capex</td> <td>(53)</td> <td>(39)</td> </tr> <tr> <td>Lease principal and related cash flows</td> <td>(93)</td> <td>(89)</td> </tr> <tr> <td>Proceeds from disposal of non-current assets</td> <td>22</td> <td>8</td> </tr> <tr> <td>Free cash flow</td> <td>88</td> <td>104</td> </tr> </tbody> </table>	Period ended £m	26 weeks ended 1 October 2022	26 weeks ended 25 Sept 2021	Net cash generated from operating activities	212	224	Capex	(53)	(39)	Lease principal and related cash flows	(93)	(89)	Proceeds from disposal of non-current assets	22	8	Free cash flow	88	104
Period ended £m	26 weeks ended 1 October 2022	26 weeks ended 25 Sept 2021																		
Net cash generated from operating activities	212	224																		
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Proceeds from disposal of non-current assets	22	8																		
Free cash flow	88	104																		
Cash Conversion	Cash conversion is defined as free cash flow pre-tax/adjusted profit before tax. It provides a measure of the Group's effectiveness in converting its profit into cash.	<table border="1"> <thead> <tr> <th>Period ended £m</th> <th>26 weeks ended 1 October 2022</th> <th>26 weeks ended 25 Sept 2021</th> </tr> </thead> <tbody> <tr> <td>Free cash flow</td> <td>88</td> <td>104</td> </tr> <tr> <td>Tax paid</td> <td>65</td> <td>84</td> </tr> <tr> <td>Free cash flow before tax</td> <td>153</td> <td>188</td> </tr> <tr> <td>Adjusted profit before tax</td> <td>226</td> <td>180</td> </tr> <tr> <td>Cash conversion</td> <td>68%</td> <td>104%</td> </tr> </tbody> </table>	Period ended £m	26 weeks ended 1 October 2022	26 weeks ended 25 Sept 2021	Free cash flow	88	104	Tax paid	65	84	Free cash flow before tax	153	188	Adjusted profit before tax	226	180	Cash conversion	68%	104%
Period ended £m	26 weeks ended 1 October 2022	26 weeks ended 25 Sept 2021																		
Free cash flow	88	104																		
Tax paid	65	84																		
Free cash flow before tax	153	188																		
Adjusted profit before tax	226	180																		
Cash conversion	68%	104%																		

All metrics and commentary in this presentation are at reported FX and exclude adjusting items unless stated otherwise. Certain financial data within this presentation have been rounded.

72

## ALTERNATIVE PERFORMANCE MEASURES

APM	Description and purpose	GAAP measure reconciled to		
Net Debt	Net debt is defined as the lease liability recognised on the balance sheet plus borrowings less cash net of overdrafts.	Cash net of overdrafts:		
		Period ended	26 weeks ended	26 weeks ended
		£m	1 October	25 Sept
			2022	2021
		Cash net of overdrafts	941	1,143
Adjusted EBITDA	Adjusted EBITDA is defined as operating profit, excluding adjusting operating items, depreciation of property, plant and equipment, depreciation of right of use assets and amortisation of intangible assets. Any depreciation or amortisation included in adjusting operating items are not double-counted. Adjusted EBITDA is shown for the calculation of Net Debt/EBITDA for our gearing ratios.	Reconciliation from operating profit to adjusted EBITDA:		
		Period ended	26 weeks ended	26 weeks ended
		£m	1 October	25 Sept
			2022	2021
		Operating profit	263	207
Adjusted operating items	(25)	(11)		
Amortisation of intangible assets	18	18		
Depreciation of property, plant and equipment	45	38		
Depreciation of right-of-use assets	100	89		
Adjusted EBITDA	401	341		

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73

## FY23 | FINANCIAL OUTLOOK

REVENUE	Markdowns	Markdowns were fully exited in FY22 and are no longer a headwind going forward
	Wholesale	Wholesale is expected to be broadly stable in FY23
	Retail space	Space is expected to be broadly stable in FY23
PROFIT	Tax rate	We expect the adjusted tax rate to be around 22%
FX*		Based on 27 October effective FX rates, the impact of year-on-year exchange rate movements is expected to be a c.£170m tailwind on revenue and c.£70m tailwind on adjusted operating profit
CASH FLOW	Capex	Capex is expected to be c.£170m including around 65 stores opened/refurbished in the new format
DIVIDEND		Interim dividend recommended at 16.5p, 42% ahead of H1 FY22
CASH INTEREST		Rising interest rates are now expected to lead to a £17m YOY benefit in net cash interest income relative to last year
SHARE BUY BACK		£400m share buy back commenced, with £180m completed in the half and the balance to be completed during FY23
CALENDAR		FY23 is a 52 week calendar year with FY22 a 53 week year. The extra week contributed £35m revenue and £9m adjusted operating profit in FY22

\*Based on FX rates at 27 October 2022  
Note: all guidance based on FY22 CER

74

## H1 FY23 | ADJUSTING ITEMS

	H1 FY23	H1 FY22	
	£m	£m	
COVID-19 RELATED	Inventory provisions (recognised in COGS)	1	6
	Rent concessions	7	9
	Government grants	1	1
	<b>COVID-19 related adjusting items</b>	<b>9</b>	<b>16</b>
	Restructuring costs	(1)	(5)
	Revaluation of deferred consideration liability	(2)	-
	Profit on sale of property	19	-
	<b>Total Adjusting Items</b>	<b>25</b>	<b>11</b>

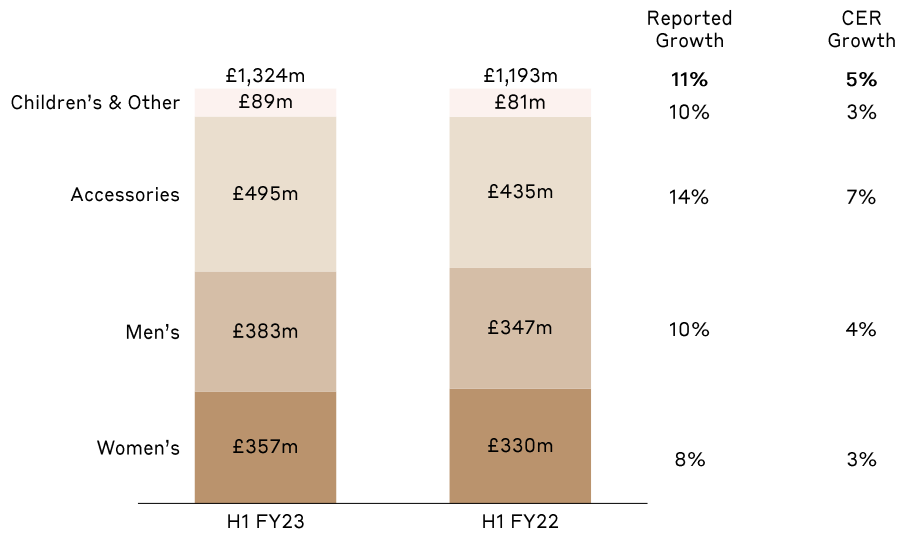
75

## FOREIGN EXCHANGE RATES

EXCHANGE RATES	FY23 FORECAST AVERAGE EFFECTIVE RATES		ACTUAL AVERAGE EXCHANGE RATES		
	27 October 2022	11 July 2022	H1 FY23	H1 FY22	FY22
£1=					
Euro	1.17	1.18	1.17	1.16	1.18
US Dollar	1.18	1.20	1.21	1.39	1.36
Chinese Renminbi	8.29	8.03	8.16	8.98	8.73
Hong Kong Dollar	9.26	9.45	9.50	10.79	10.63
Korean Won	1,595	1,557	1,579	1,583	1,596

76

## H1 FY23 | RETAIL & WHOLESALE REVENUE BY PRODUCT V LY



77

## COMPARABLE SALES VS PRE-PANDEMIC LEVELS

TOTAL RETAIL	Q1 COMP VS FY20	Q2 COMP VS FY20	H1 COMP VS FY20
EMEIA	-8%	-7%	-7%
Americas	29%	37%	33%
Mainland China	-13%	23%	4%
South Korea	32%	72%	49%
Japan	-14%	-23%	-18%
South Asia Pacific	-26%	-18%	-22%
<b>ASIA</b>	<b>-10%</b>	<b>14%</b>	<b>1%</b>
<b>GROUP</b>	<b>2%</b>	<b>11%</b>	<b>6%</b>

78

## IR CONTACTS

**JULIAN EASTHOPE**

VP, Investor Relations  
julian.easthope@ Burberry.com

**LAUREN WU LENG**

Director, Investor Relations  
lauren.wuleng@ Burberry.com

**RHIAN POWELL**

Investor Relations Coordinator  
rhian.powell@ Burberry.com

**REPORTING CALENDAR**

Q3 trading update 18 January 2023

Horseferry House  
Horseferry Road  
London  
SW1P 2AW  
Tel: +44 (0)20 3367 3524  
investor.relations@ Burberry.com