

BURBERRY

LONDON ENGLAND

BURBERRY IN A SNAPSHOT

FY22 FINANCIAL PERFORMANCE*

Revenue
£2.8bn

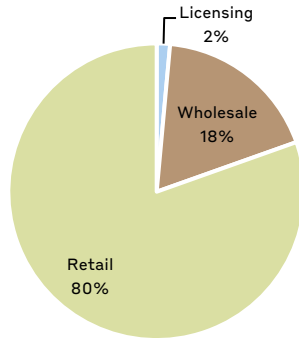
Adjusted operating profit**
£523m

Adjusted operating margin**
18.5%

Cash (net of overdrafts and borrowings)
£879m

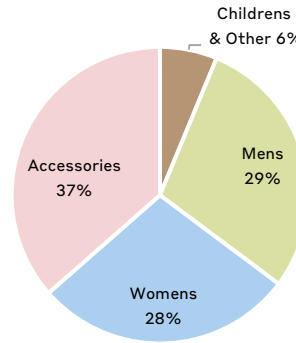
FY22 GROUP REVENUE

BY CHANNEL

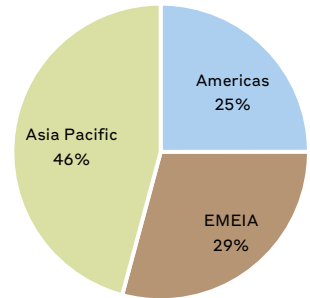


FY22 RETAIL/WHOLESALE REVENUE

BY PRODUCT



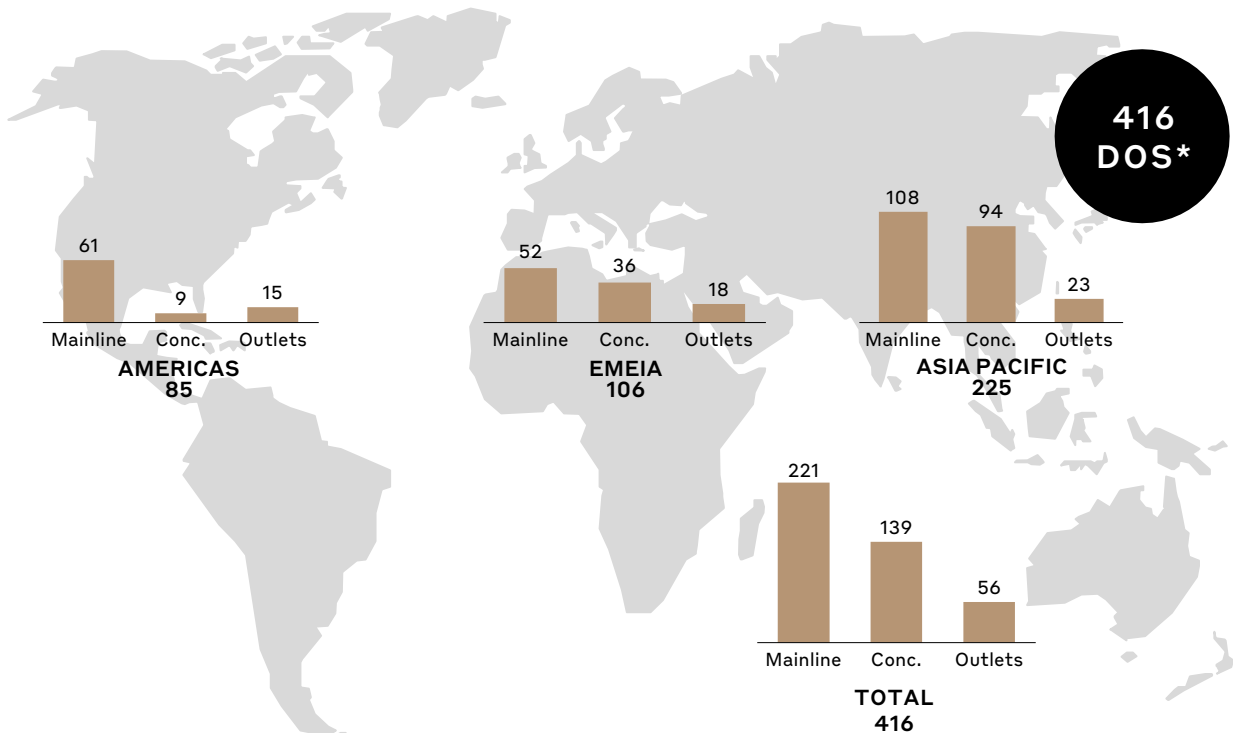
BY REGION



*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 49 of the FY22 Annual Report and Accounts

EXTENSIVE LUXURY DISTRIBUTION FOOTPRINT



Note: Full Price stores consist of Mainline and Concession stores presented above

*Footprint as of 31 December 2022 Burberry also has 38 franchise stores; 8 Asia Pacific and 30 EMEA

STRATEGY | THE NEXT PHASE: MODERN BRITISH LUXURY

OUR PLAN: OPPORTUNITIES TO UNLOCK GROWTH IN THE NEXT PHASE

2017-22
BRAND ELEVATION



2022+
MODERN BRITISH LUXURY

BRAND	Elevated the brand	<ul style="list-style-type: none"> Improve clarity Broaden appeal through modern luxury aesthetic Refocus on Britishness
COMMUNICATIONS	Redefined brand image	<ul style="list-style-type: none"> Drive consistent brand message across all touchpoints Supercharge customer focus
PRODUCT	Established leather goods	Bring all categories to full potential
COMMERCIAL DISTRIBUTION	<ul style="list-style-type: none"> Reorientated to full price Cleaned up wholesale Upgraded store network 	<ul style="list-style-type: none"> Accelerate store refurbishments Seize the opportunity in e-commerce
ENABLERS	Operational efficiency	Seamless execution

OUR PLAN: KEY ELEMENTS

Harness the power of our brand



Bring all product categories to full potential



Strengthen distribution



SEAMLESS EXECUTION

Value chain excellence

Inspired people

Values & sustainability



TARGETS AND AMBITION

Near-term – maintain previous guidance

HSD revenue CAGR from FY20 to FY24 at CER¹ and meaningful margin improvement while mindful of the challenging macro environment and its potential impact on trading, particularly Covid-19 related disruption in Mainland China and recessionary risks in Europe and the Americas.

MEDIUM TERM TARGET²

£4bn REVENUE

20%+ ADJUSTED OPERATING MARGIN

MEDIUM TERM GOALS

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

~1.5x outerwear sales

All stores converted to new concept by FY26

Driver store productivity to £25k/sqm

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

SUPPORTING INVESTMENTS

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

Increase store capex to ~£120m to accelerate new concept

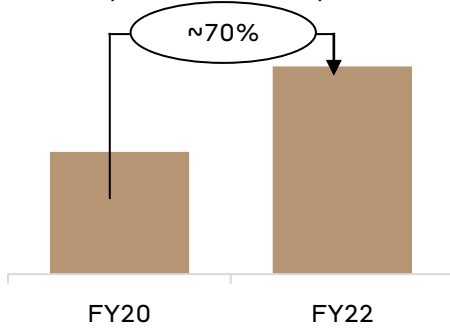
Increase total capex to ~£200m in FY24 to support other business investments, including IT, digital, ESG and office refurbishment

1. Guidance at FY20 CER, 2. Target at FY22 CER

Long term ambition to be a £5bn brand

1 | HARNESS THE POWER OF OUR BRAND

Share of customers who associate Burberry with True Luxury Attribute



FIRMLY ANCHORED IN LUXURY

- Refocus on Britishness and strengthen our connection with British design, craft and culture
- Amplify our brand through strong marketing and communication activations with high levels of impact

2 | BRING ALL PRODUCT CATEGORIES TO FULL POTENTIAL

OPPORTUNITIES FOR GROWTH ACROSS ALL CATEGORIES

- Broadly double sales of leather goods, shoes and women's ready to wear and grow outerwear by around 50% in the medium term
- Ambition to grow accessories to more than 50% of Group sales in the long term



3 | STRENGTHEN THE DISTRIBUTION



Retail – accelerate new store investment

- 15% more productive¹
- 15% higher AUR than other stores¹
- 13% higher basket size¹
- Transform productivity – target **£25k per sq m**

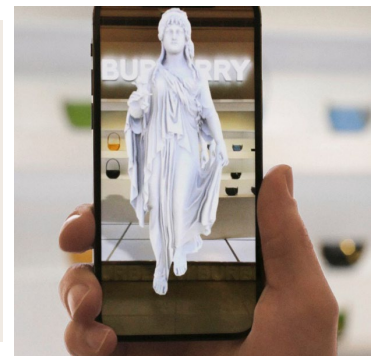
Wholesale – maintain presence to reach new luxury customers

E-commerce – grow to reach full potential – aim to double sales to reach **~15%** retail sales in medium term and **20%** long term

4 | SUPERCHARGE CUSTOMER FOCUS

GROW CUSTOMER LIFETIME VALUE

- Develop a compelling customer proposition across all channels
- Acquire customers at pace – set ambitious acquisition targets across every customer touchpoint
- Drive loyalty and retention
- Grow customer lifetime value



5 | SEAMLESS EXECUTION

Continue to simplify and streamline key processes, deliver our bold sustainability commitments, ensure our people are supported and inspired to deliver, and positively impact our communities

¹ Based on performance of 43 stores predominantly in Asia for H1 FY23, excluding Childrenswear compared to similar stores in the sub-region

ESG | 2017-2022 GOALS SUBSTANTIALLY MET

COMPANY	Carbon neutral in own operations globally	100% of electricity from renewable sources	Zero operational waste to landfill across key sites
PRODUCT	99% of products with >1 social or environmental benefit, 84% with 3 or more	100% of cotton sourced more sustainably	92% of leather from certified tanneries
COMMUNITY	1.2m people positively impacted through Burberry Foundation and co. philanthropy	>650k young people positively impacted globally	>560k people positively impacted in FY21/22 alone
RECOGNITION			

ESG | WE HAVE SET NEW AMBITIONS TO DRIVE POSITIVE CHANGE

AREAS OF FOCUS

NEW COMMITMENTS

PRODUCT: RESPONSIBLE CRAFTMANSHIP

- 100% of key raw materials in our products to be certified and traceable by 2025.
- Embed circular business models and further evolve our aftercare offering for customers.
- Eliminate unnecessary plastics used in transit packaging and maximise recycled content by 2030

PLANET: BECOME CLIMATE POSITIVE

- SBTi approved target to reach net zero emissions by 2040, most ambitious commitment in our industry
- Extend sustainable manufacturing processes across our supply chain, covering energy, water and waste
- Zero deforestation across our products and supply chain by 2025

PEOPLE: DIVERSITY, INCLUSION AND WELLBEING

- Become the best place to work for women in the industry
- Increase representation at Burberry in line with our global DE&I strategy
- Uphold existing ethical trading standards across our supply chain, while helping vendors manage their ethical trading programmes

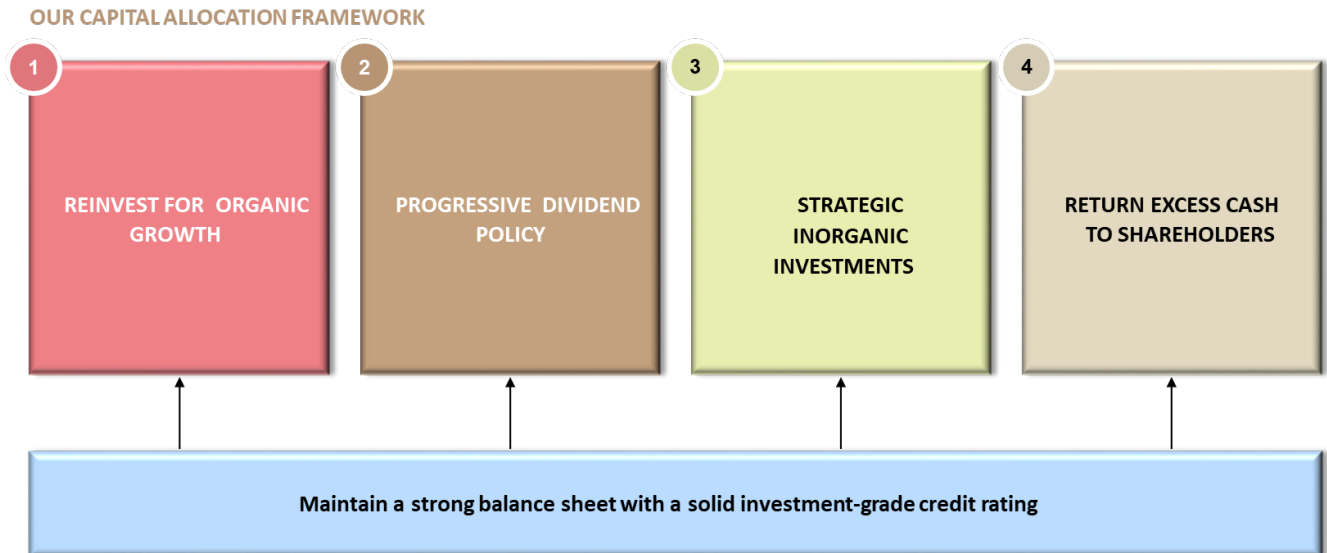
COMMUNITIES: EMPOWER YOUNG PEOPLE

- Empower young people to create better futures, particularly through initiatives run by The Burberry Foundation
- Increase volunteering opportunities across our global network

OUR CAPITAL ALLOCATION FRAMEWORK

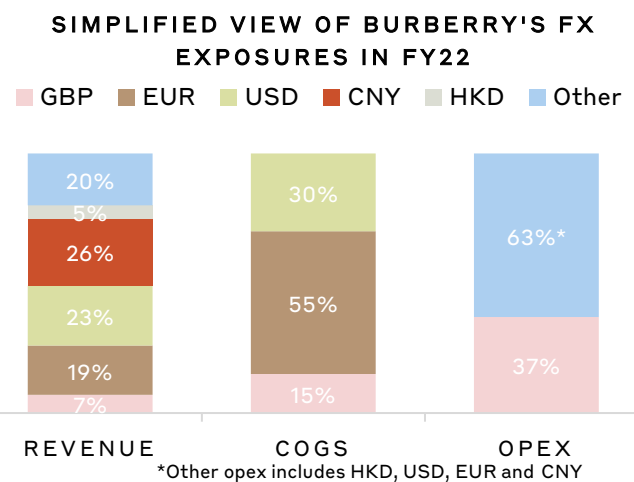
Our capital allocation principles are based on maintaining an investment grade credit rating - Moody's Baa2 (stable). We aim for Net Debt/adjusted EBITDA to be in the range of 0.5x to 1.0x on a rolling 12 month period.

Dividend – progressive dividend policy with a target for c50% pay out ratio



FOREIGN EXCHANGE

Exchange rates	Forecast effective rates FY23	Actual effective exchange rates
	31 December 2022	FY22
£1=		
Euro	1.16	1.18
US Dollar	1.20	1.36
Chinese Yuan	8.28	8.73
Hong Kong Dollar	9.41	10.63
Korean Won	1,565	1,596



In FY22, a +/-5% move in GBP would have resulted in a +/-£50m impact on adjusted operating profit

BURBERRY

LONDON ENGLAND

CEO and CO&FO

JONATHAN AKEROYD, CEO



Prior to joining Burberry on 15 March 2022, Jonathan was Chief Executive of Gianni Versace SpA where he reorganised and accelerated growth at the Italian fashion house, building on the brand's rich heritage to elevate product, communications and the customer experience. As President and Chief Executive Officer of Alexander McQueen (2004-2016) he led a turnaround of the British luxury brand, successfully steering the company's growth and strategic development into a luxury powerhouse. Jonathan's early career was spent at Harrods (1988-2004) where he gained a strong understanding of luxury retail, brands and products.

JULIE BROWN, CO&FO



Julie has a strong track record of leading change and delivering sustainable, long-term value for shareholders. Her extensive experience in financial, commercial and strategic roles and leading major transformational growth programmes continues to be highly relevant to Burberry in the next phase of our strategy. Julie is committed to implementing initiatives that support our sustainability goals and is a passionate champion of diversity and women in business. Furthermore, she is co-Chair of The Prince's Accounting for Sustainability Project's CFO Leadership Network and Patron of Oxford University Women in Business. She is a Fellow of the Institute of Chartered Accountancy and the Institute of Tax.

It was announced on 23rd September 2022, that Julie would be stepping down as CO&FO of Burberry on 1 April 2023 to take up an opportunity outside of the luxury industry.

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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 Interim Announcement H1 FY23
- Certain financial data within this presentation have been rounded.