

12 January 2024

BURBERRY GROUP PLC

TRADING UPDATE

“We are continuing to deliver the transition to our new modern British luxury creative expression for Burberry which started appearing in our stores in early Autumn. We are still in the early stages of executing on this, which has become more challenging against the backdrop of slowing luxury demand. We experienced a further deceleration in our key December trading period and we now expect our full year results to be below our previous guidance. We remain confident in our strategy to realise Burberry’s potential and we are committed to achieving our £4 billion revenue ambition.”

- Jonathan Akeroyd, Chief Executive Officer

RETAIL REVENUE 13 WEEKS ENDED 30 DECEMBER 2023

£ million	30 December	31 December	% change	
	2023	2022	Reported FX	CER*
Retail revenue	706	756	-7%	-2%
Comparable store sales*	-4%	+1%		
Contribution from space	+2%			

*See page 2 for definition

Comparable store sales by region

Q3 FY24 vs LY	Asia Pacific*	EMEIA	Americas
Comparable store sales	+3%	-5%	-15%

*Asia Pacific consists of: Mainland China +8%, South Asia Pacific +2%, Japan +9%, South Korea -10%

OUTLOOK

We remain confident in our strategy to realise Burberry’s potential as the modern British luxury brand, and we are committed to achieving our £4bn revenue ambition.

The slowdown in luxury demand is having an impact on current trading. In this context, we now expect adjusted operating profit for the financial year ended 30 March 2024 to be in the range of £410m to £460m, below previous guidance.

Based on foreign exchange rates effective as of 29 December 2023, we now expect a currency headwind of c.£120m to revenue and c.£60m to adjusted operating profit.

The person responsible for arranging the release of this announcement on behalf of Burberry Group plc is Gemma Parsons, Company Secretary.

The financial information contained herein is unaudited.

All metrics and commentary in this presentation are at reported FX and exclude adjusting items unless stated otherwise.

Constant exchange rates (CER) removes the effect of changes in exchange rates. The constant exchange rate incorporates both the impact of the movement in exchange rates on the translation of overseas subsidiaries' results and on foreign currency procurement and sales through the Group's UK supply chain.

Comparable sales are 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.

Certain financial data within this announcement have been rounded. Growth rates and ratios are calculated on unrounded numbers.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

This trading update constitutes our quarterly trading update which was originally scheduled for 19 January 2024.

ENQUIRIES

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Burberry will issue its Preliminary results for the 52 weeks ending 30 March on 15 May 2024.

Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future results in forward-looking statements. Burberry Group plc undertakes no obligation to update these forward-looking statements and will not publicly release any revisions it may make to these forward-looking statements that may result from events or circumstances arising after the date of this document. Nothing in this announcement should be construed as a profit forecast. All persons, wherever located, should consult any additional disclosures that Burberry Group plc may make in any regulatory announcements or documents which it publishes. All persons, wherever located, should take note of these disclosures. This announcement does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any Burberry Group plc shares, in the UK, or in the US, or under the US Securities Act 1933 or in any other jurisdiction.

Notes to editors

- Burberry is a British luxury brand, headquartered in London
- Burberry is listed on the London Stock Exchange (BRBY.L) and is a constituent of the FTSE 100 index. ADR symbol OTC:BURBY. BURBERRY, the Equestrian Knight Device, the Burberry Check, and the Thomas Burberry Monogram and Print are trademarks belonging to Burberry.
- At 30 December 2023, globally Burberry had 225 retail stores, 139 concessions, 57 outlets and 32 franchise stores, excluding pop-up stores.

APPENDIX

Based on effective FX rates as of 29 December 2023, in FY24 we now expect a c.£120m headwind from exchange rate movements on revenue and a c.£60m headwind on adjusted operating profit. This compares to guidance given in November for a currency headwind of c.£110m to revenue and c.£60m to adjusted operating profit.

Exchange rates	Forecast effective average rates for FY24		Actual average exchange rates		
	29 December 2023	25 October 2023	H1 FY24	H1 FY23	FY23
£1=					
Euro	1.16	1.15	1.16	1.17	1.16
US Dollar	1.26	1.23	1.26	1.21	1.20
Chinese Renminbi	8.99	8.91	8.97	8.16	8.27
Hong Kong Dollar	9.84	9.65	9.86	9.50	9.43
Korean Won	1,646	1,694	1,654	1,579	1,577

Detailed guidance for FY24

Item	Financial impact
Impact of retail space on revenues	Space is expected to be broadly stable in FY24.
Wholesale revenue	Wholesale revenue is expected to decline by a high-single digit percentage in FY24.
Tax	We expect the adjusted effective tax rate to be around 29%.
Currency	Based on 29 December effective foreign exchange rates, the impact of year-on-year exchange rate movements is expected to be a c.£120m headwind on revenue and c.£60m headwind on adjusted operating profit.
Capex	Capex is expected to be around £200m including over 50% of the store network updated by end of the year.
Share buyback	£400m share buyback completed on 31 October 2023.

Note: Guidance based on CER at FY23 rates