

FY 2022/23 Business Update

We delivered a strong financial performance in FY 2022/23, delivering high single-digit growth in comparable retail sales compared with last year. This performance was supported by good progress in our core leather goods and outerwear categories, with revenue accelerating in the fourth quarter as growth rebounded in Mainland China.

Brand

During the year, we connected with our customers through campaigns and activations rooted in our brand heritage. In the first half FY 2022/23, we dedicated a major brand moment to the leather goods category and launched our seasonal TB Summer Monogram collection.

To celebrate our Autumn Winter 2022 outerwear collection, we launched a dedicated campaign and activated it through a series of Burberry Alpine Outpost pop-ups in major shopping districts around the world. The immersive spaces showcased products in our new Night Check pattern, alongside a wide range of ready-to-wear items.

We followed this with our Festive campaign starring Shakira and Burna Boy called *The Night Before*, which celebrated the excitement and anticipation of festive preparations.

We celebrated our heritage later in the year with the launch of our first book, *Burberry*, in partnership with Assouline. The richly illustrated volume depicts our evolution from a family-run company to a renowned global luxury brand, and is filled with content from the Burberry archive.

In October 2022, we began an exciting new chapter in Burberry's history with the appointment of Daniel Lee as our Chief Creative Officer. Born and raised in Bradford, UK, Daniel is an

award-winning designer with a unique understanding of today's luxury consumer and a strong record of commercial success.

In February 2023, with Daniel, we launched a new creative expression for the brand, with a new wordmark and a refreshed version of our heritage mark, the Equestrian Knight Design (EKD).

We rolled this out across all our customer touchpoints, including the facades and interior of our stores in key fashion cities.

Alongside this, we launched Daniel's first campaign for Burberry. The campaign was anchored in Britishness and featured our iconic products, outerwear and the Burberry Check.

We followed this by returning to the London Fashion Week schedule for Autumn Winter 2023. Read more on pages 26 to 27.





A new creative expression inspired by our heritage

In early February 2023, we revealed a new brand identity with a new Burberry wordmark. Alongside this, we refreshed our iconic EKD. This is a heritage mark from our archive that has existed since 1901. Daniel revisited it and brought it to life in a bold new colour.

We launched the new branding across multiple touchpoints, including the facades and interiors of our stores in key fashion cities. In each location, we presented the EKD in a unique way, through colours, textures and shapes specifically designed for each space. For example, for our store in Rue Saint-Honoré Paris, we collaborated with British artist Tom Atton Moore, who created seven back-to-back suspended works to hang in the store's windows as well as a bespoke rug installation. This brought to life our new vision in a cohesive yet highly localised way, elevating the customer experience in each store.

Alongside this, we launched Daniel's first campaign for Burberry. Shot in London, the multimedia campaign featured a cast of eclectic talent including Vanessa Redgrave, Georgia May Jagger and Kano whom Daniel styled in our iconic rainwear and Burberry Check. The campaign also drew on our British heritage through symbols including English roses and swans.

The campaign presented a sharper and more coherent brand image, which we rolled out across a number of customer touchpoints, including Burberry.com and high visibility out-of-home displays. We also took a fresh approach to social media to deliver a more inspirational experience.



Fashion tailored to the outdoors

Building on the momentum and excitement generated by the introduction of our new brand identity, we returned to the London Fashion Week schedule with our Autumn Winter 2023 show. For Daniel's debut collection, we built a custom-made tent in Kennington Park, London to create a show space that reinforced our connection with the great British outdoors.

The collection introduced a bold new colour palette to our aesthetic and reimagined codes synonymous with Burberry such as gabardine, the Equestrian Knight and check. It also brought function to luxury fashion.

Drawing on our unique Archive, the story of Burberry was told through oversized trench coats, tartan-inspired kilts over trousers, chunky Aran and Argyle jumpers and whimsical touches, such as oversized hats and ultra-cosy hot water bottles.

The collection featured new families of distinctive bags, including saddle bags and satchels in sturdy fabrics, inspired by Burberry's connection with the outdoors. It also introduced a broader shoe offer including equestrian and rubber rain boots, which nodded to Burberry's legacy of equipping explorers, and sandals, mules and pumps in faux fur and shearling. Daniel also presented a fresh take on ready-to-wear, with a fuller offer for the Burberry woman.

Guests from the worlds of fashion, film, sport and music attended the show, alongside many of the cast members from Daniel's debut campaign. The show was very well received and together with our new creative expression generated over 4,000 pieces of coverage with an estimated reach of 4 billion.



Product

During FY 2022/23, we developed and elevated our product offer, exciting our customers with new and desirable products supported by a strong programme of brand activations.

In outerwear, comparable store sales grew 7% in the period. We took a 360-degree approach to supporting our most iconic category which helped drive performance. We put rainwear front and centre of our brand campaign; we dressed VIPs and brand ambassadors in heritage Trench Coats at our Autumn Winter 2023 show; and we launched a refreshed version of our Trench Coat in certified organic cotton.

This approach delivered a very strong acceleration in heritage rainwear sales, which doubled in the last quarter.

Leather goods comparable store sales grew 12% in the year. Our Lola handbag continued to be our best performing range. We introduced new shapes, including the Frances bag, and enhanced our offer further, launching the new Vintage Burberry Check line in February 2023.

Ready-to-wear excluding outerwear grew broadly in line with the Group average for the year with womenswear increasing a double-digit percentage and men's up a mid single-digit percentage.

We are excited to build on this with Daniel's new offer, which will be available later this year.

Distribution

During FY 2022/23, we strengthened our customers' connection with our brand in store and online.

We continued to roll out our store refurbishment programme, updating 60 stores in the year, including Northpark Dallas in USA, Taipei 101 and Nanjing Deji Plaza in Mainland China. Almost 30% of our full-price network has been refurbished and we aim to complete the remainder by FY 2025/26.

At the same time, we delivered a material improvement in store productivity, supported by our refurbishment programme and strong growth in higher-priced categories.

We also deepened our relationship with our community, building on our legacy and credentials in digital innovation. In July 2022, we partnered with Mythical Games for the second consecutive year to launch a new NFT collection for its flagship title, Blankos Block Party. We also introduced a virtual Lola handbag collection on the online gaming platform Roblox.

In October 2022, we partnered with Minecraft, one of the world's most popular video games, to launch a bespoke in-game adventure as well as a limited-edition physical capsule collection. Drawing inspiration from our pioneering heritage, the adventure was set in a fantastical version of London and was punctuated by creative references to our house codes, including an Equestrian Knight, a Thomas Burberry Monogram maze and a range of characters from the Burberry animal kingdom.

We also focused on strengthening our foundations in e-commerce and we have developed a comprehensive plan to unlock our potential in this channel. This includes elevating the customer experience and enhancing product and merchandising on Burberry.com.

Operations

To execute our plan, we made changes to our operating model and hired specialists in new leadership roles.

We created an innovation function and integrated responsibility for global e-commerce, digital product and analytics under a new Chief Digital, Customer and Innovation Officer Giorgio Belloli. We streamlined our commercial collection structure and strengthened the connection between product merchandising, planning and design under a new Chief Merchandising Officer Delphine Sonder. We brought together supply chain and product development under a new Chief Supply Chain and Industrial Officer Klaus Bierbrauer to improve efficiency, while ensuring end-to-end ownership for delivery.

We also announced the appointment of Kate Ferry as our new Chief Financial Officer.

In March 2023, we entered into an agreement to acquire a product development business from a longstanding Italian supplier.

This strategic investment will strengthen our technical outerwear capabilities, building on our strong manufacturing heritage in the UK, where we will continue to weave gabardine and make our heritage trench coats, and provide greater control over the quality, delivery and sustainability of our products.

During the year, we also continued to make progress on our social and environmental responsibility programme. This included further reducing our scope 1, 2 and 3 carbon emissions and expanding our aftercare services to cover more products in more stores. To support our UK employees through the cost-of-living crisis, we brought forward the Living Wage increase by more than six months. We also expanded our wellbeing programme to benefit more than 5,000 workers in our extended supply chain. We continued to positively impact young people through community programmes and The Burberry Foundation.

Read more on pages 82 to 86.

