



**Jonathan Akeroyd**  
Chief Executive Officer

# Chief Executive Officer's Letter

“We are well positioned to leverage the unique attributes that make Burberry special to drive revenue growth and acceleration.”

## Dear Shareholder,

When I first wrote to you last year, I spoke of my admiration for Burberry, its position as a unique British brand with an extraordinary heritage, iconic products and house codes, and strong culture and values.

Over the last 12 months, I have had the opportunity to really get to know the business, visiting many of our stores in key luxury locations around the world and seeing our manufacturing facilities, both here in the UK and in Italy. I have been impressed by what I have seen and I believe we are well positioned to leverage the unique attributes that make Burberry special to drive revenue growth and acceleration.

## FY 2022/23 performance

Thanks to these strong foundations, we delivered a strong financial performance in FY 2022/23.

- Revenue reached £3.1 billion, up 5% at constant exchange rates (CER) and 10% at reported rates
- Adjusted operating profit was £634 million, up 8% at CER
- Reported operating profit was £657 million, up 21%
- Adjusted diluted earnings per share (EPSA) was 122.5p, up 16% at CER and 30% at reported rates
- Reported diluted EPS was 126.3p, up 29%

Revenue accelerated in the fourth quarter as growth rebounded in Mainland China following the lifting of COVID-19 restrictions. Having travelled there to visit some of our stores and meet with retail partners in person, I was very encouraged by the excitement surrounding Burberry in the market. We also generated strong growth in EMEA as tourism returned. Our performance in both regions helped compensate for a softening in the Americas. Despite the slowing economy there, I was pleased with the direction in which our business is evolving as we recruited more higher-spending women to our brand, buying into higher value products, particularly leather goods.

### **Modern British luxury**

In October, we appointed Daniel Lee as our new Chief Creative Officer for this next phase, succeeding Riccardo Tisci. Born in Bradford, UK, Daniel is an exceptional talent with a deep understanding of today's luxury consumer and a strong record of commercial success. He understands Burberry's heritage and its unique position as a British luxury brand and his appointment reinforces the ambitions we have for the Company.

In November, we set out a clear strategy to realise Burberry's potential as the modern British luxury brand, with a medium-term target to grow sales to £4 billion at constant exchange rates, and a longer-term ambition to reach £5 billion in revenue. The key elements of our plan are to harness the power of our brand, bring all categories to full potential and strengthen distribution, while continuing to simplify and streamline key processes, deliver on our bold sustainability ambitions, positively impact communities, and ensure our people are supported and inspired to deliver.

### **A new creative expression**

We have made good progress on this since then. We have started to bring more clarity to the brand, refocusing on Britishness and broadening our appeal. In February, we launched a new brand identity with a fresh expression of our wordmark and a modern evolution of our iconic Equestrian Knight Design. We rolled this out across multiple touchpoints including the facades and interiors of our stores in London, Paris, Milan and New York.

Alongside this new creative expression, 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. It reached an estimated half a billion people in its first week alone and helped drive a very strong acceleration in heritage rainwear sales in the fourth quarter.

We followed this by returning to the London Fashion Week schedule for Autumn Winter 2023, staging Daniel's debut runway in a custom-made tent in Kennington Park, London, to reinforce our connection with the great British outdoors. Opening the show with a modern interpretation of the Burberry trench coat, Daniel introduced a bold new colour palette to our aesthetic and reimaged Burberry's signature codes across product categories. The collection featured a compelling new bag offer and a broader shoe offer. It also provided a fresh take on ready-to-wear, with a fuller offer for the Burberry woman. The collection was very well received and we are excited about it landing in stores and online later this year.

At the same time, we advanced the rollout of our store refurbishment programme, upgrading 60 stores in the year, and delivered a material improvement in store productivity. With 30% of our full-price network now in a new format, we remain on track to complete the refurbishment of all our stores by FY 2025/26. 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.

### **Operational delivery**

To drive the delivery of our growth ambition, we have 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 appointed Melissa Johnston to the newly-created role of Chief Visual Officer, with responsibility for visual merchandising and architecture. The positive impact of these changes is already being felt.

We also announced the appointment of Kate Ferry as our new Chief Financial Officer, succeeding Julie Brown. Kate has extensive experience of public markets, business transformation and development and an excellent understanding of the consumer and luxury industry. She is a strong addition to our leadership team and I am excited about her joining on 17 July 2023 to support this next phase of Burberry's development.

Alongside this, we are strengthening our industrial capabilities by entering into an agreement to acquire a product development business from a longstanding Italian supplier. This strategic investment will enhance 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.

In addition, we 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.

### **Looking ahead**

As we reflect on the past 12 months and look to the year ahead, I would like to take this opportunity to thank Riccardo Tisci and Julie Brown for their support and the significant contribution they have made to elevating our brand and business. They have left strong foundations on which we can build.

I would also like to thank my Burberry colleagues for their continued passion and commitment. We have a clear plan to drive growth and acceleration that the whole team has bought into. We have made good progress on this. While the external environment remains uncertain, we are confident we can achieve our ambitions and realise Burberry's potential as the modern British luxury brand. We are excited about the opportunity that lies ahead.

**Jonathan Akeroyd**  
Chief Executive Officer