

BURBERRY

LONDON ENGLAND

INTERIM RESULTS 2020

MARCO GOBBETTI

CHIEF EXECUTIVE OFFICER

AGENDA

INTRODUCTION

PROGRESS TO DATE

FINANCIAL RESULTS

STRATEGY AND OUTLOOK

Q&A



HALF YEAR RESULTS

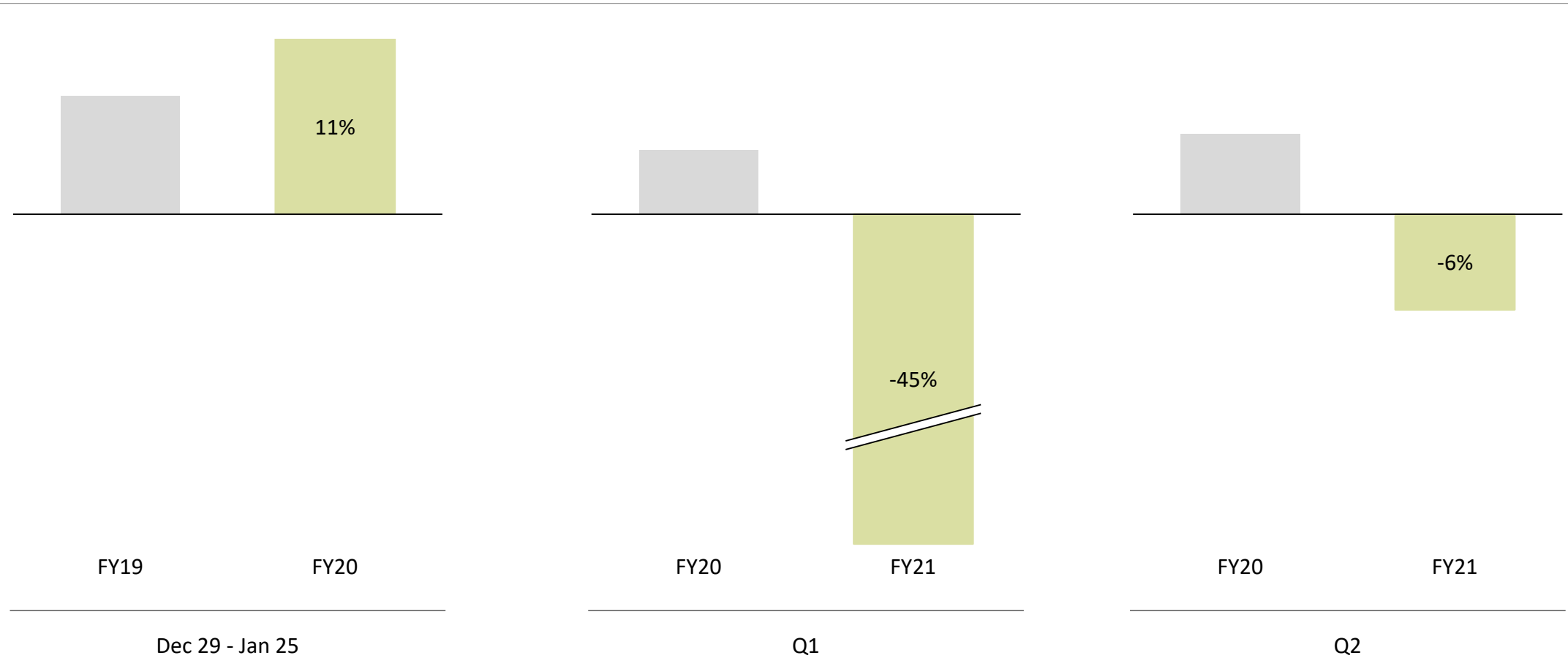
Total revenue £878m

Adjusted operating profit £51m

MOMENTUM DISRUPTED BY COVID, BUT RAPIDLY RECOVERING

TOTAL COMP SALES GROWTH – BY QUARTER

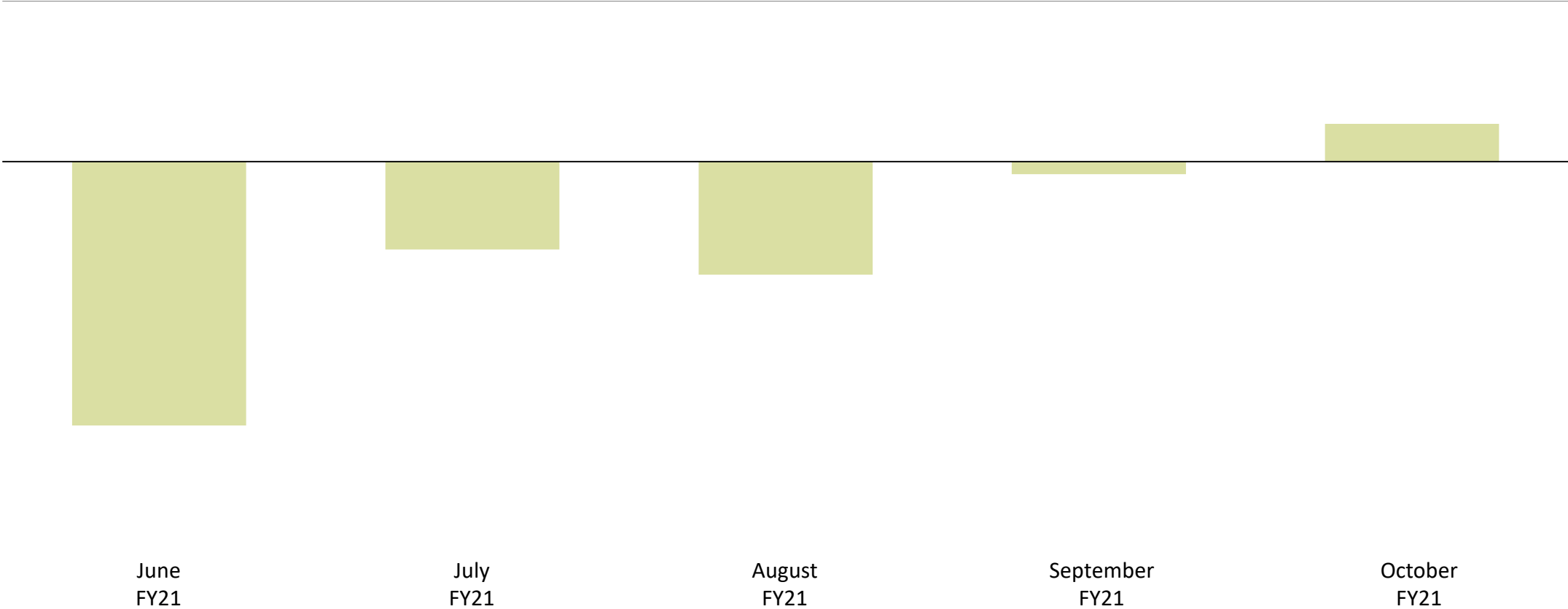
%



RECOVERY ACCELERATING IN THE LAST TWO MONTHS

TOTAL COMP SALES GROWTH – BY MONTH

%





STRATEGIC PROGRESS

Momentum disrupted by COVID, but good strategic progress driving recovery

Outperformance of full-price channels

Traction in leather goods

High double-digit digital growth

High share of new and younger customers

COLLECTION PERFORMANCE

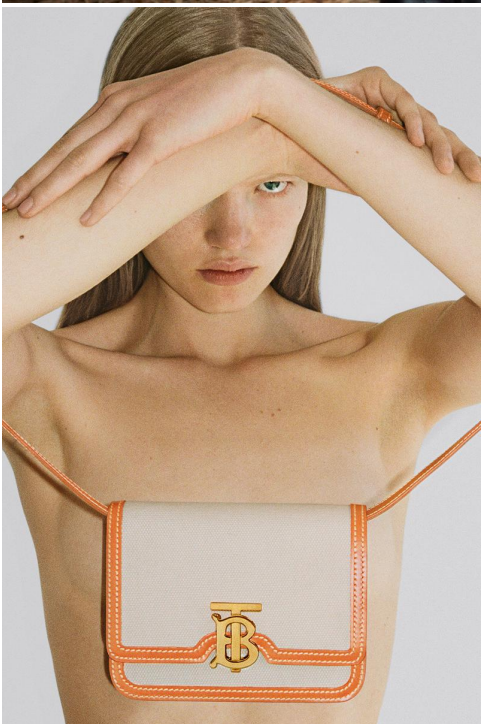
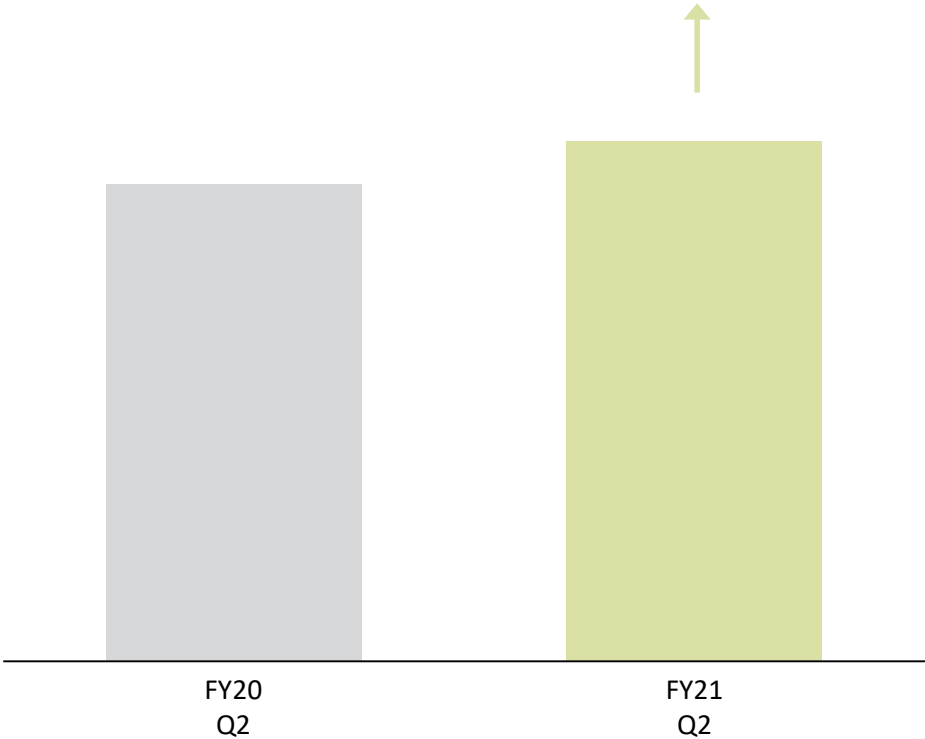


TRACTION IN LEATHER GOODS

↑ % YoY sales growth

LEATHER GOODS - MAINLINE AND DIGITAL COMP SALES

£



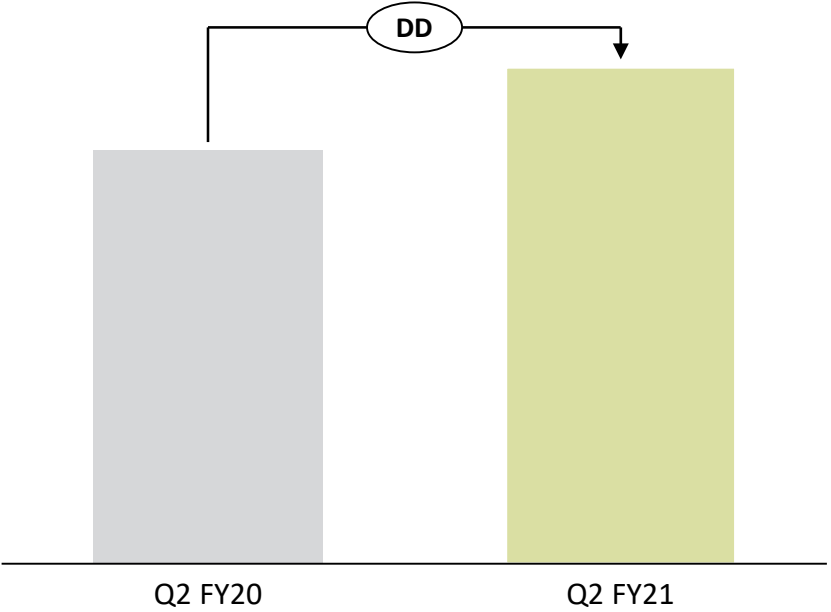
Note: Graph not to scale

FULL PRICE CHANNEL MIX

○ Increase vs LY (p.p.)

SHARE OF FULL PRICE CHANNELS¹ WITHIN TOTAL COMP SALES

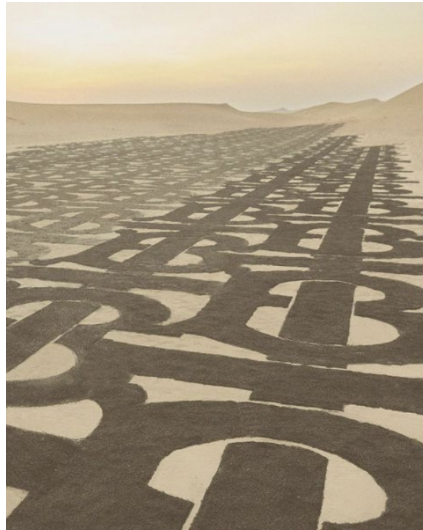
%



¹ Includes full price and markdown sales from mainline and digital channels



BRAND ACTIVATIONS



UNEXPECTED VISIBILITY



FASHION SHOW



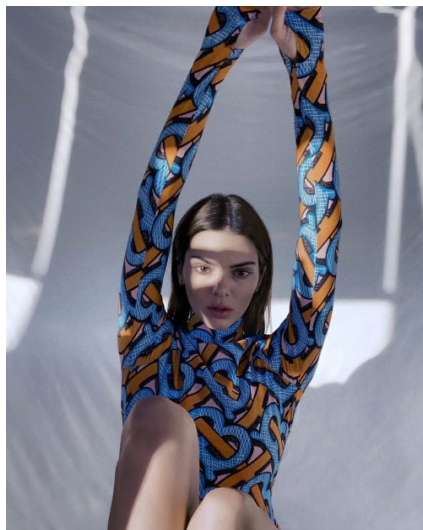
CAMPAIGNS



INNOVATIVE CLIENT FORMATS



NATIVE & CREATIVE COLLABORATIONS



CAPSULES



B SERIES



NEW COLLECTIONS



BURBERRY COMMUNITY

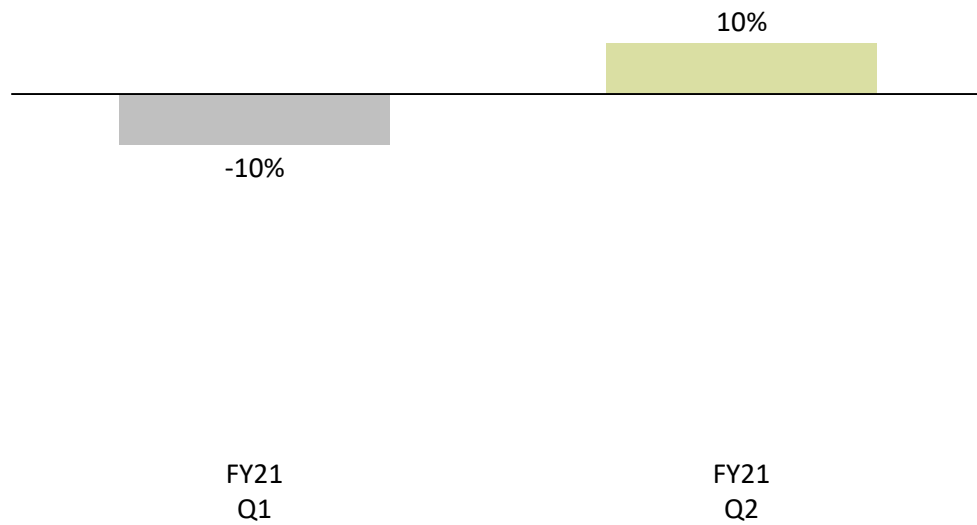


POP-UPS AND VM

STRONG RECOVERY IN ASIA AND AMERICAS

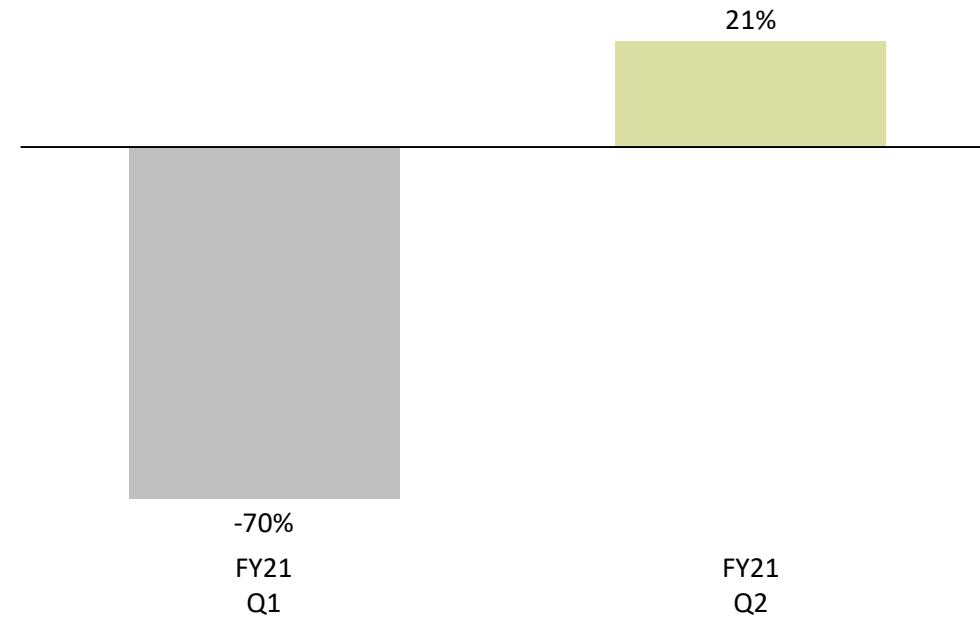
TOTAL COMP SALES – ASIA

% GROWTH



TOTAL COMP SALES – AMERICAS

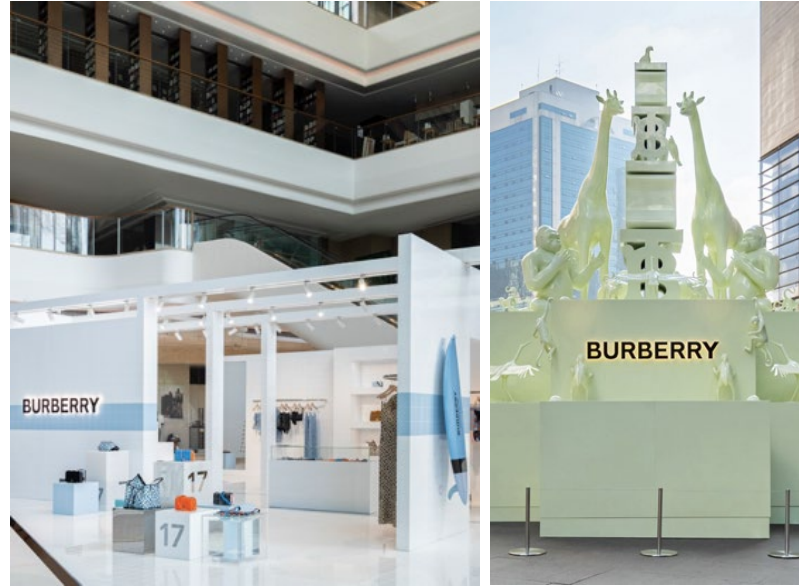
% GROWTH



MAINLAND CHINA



LOCAL CAMPAIGNS AND CONTENT



NEW ACTIVATIONS



DIGITAL

KOREA



NATIVE CONTENT COLLABORATIONS

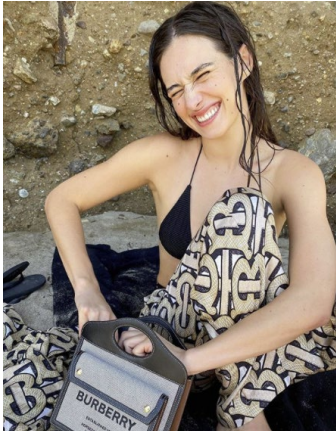


POP-UPS AND IN-STORE INSTALLATIONS



INNOVATIVE CLIENT FORMATS

AMERICAS



CULTURALLY RELEVANT CONTENT

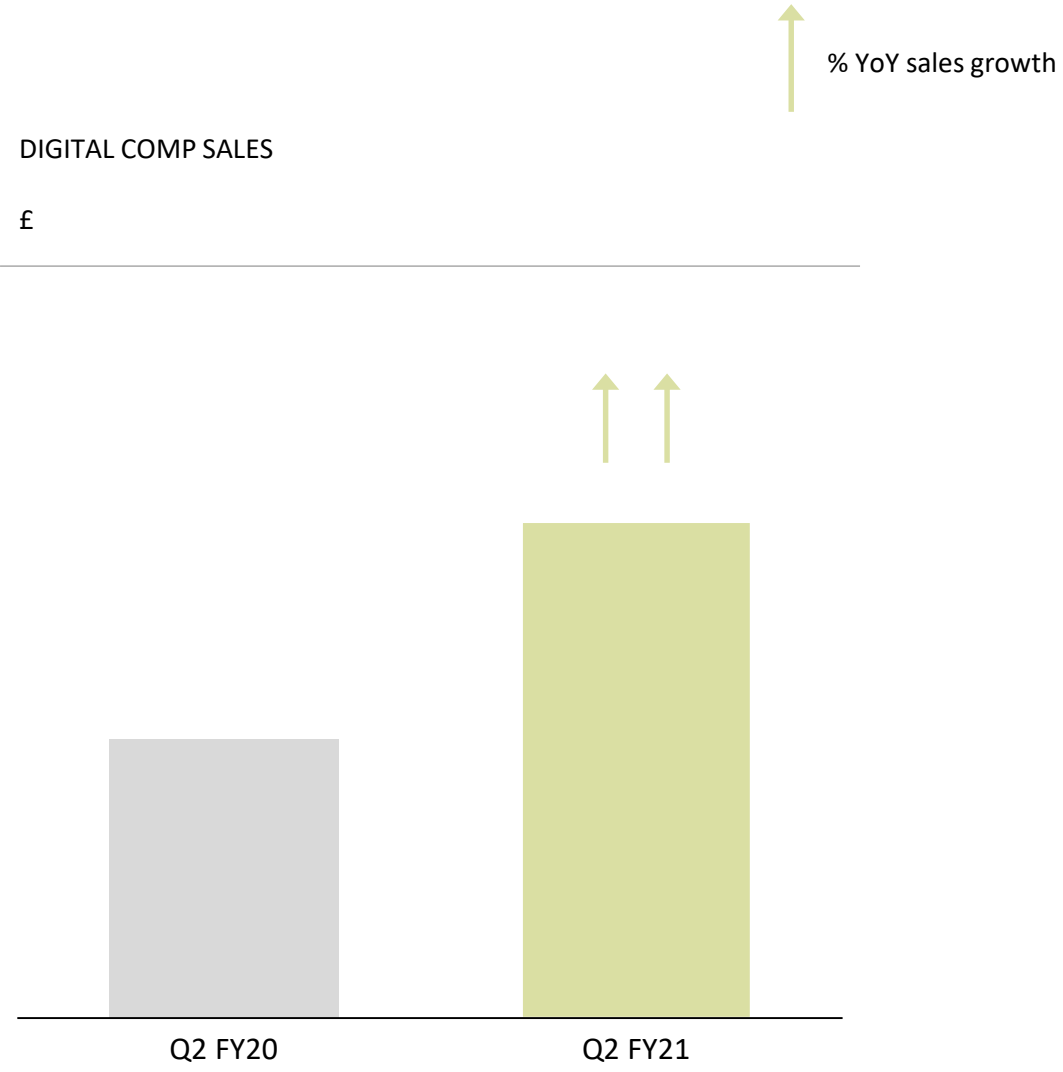
BURBERRY COMMUNITY

NEXT GENERATION STORE EXPERIENCE

DIGITAL SALES

DIGITAL COMP SALES

£



Note: Graph not to scale



DIGITAL ACTIVATIONS



IMMERSIVE WORLDS ON .COM

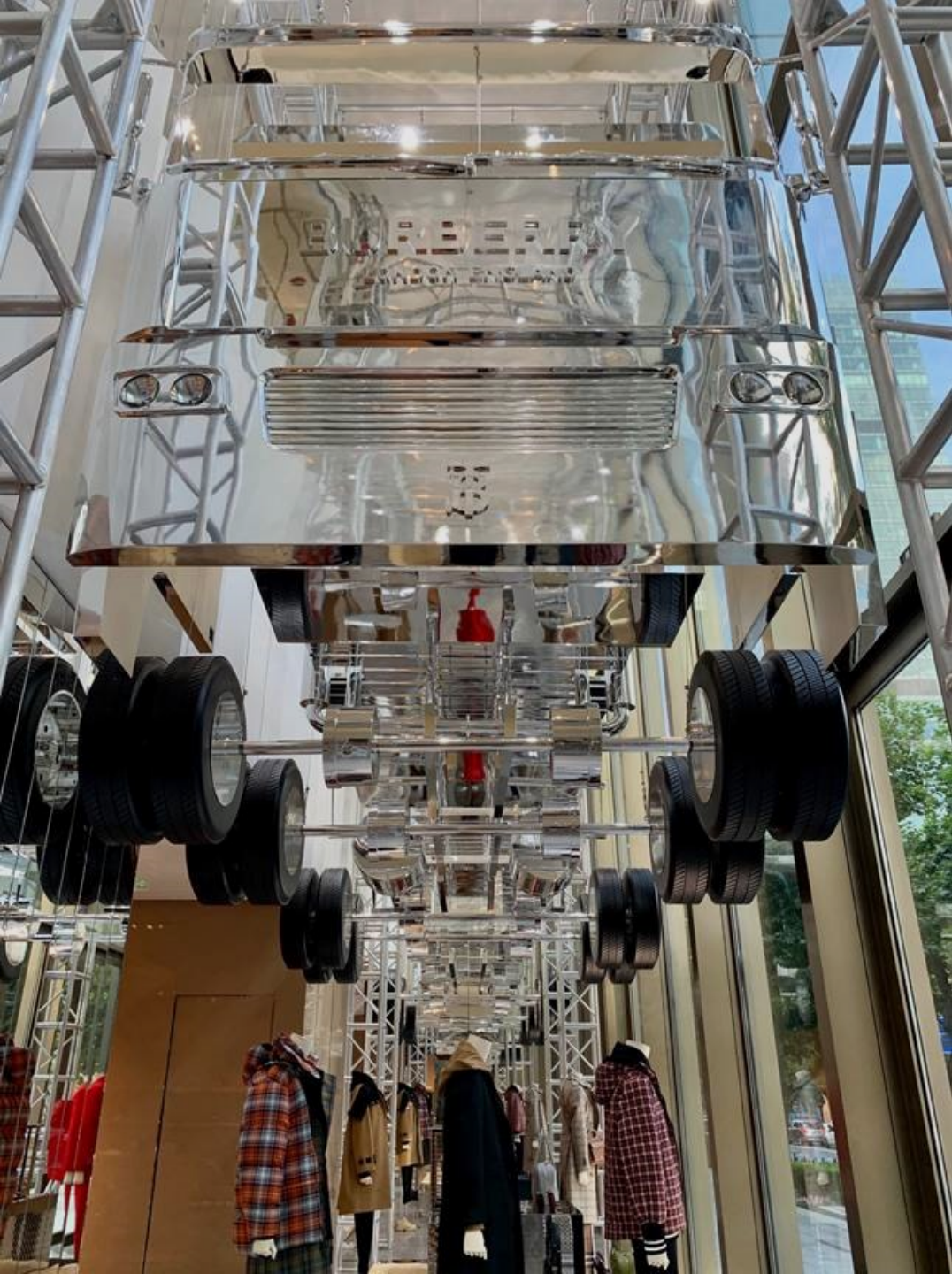


DIGITAL POP-UPS



ACTIVATIONS ON THIRD PARTY PLATFORMS



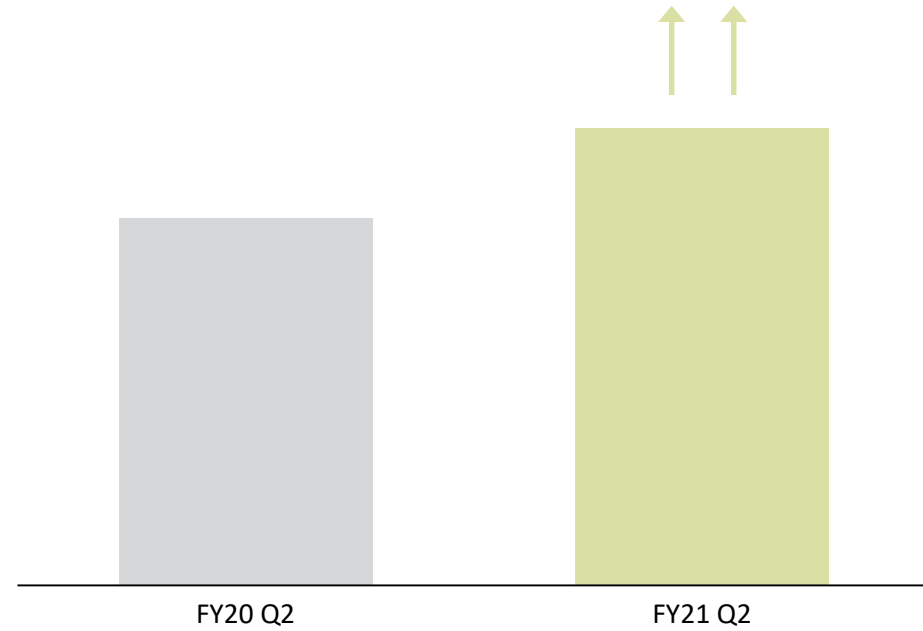


ADAPTING IN-STORE EXPERIENCES

↑↑ % YoY sales growth

MAINLINE REVENUE GENERATED FROM APPOINTMENTS

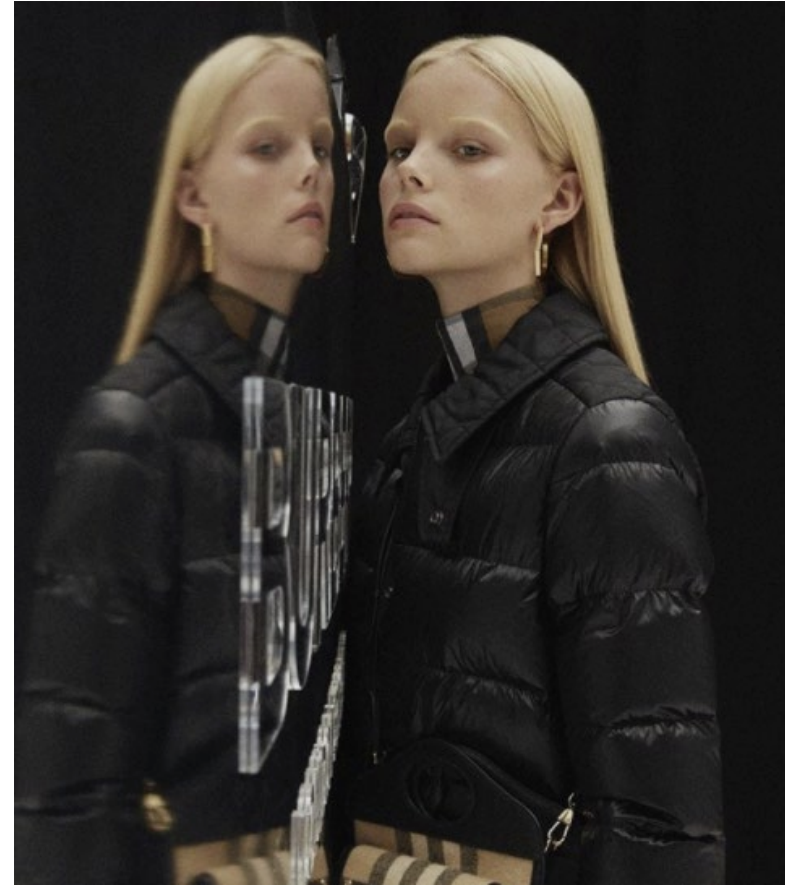
£M



BALANCE SHEET AND LIQUIDITY



CASH AND LIQUIDITY



COST MANAGEMENT

PEOPLE AND RESPONSIBILITY



OUR PEOPLE AND COMMUNITIES



RESPONSIBILITY



AGENDA

INTRODUCTION

PROGRESS TO DATE

FINANCIAL RESULTS

STRATEGY AND OUTLOOK

Q&A

JULIE BROWN

CHIEF OPERATING & FINANCIAL OFFICER

H1 2021 SUMMARY FINANCIALS

		----- CHANGE -----			
		H1 2021 £m	H1 2020 £m	Reported FX	CER
Adjusted	Revenue	878	1,281	(31%)	(30%)
	Adjusted operating profit	51	203	(75%)	(71%)
	Adjusted operating margin	5.8%	15.9%	(10.1% pts)	(9.3% pts)
	Adjusted diluted EPS	4.6p	36.9p	(88%)	(85%)
	Free cash flow	(45)	(29)		
	Dividend per share	0p	11.3p	(100%)	
Reported	Operating profit	88	202	(56%)	
	Reported diluted EPS	12.2p	36.4p	(66%)	

For definition of free cash flow and alternative performance measures see Appendix

RETAIL COMP GROWTH

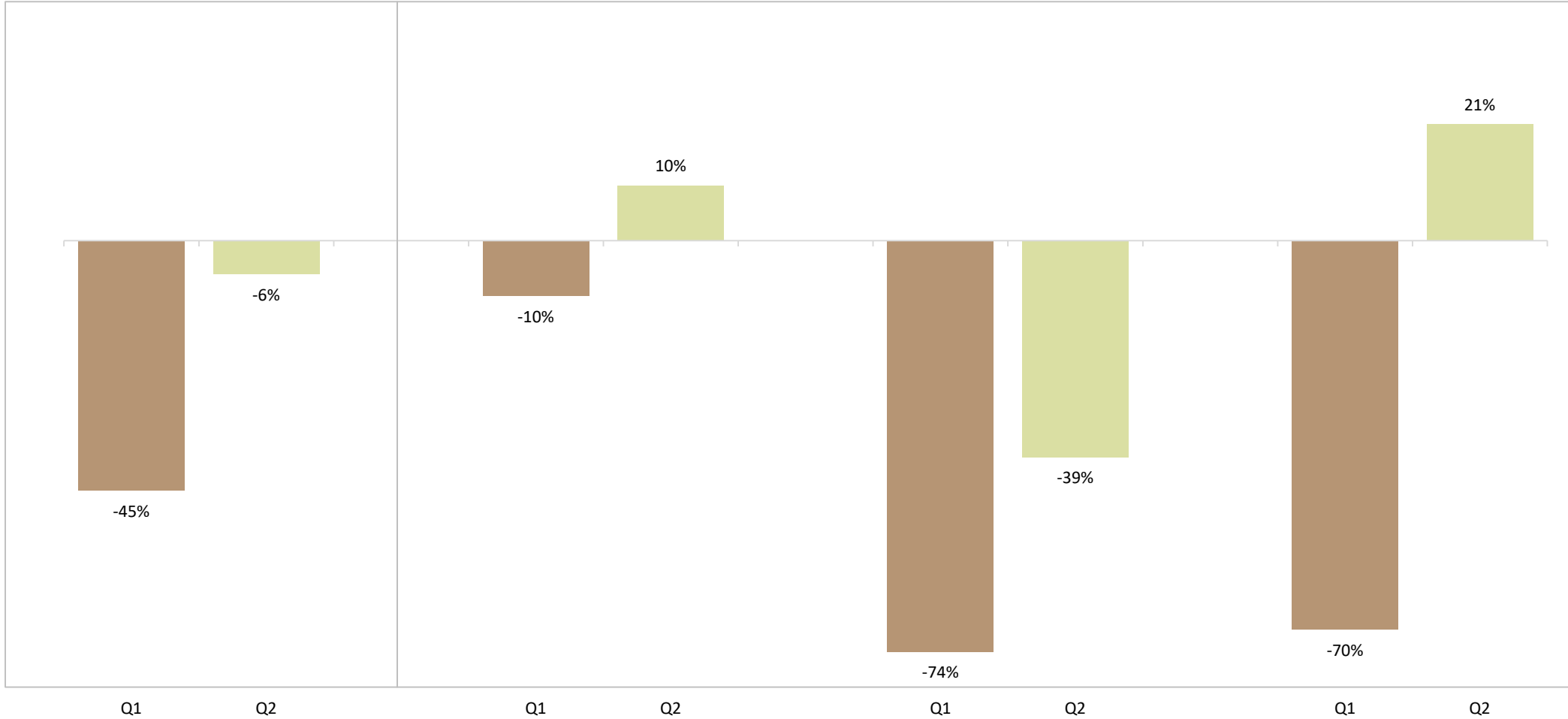
IMPROVING QUARTERLY PERFORMANCE

Group
H1 -25%

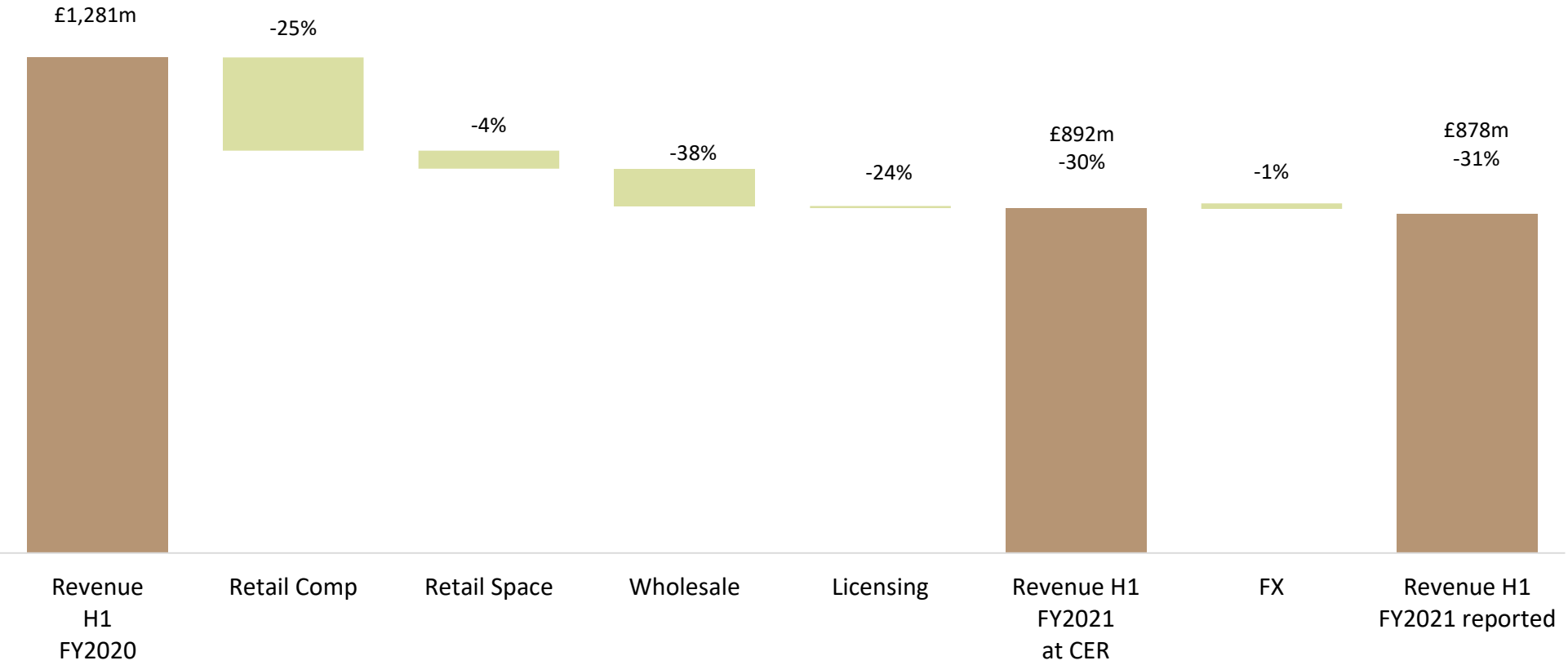
APAC
H1 flat

EMEA
H1 -56%

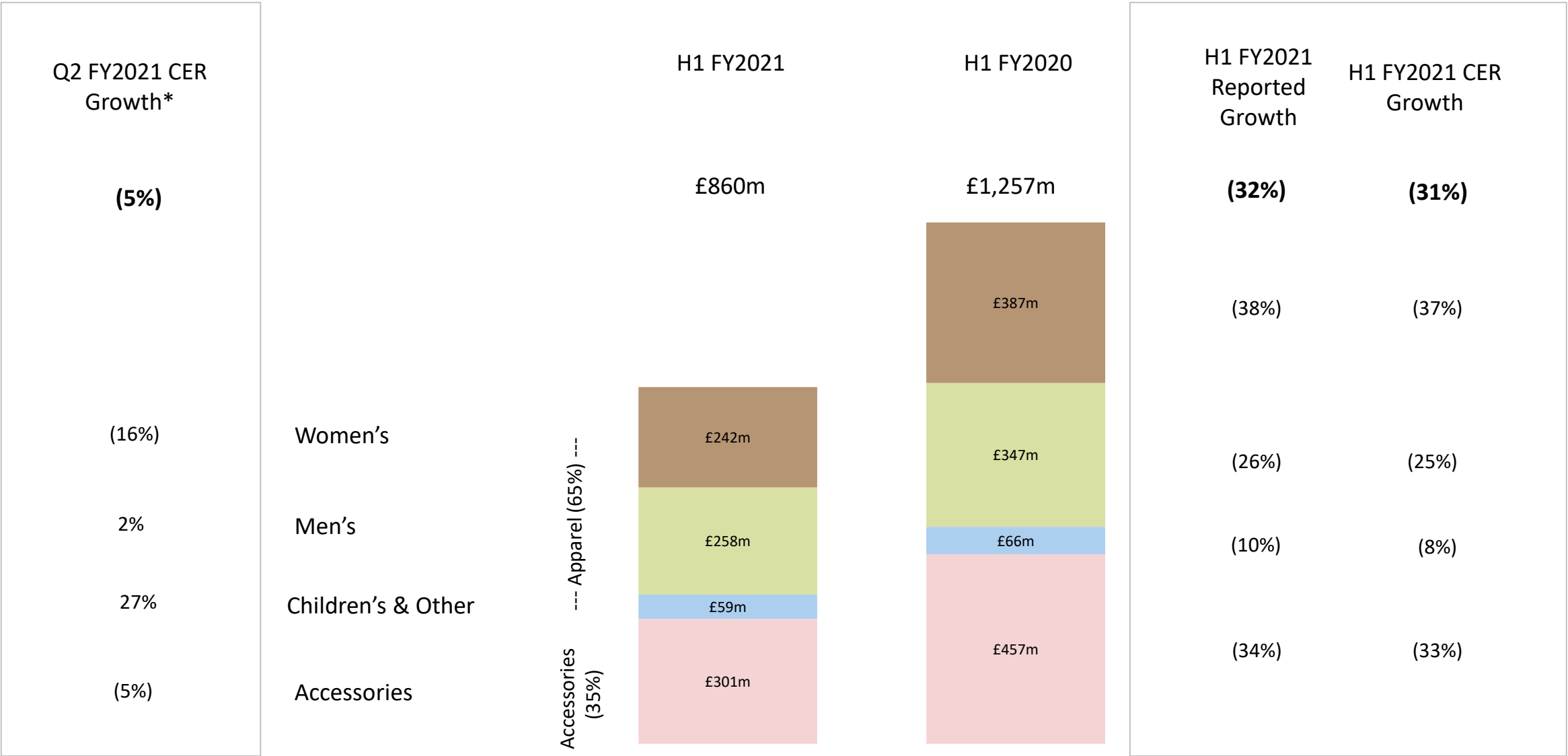
Americas
H1 -28%



GROUP REVENUE -30% (CER)



RETAIL & WHOLESALE REVENUE BY PRODUCT



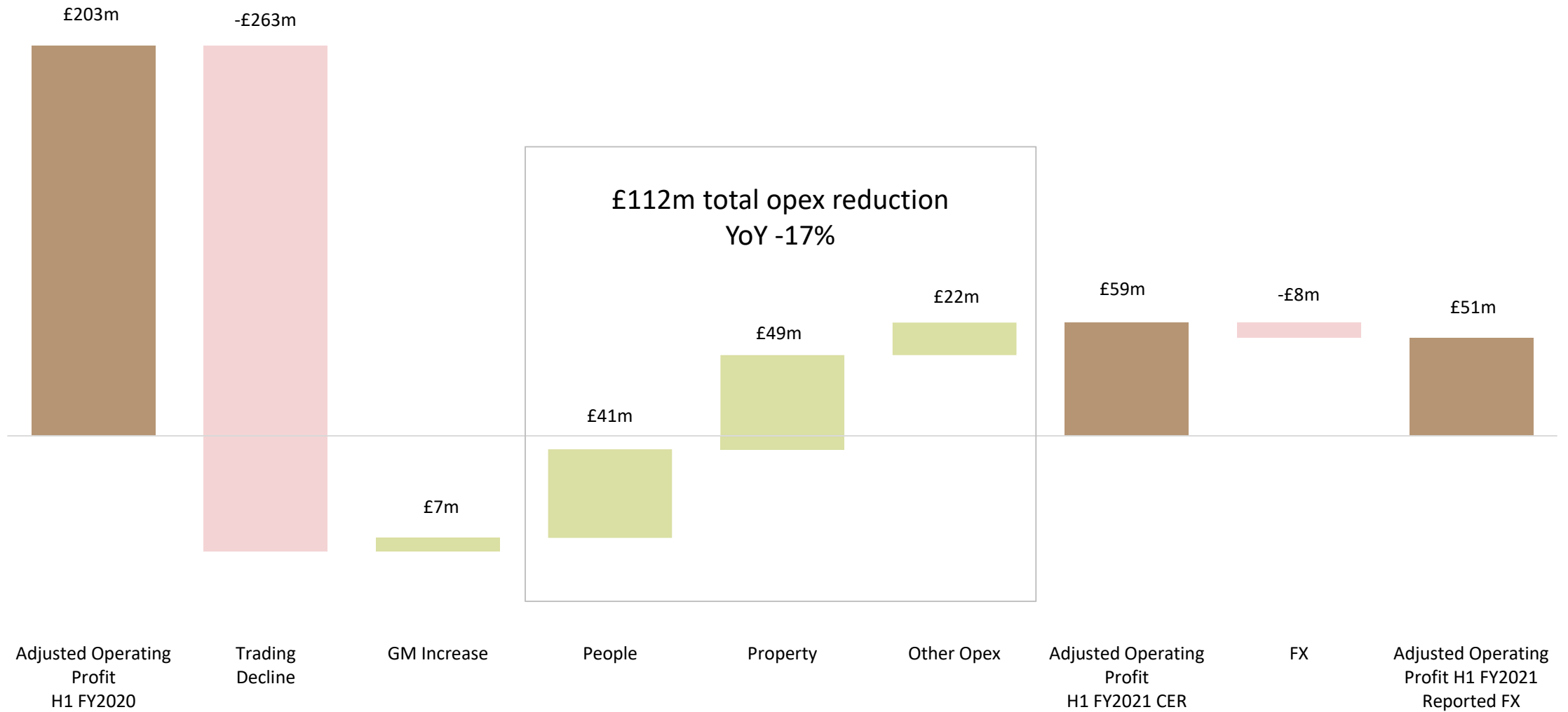
* Growth v Q2 FY2020

INCOME STATEMENT

		----- CHANGE -----					
		H1 2021 £m		H1 2020 £m		Reported FX	CER
Adjusted	Revenue	878		1,281		(31%)	(30%)
	Gross profit	598	68.1%	865	67.5%	(31%)	
	Operating expenses	(547)		(662)		(17%)	
	Adjusted operating profit	51	5.8%	203	15.9%	(75%)	(71%)
	Adjusting operating items	37		(1)			
	Tax*	(25)	51%	(43)	22%		
	Adjusted diluted EPS	4.6p		36.9p		(88%)	(85%)
Reported	Operating profit	88		202		(56%)	
	Reported diluted EPS	12.2p		36.4p		(66%)	

*Effective tax rate on an adjusted basis. Note that the table above shows the reported tax of £25m. The reported tax rate is 34%

ADJUSTED OPERATING PROFIT BRIDGE



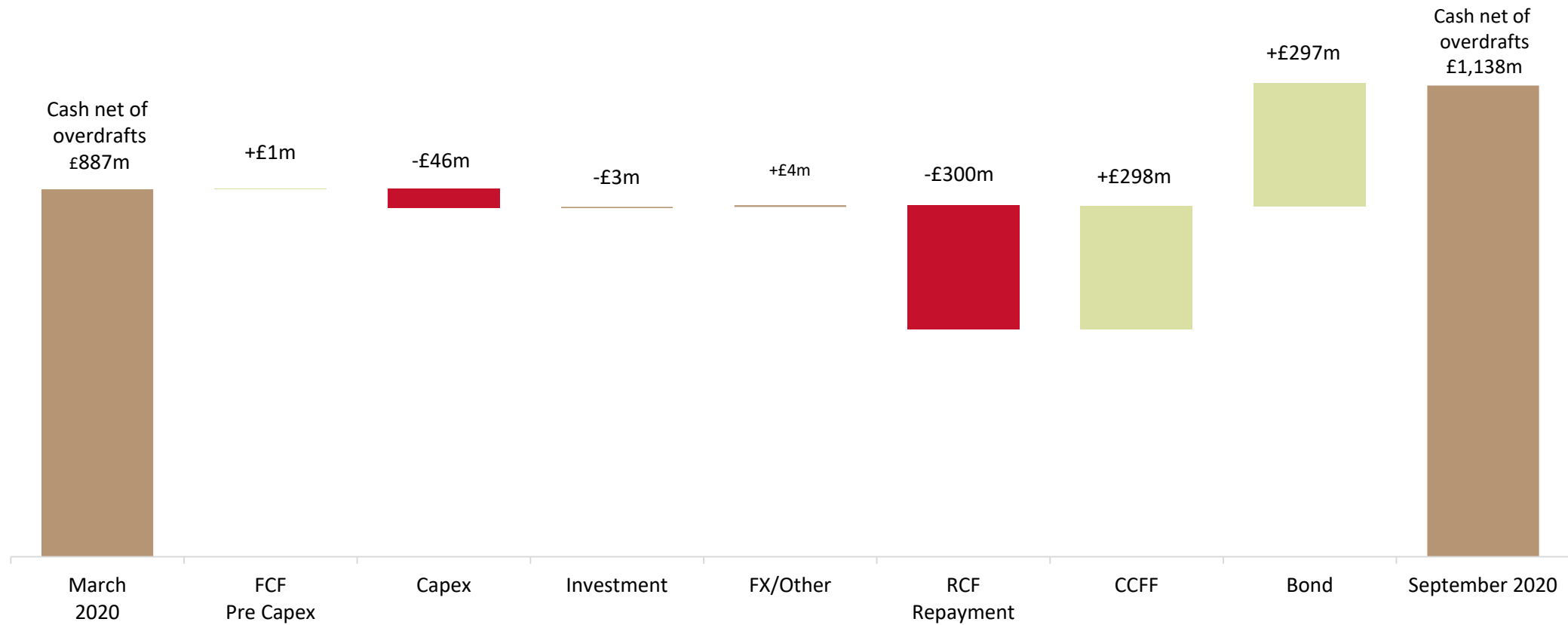
Note: £26m cash rent concessions treated as an adjusting item

FREE CASH FLOW

	H1 2021 £m	H1 2020 £m
Adjusted operating profit	51	203
Depreciation and amortisation	129	160
Working capital	(90)*	(120)
Other	(4)	18
Cash inflow from operations	86	261
Payment of lease liabilities	(62)	(125)
Capex	(46)	(68)
Interest	(14)	(9)
Tax	(9)	(88)
Free cash flow	(45)	(29)

* Inventory outflow £34m, Receivables outflow £23m, Payables outflow £33m
All figures based on Reported FX

CASH MOVEMENT



0.7x Net debt / adjusted EBITDA

	March 2020	September 2020
Cash, net of overdrafts	887	1138
Borrowings	-300	-596
Cash net of overdraft, net of borrowings	587	542
Lease liabilities	-1125	-1092
Net debt	-538	-550

Net debt / Adjusted EBITDA 0.9x



SUSTAINABILITY BOND

Sustainability Bond: 5 yr, £300m 1.125% senior, unsecured, unsubordinated

- Baa2 credit (stable outlook) rating from Moody's
- 8x over-subscribed
- Provides medium term financing
- Sustainability bond framework reviewed by Sustainalytics

Use of proceeds

- Finance eligible projects in Sustainability Bond Framework
- Three eligible categories:
 - Green buildings
 - Procurement of more sustainable raw materials (BCI Cotton)
 - Expenditure relating to sustainable packaging

BREXIT

Brexit planning for all outcomes

- Supply chain operations
- Incremental duty
- Authorised Economic Operator status
- Trade compliance
- Inventory management and logistics
- People



FY2021 FINANCIAL OUTLOOK

**Recovery well underway
but continuing impact of COVID-19 brings macro-economic uncertainty**

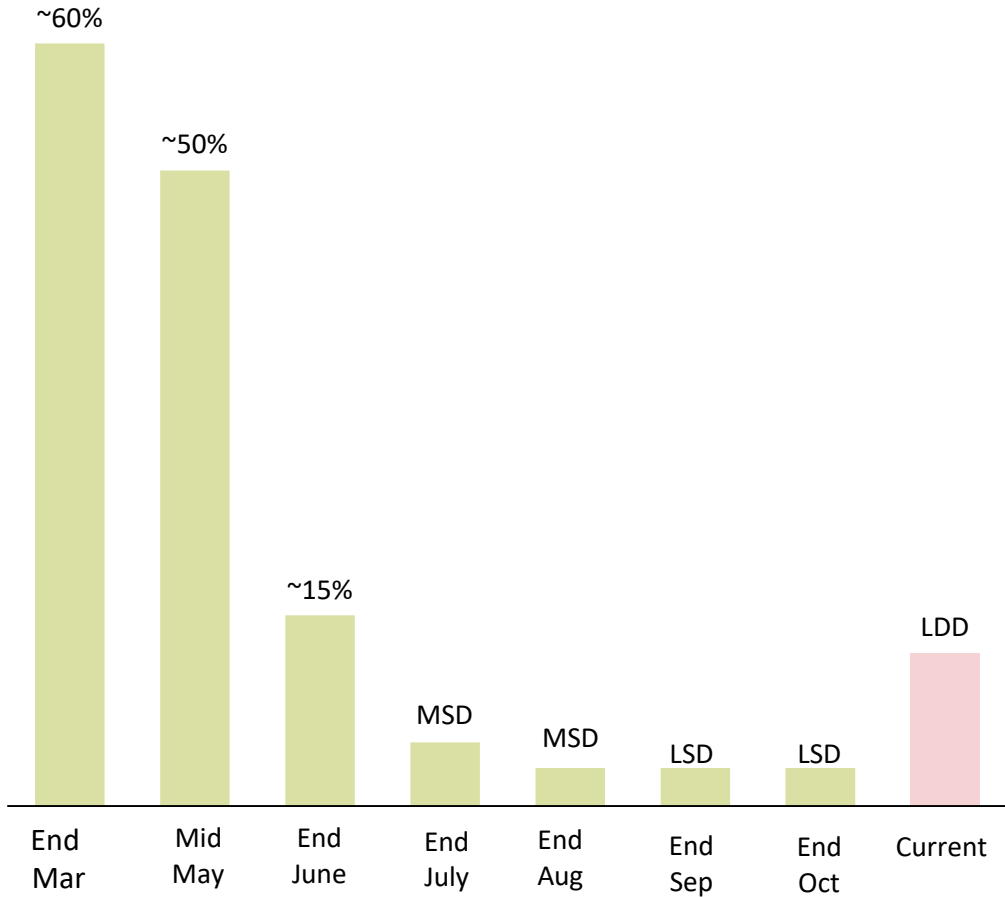
Guidance updates

- Impact of EMEIA lockdown
- Markdowns materially reduced in H2 FY2021 mainly falling in Q3 FY2021
- Space neutral in the FY (H2 FY2021 +3%)
- FY tax rate expected to be around 30%
- FX tailwind of £5m on adjusted operating profit and tailwind of £16m on revenue*

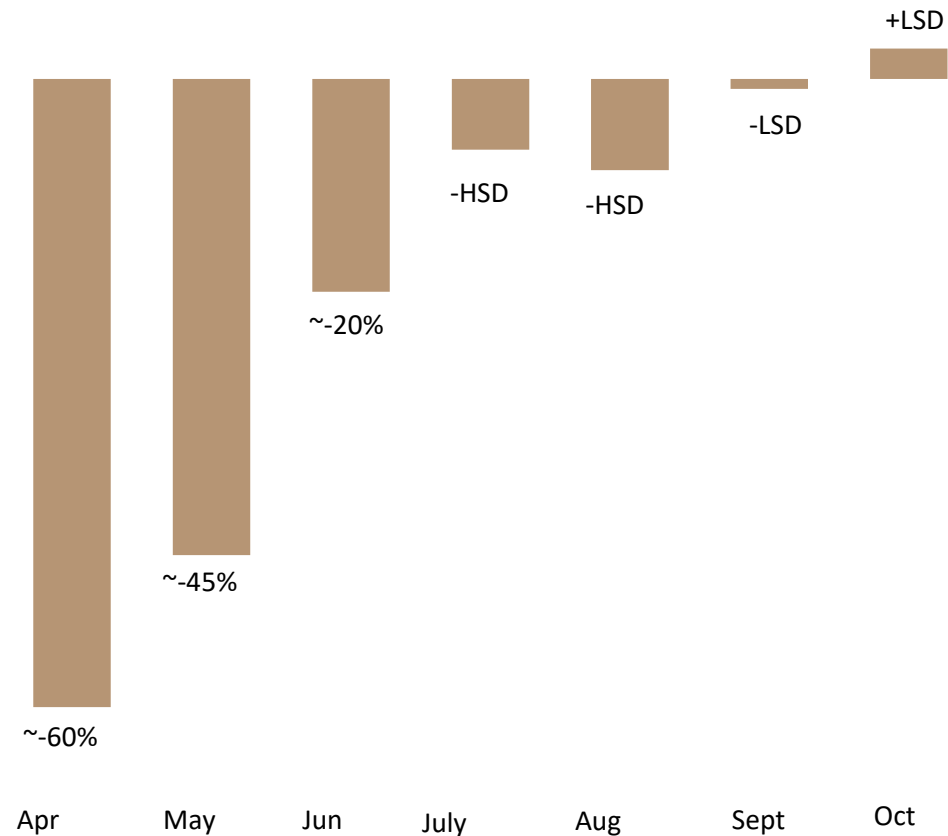
* Based on FX rates at 30 October

H1 FY2021 IMPACTED BY STORE CLOSURES

H1 PERCENTAGE OF STORES CLOSED



H1 -25% AND MONTHLY COMPARABLE SALES GROWTH





Summary

- Good recovery from COVID-19
- Liquidity strengthened
- Capex focused on rebounding economies
- Opex redirected to customer facing areas from enabling areas

Strong foundations in place to position us well to drive long term growth

MARCO GOBBETTI

CHIEF EXECUTIVE OFFICER

WHERE WE ARE IN OUR JOURNEY



- Ignite brand heat with influencers and key opinion leaders
- Manage product transition and invest in image-driving channels



- Adapt business to the COVID environment
- Continue to strengthen brand and product



- Accelerate growth

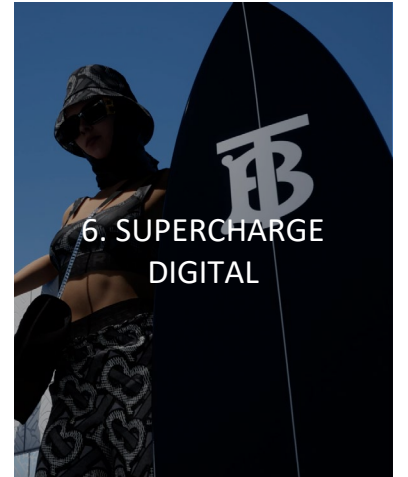
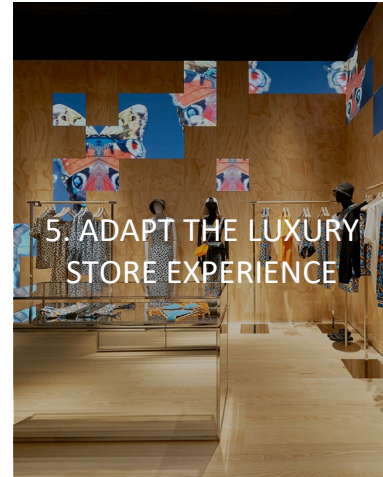
FY18/19



TODAY

Next 12-18 months

CLEAR PLANS IN PLACE TO DRIVE PERFORMANCE



FLEXIBILITY AND AGILITY

SUPPORT OUR PEOPLE AND COMMUNITIES

BALANCE SHEET AND LIQUIDITY

SHARPEN OUR LUXURY BRAND MESSAGE



SOCIAL CONTENT AT SCALE



LOCAL AND GLOBAL BURBERRY COMMUNITIES



INNOVATIVE FORMATS TO DRIVE ENGAGEMENT



ACCELERATE MAINLAND CHINA



DRIVE LOCAL RELEVANCE



HERO NEW PRODUCT



CONNECT WITH REPATRIATED CUSTOMERS



FOCUS ON LOCAL CONSUMER



PROGRAMME OF LOCALLY RELEVANT
EVENTS



NEW FORMATS TO ENGAGE LOCAL
CONSUMERS

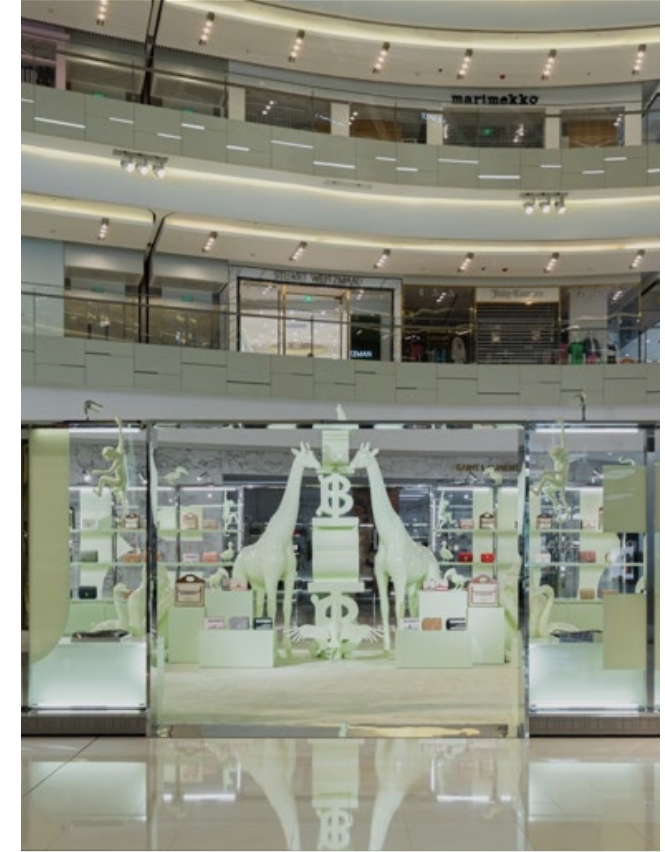
GROW LEATHER AND OUTERWEAR



REINFORCE LEATHER GOODS
ARCHITECTURE



CONTINUE BUILDING DESIRE FOR
OUTERWEAR

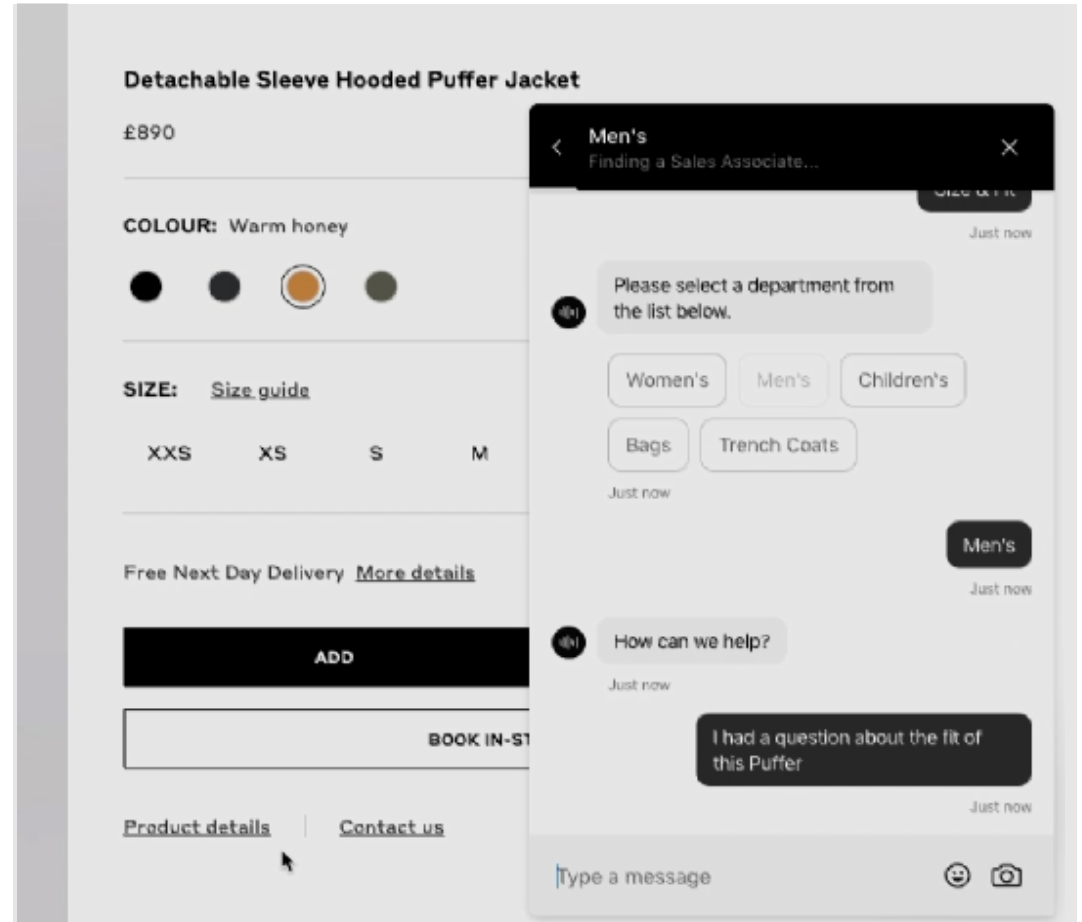


SUPPORT WITH BAGS AND OUTERWEAR-
DEDICATED CALENDAR MOMENTS

ADAPT LUXURY STORE EXPERIENCE



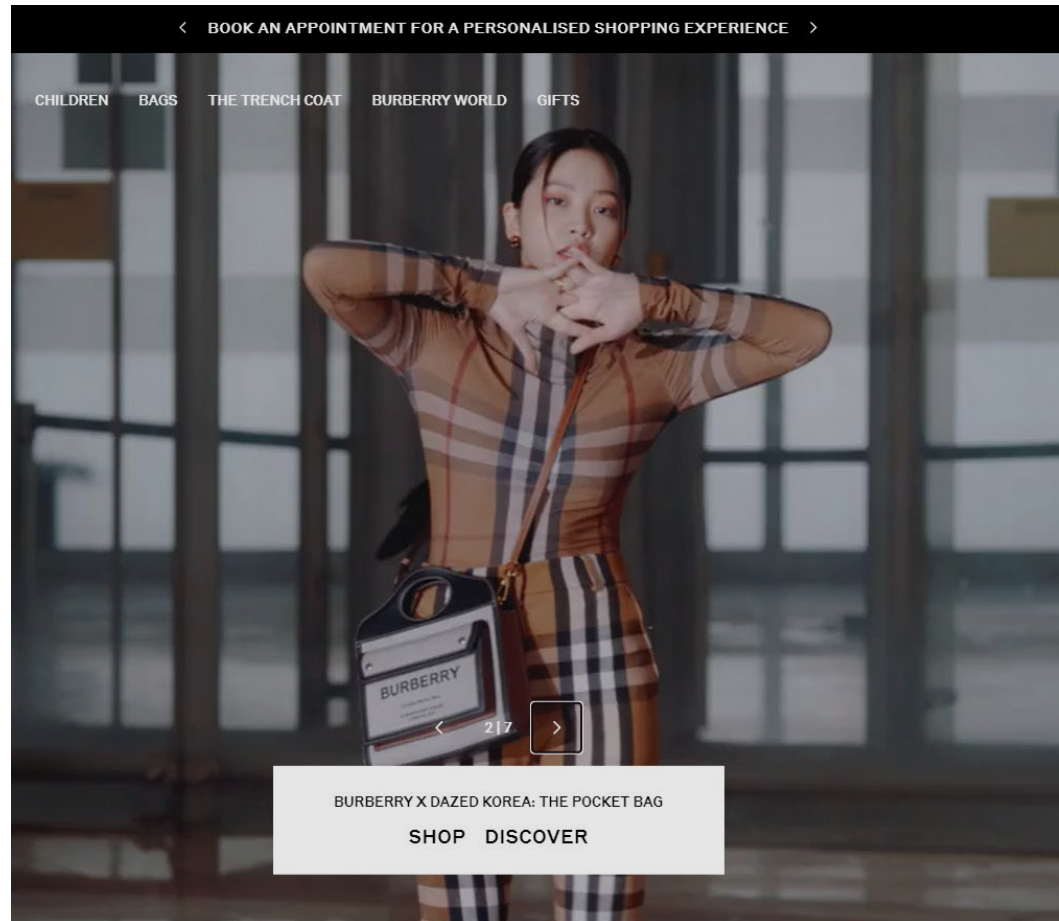
SUPERCHARGING APPOINTMENTS



INTRODUCING NEW ONLINE TO OFFLINE CUSTOMER JOURNEYS



SUPERCARGE DIGITAL



STEP-CHANGE INSPIRATION



CURATED PRODUCT

STRONG BUSINESS FOUNDATION

LOCAL EXECUTION

CASH AND COST MANAGEMENT

AGILITY AND OPERATIONAL EFFICIENCY

DRIVING POSITIVE CHANGE





KEY MESSAGES

Strong strategic progress despite COVID

Still a challenging period ahead, but clear plans in place to drive performance in the next 12-18 months



Q&A