

A desert landscape with sand dunes and a checkered pattern on the ground. The scene is captured in a warm, golden light, likely during sunrise or sunset. The dunes are smooth and undulating, with a checkered pattern of light and dark sand extending across the foreground and middle ground. The sky is a pale, hazy yellow, and the overall atmosphere is serene and minimalist.

# **BURBERRY**

**LONDON ENGLAND**

PRELIMINARY RESULTS 2021

13 MAY 2021

# BURBERRY PRELIMINARY RESULTS 2021

## AGENDA FOR TODAY

---

09:30-09:45	Building the new Burberry	Marco Gobbetti
09:45-10:00	The next chapter: Growth Acceleration	Marco Gobbetti
10:00-10:20	Financial results	Julie Brown
10:20-11:00	Q&A	Marco Gobbetti / Julie Brown



# BUILDING THE NEW BURBERRY

MARCO GOBBETTI  
(CHIEF EXECUTIVE OFFICER)

IN AN EXCEPTIONAL YEAR, WE HAVE FOCUSED ON THE IMMEDIATE PRIORITIES



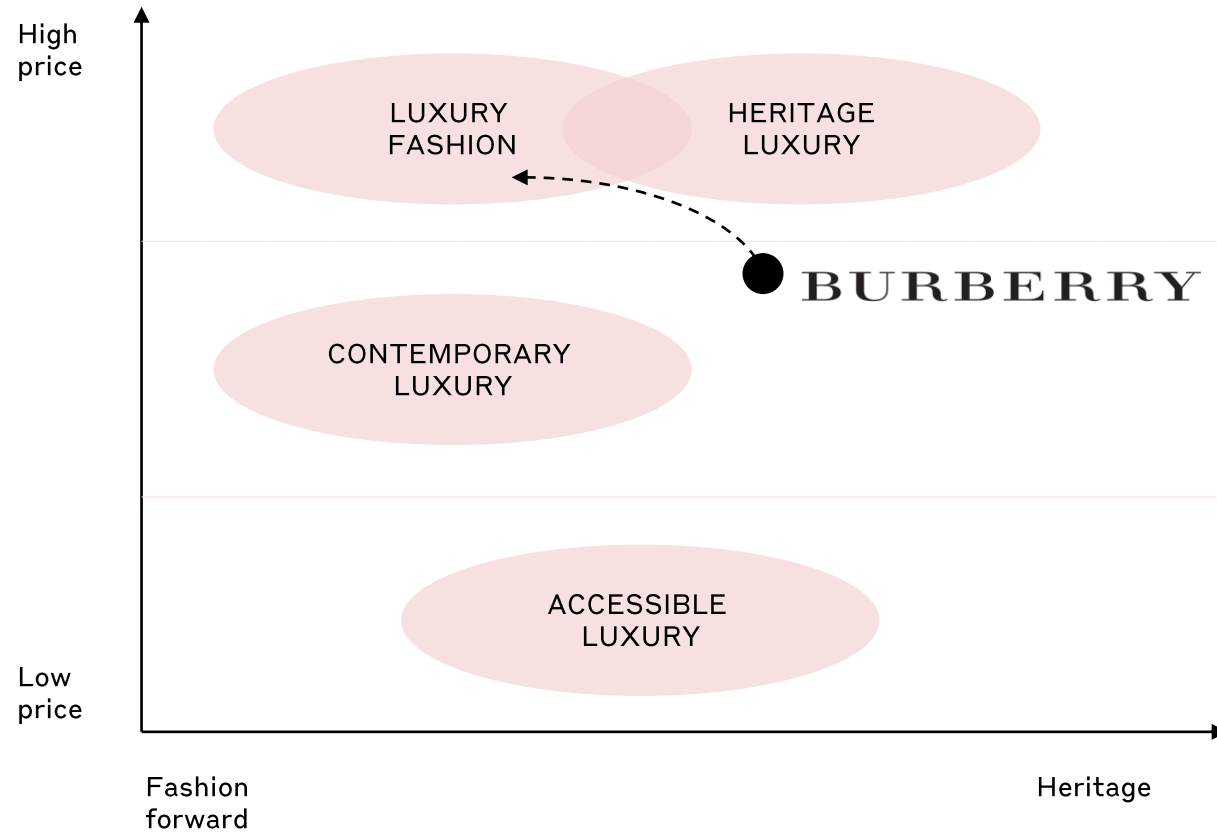
**PRIORITISED THE SAFETY AND WELLBEING OF OUR COLLEAGUES, PARTNERS AND CUSTOMERS**

**CONTRIBUTED TO THE RELIEF EFFORTS TO SUPPORT OUR COMMUNITIES GLOBALLY**

**CONTINUED TO CREATE A MORE SUSTAINABLE FUTURE FOR LUXURY**

**PROTECTED OUR BUSINESS**

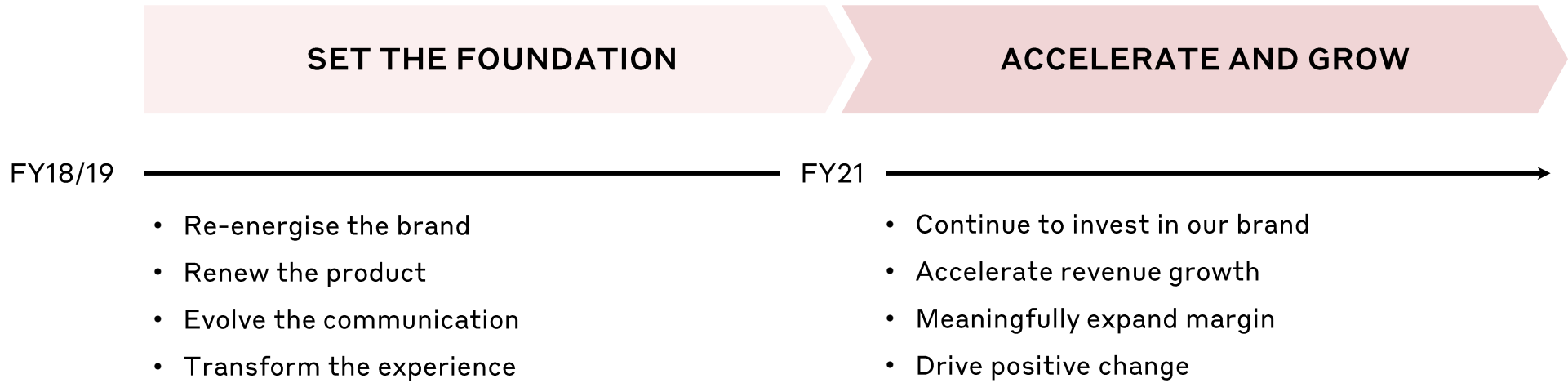
# IN 2017 WE ANNOUNCED OUR VISION FOR BURBERRY



## OUR VISION

Firmly establish our position in luxury fashion, inspiring customers with our unique British attitude

# TWO PHASES TO ACHIEVE OUR VISION



**In the last three years we have  
transformed the business**

# COMMUNICATIONS

## OUR OBJECTIVES IN 2017

“We will re-energise the brand, by placing product at the heart of our communications, reimagining content with a curated, edited approach, and investing in meaningful experiences”

## WHAT WE HAVE ACHIEVED

- Completely redefined our brand image
- Renewed all touchpoints
- Elevated our position towards luxury and fashion in every market



# COMPLETELY REDEFINED OUR BRAND IMAGE AND RENEWED ALL TOUCHPOINTS

FROM

**BURBERRY**  
*London, England*



WORDMARK

AD CAMPAIGN



AD CAMPAIGN

TO

**BURBERRY**  
LONDON ENGLAND

WORDMARK



TB MONOGRAM



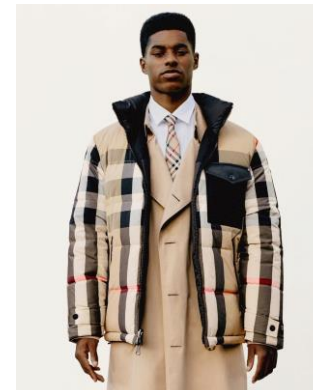
AD CAMPAIGNS



FASHION SHOWS



UNEXPECTED VISIBILITY



SOCIAL MEDIA



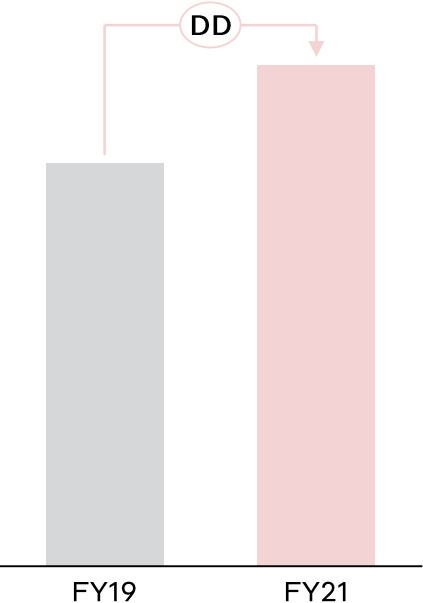
INFLUENCERS



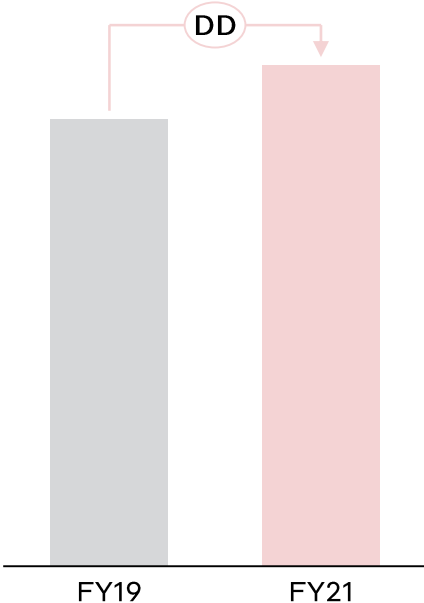
EDITORIALS

# INCREASED VISIBILITY AND ENGAGEMENT, PARTICULARLY ON SOCIAL MEDIA

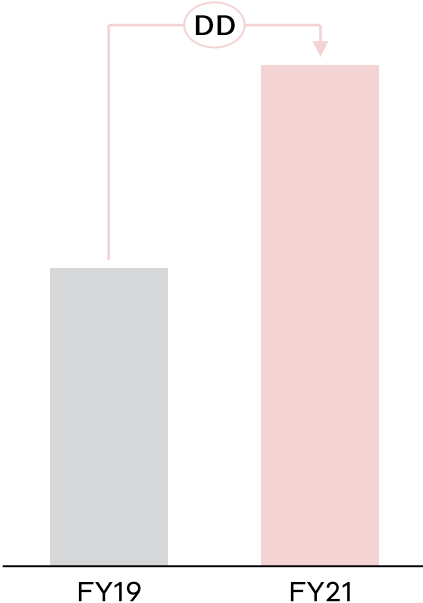
INSTAGRAM – EARNED REACH,  
#



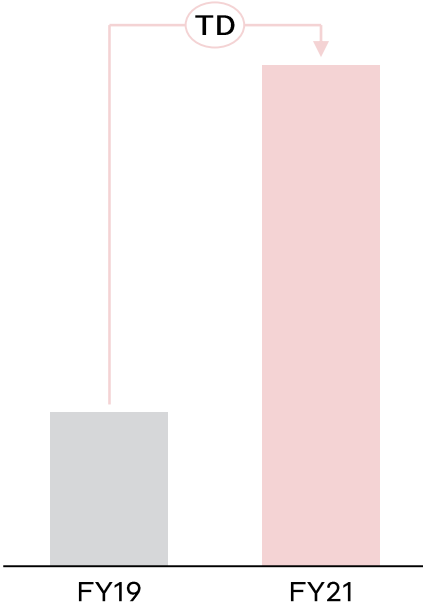
INSTAGRAM – ENGAGEMENT,  
#



WECHAT – EARNED REACH<sup>1</sup>,  
#



WECHAT – ENGAGEMENT,  
#



1 Data refers to Jul-Apr; WeChat earned reach data not available before Jul 2018

# PRODUCT

## OUR OBJECTIVES IN 2017

“We will renew our product, by increasing fashion content, injecting newness and transforming leather goods”

## WHAT WE HAVE ACHIEVED

- Transitioned ready to wear to a new, elevated fashion offer
- Established leather goods architecture
- Diversified outerwear offer
- Rebuilt evergreens

# TRANSITIONED READY TO WEAR TO A NEW, ELEVATED, FASHION OFFER

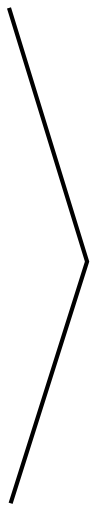
FROM



SS18 RUNWAY AND 2018 MAINLINE



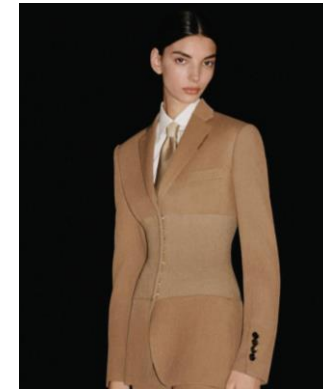
TO



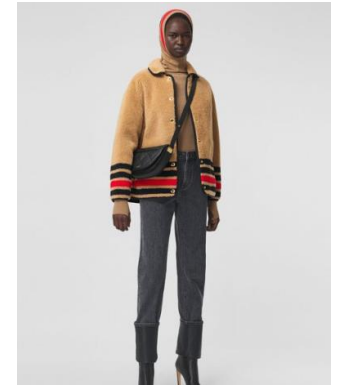
SS20 RUNWAY



AW21 RUNWAY



AW20 RUNWAY



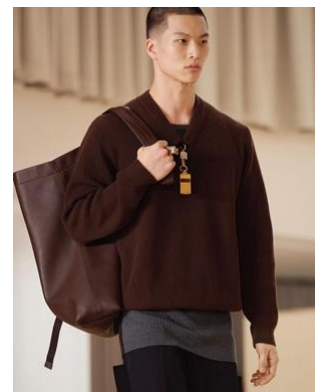
2021 MAINLINE



SS21 RUNWAY



AW21 M RUNWAY



AW21 M RUNWAY



2021 MAINLINE

# COMPLETELY REBUILT THE LEATHER GOODS ARCHITECTURE

FROM: TOP 3 BAGS IN FY18 (RRP)



RUCKSACK (£950)



BANNER (£1190)



BUCKLE TOTE (£975)

TO: NEW LEATHER GOODS ARCHITECTURE (RRP)



TB BAG (£1690)



POCKET (£990)



TITLE (£1590)



LOLA (£1390)



OLYMPIA (£1490)



# RESULTING IN STRONG GROWTH IN OUR CORE CATEGORIES, AND A SIGNIFICANT IMPROVEMENT IN AUR

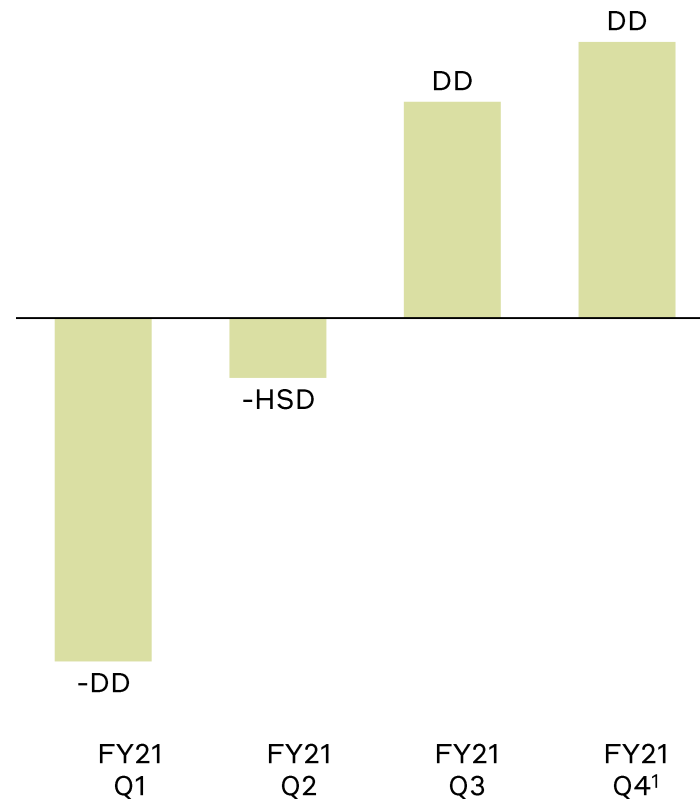
## LEATHER GOODS

LEATHER GOODS, FULL PRICE REVENUE GROWTH, % YOY



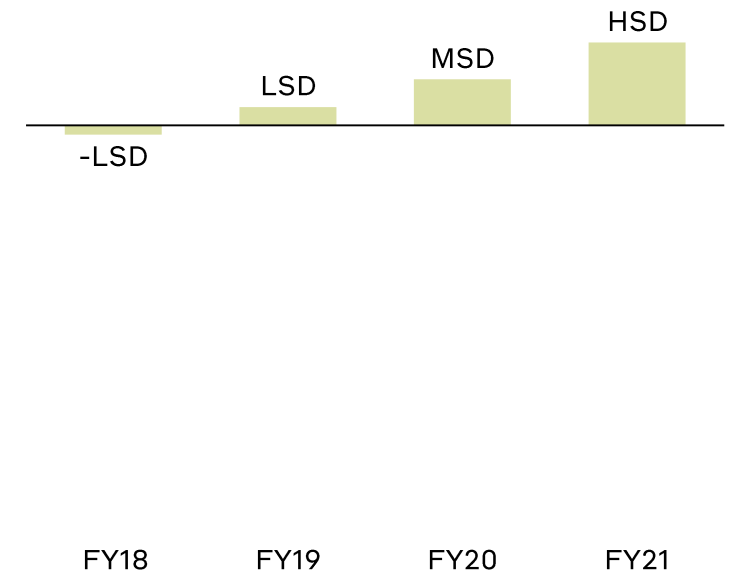
## OUTERWEAR

OUTERWEAR<sup>2</sup>, FULL PRICE REVENUE GROWTH, % YOY



## AUR

MAINLINE AND DIGITAL AUR GROWTH, % YOY



<sup>1</sup> FY21 Q4 yoy growth vs LLY, due to Q4 FY20 significantly impacted by COVID-19  
<sup>2</sup> Excluding rainwear

## DISTRIBUTION

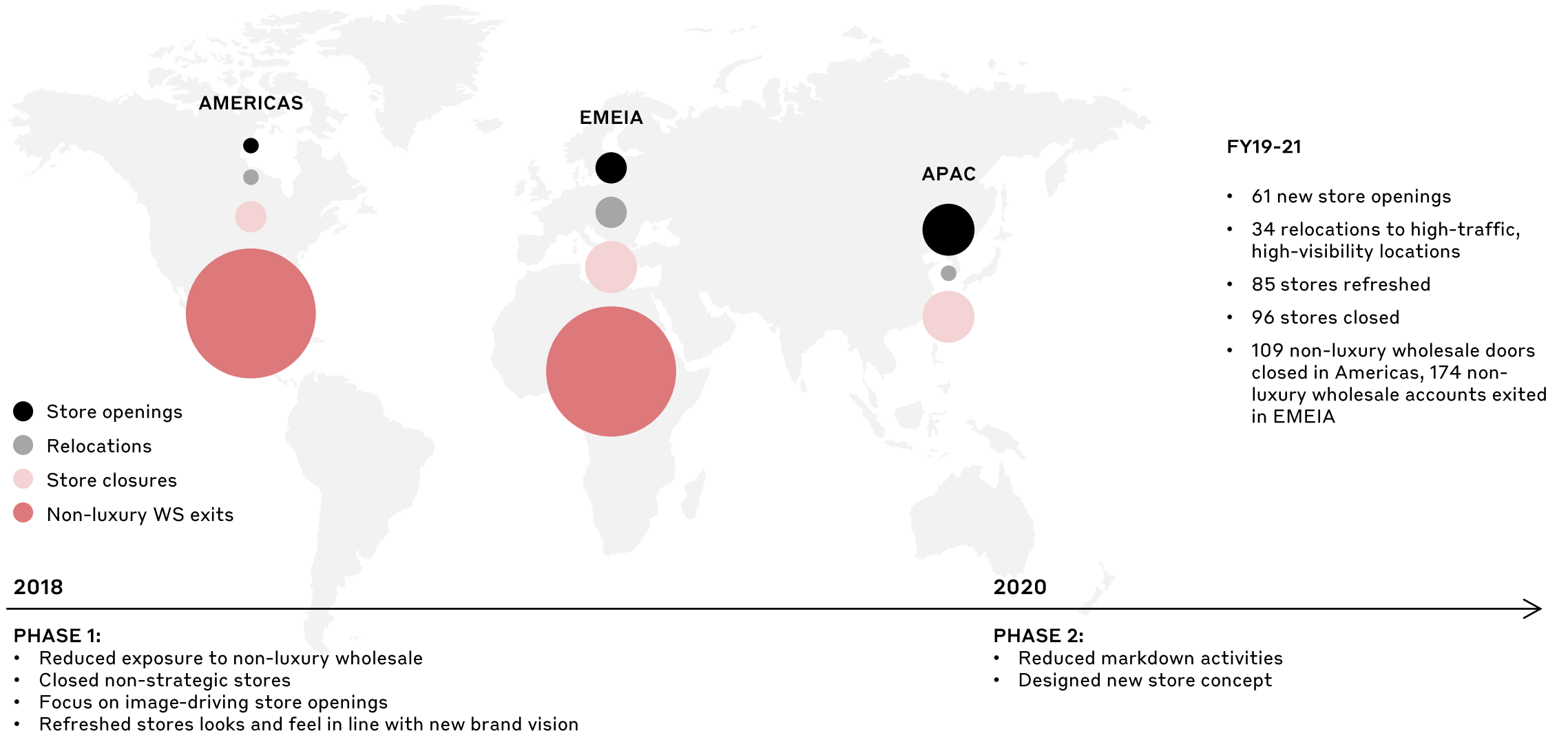
### OUR OBJECTIVES IN 2017

“We will transform the experience, by reducing exposure to non-luxury channels, building a luxury network in line with our brand, upgrading our stores and transforming the in-store experience”

### WHAT WE HAVE ACHIEVED

- Reset distribution – rationalised non-luxury wholesale and non-strategic stores, and reduced markdown
- Upgraded our stores look and feel and designed new store concept
- Transformed in-store experience
- Launched industry-leading digital innovation

# ALIGNED DISTRIBUTION TO OUR NEW LUXURY POSITIONING





# UPGRADED OUR STORES LOOK AND FEEL IN LINE WITH NEW BRAND VISION

FROM



KOREA



SINGAPORE



LOS ANGELES

TO



SHANGHAI IAPM



GINZA, TOKYO



GUM MOSCOW



SHENZHEN BAY

# LEVERAGED OUR STRONG DIGITAL FOUNDATIONS TO DRIVE DIGITAL GROWTH



.COM



INSPIRATION



GAMING



SOCIAL RETAIL STORE



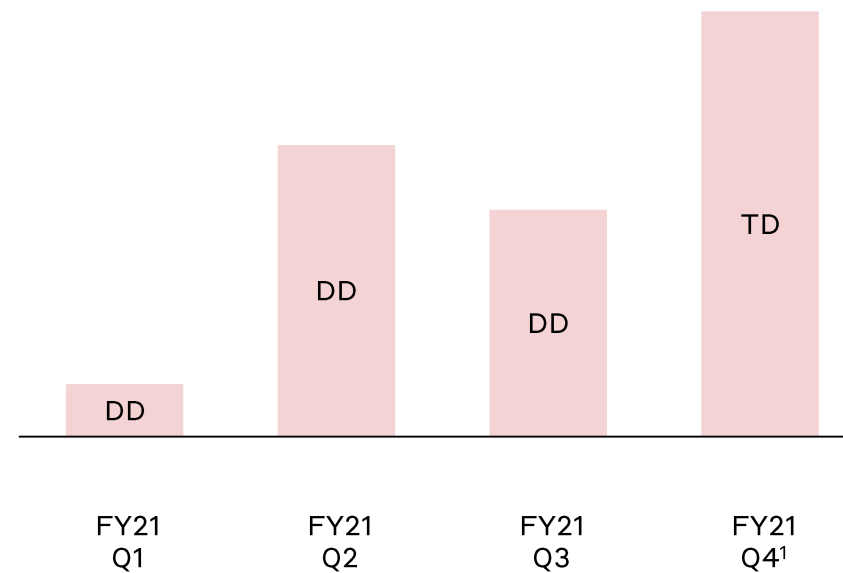
O2O



THIRD PARTY PLATFORMS

## DIGITAL FULL PRICE SALES

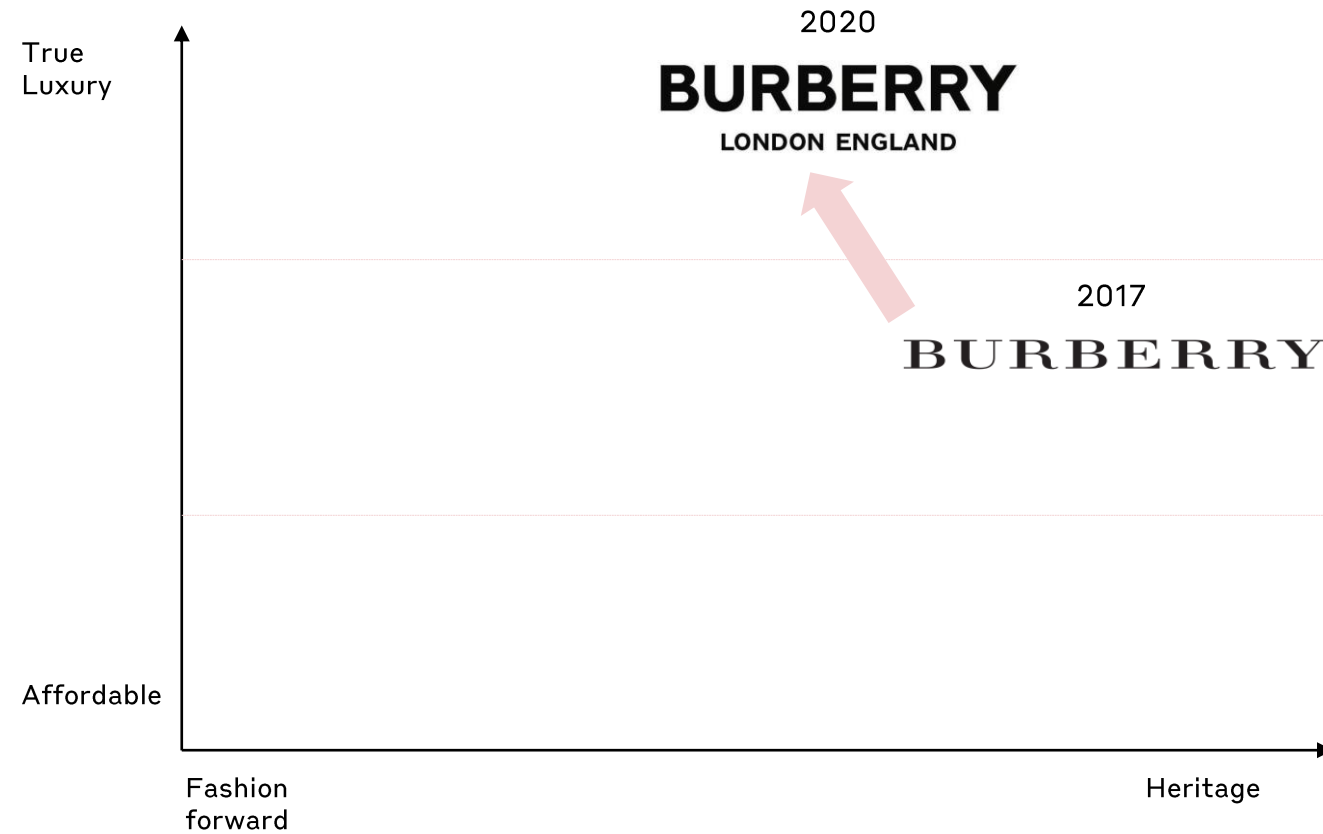
DIGITAL, FULL PRICE REVENUE GROWTH, % YOY



<sup>1</sup> FY21 Q4 yoy growth vs LLY, due to Q4 FY20 significantly impacted by COVID-19

**We have built a new Burberry**

# BURBERRY IS NOW ANCHORED IN LUXURY ...

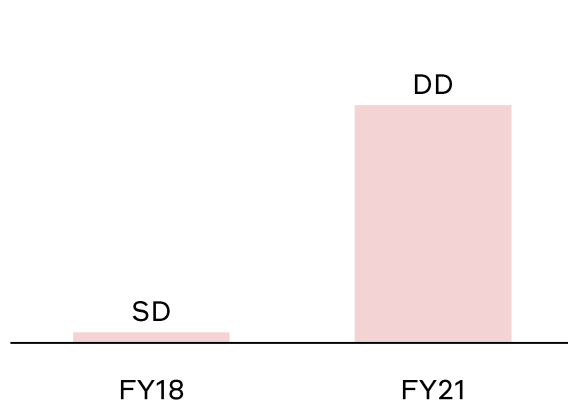


# ... WITH A STRONG CUSTOMER BASE

## NEW CUSTOMERS

- Full price sales from new customers improved to low double-digit growth

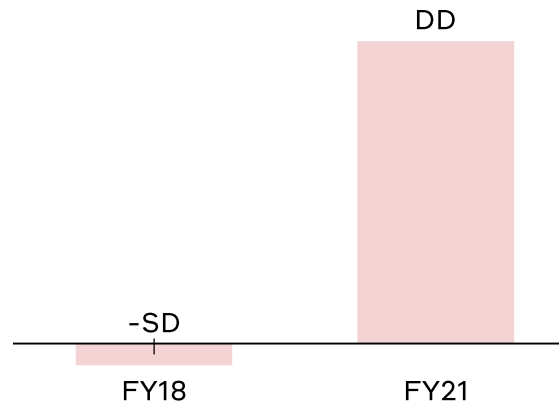
FP REVENUES FROM NEW CUSTOMERS,  
% YOY GROWTH



## REPEAT CUSTOMERS

- Full price sales from repeat customers improved to mid double-digit growth

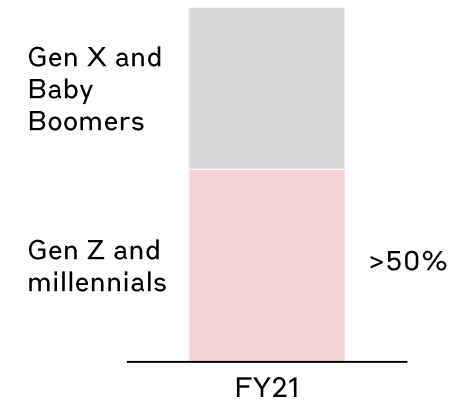
FP REVENUES FROM REPEAT CUSTOMERS,  
% YOY GROWTH



## CUSTOMER PROFILE

- Balanced age mix in our customer profile
- Good traction with young, fashion-forward customers

FP REVENUES BREAKDOWN BY CUSTOMER  
AGE, % SHARE

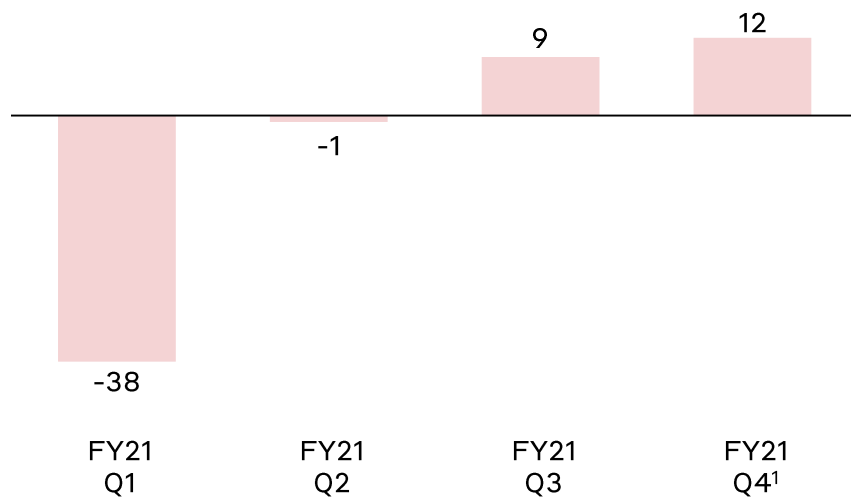


# WE HAVE BUILT A HIGH-QUALITY BUSINESS ...

## REVENUE FULL PRICE ACCELERATION IN FY21

- Full recovery in full price sales, with SD yoy growth in Q3 and DD yoy growth in Q4 (vs. FY19 base), in line with top-quartile industry performance

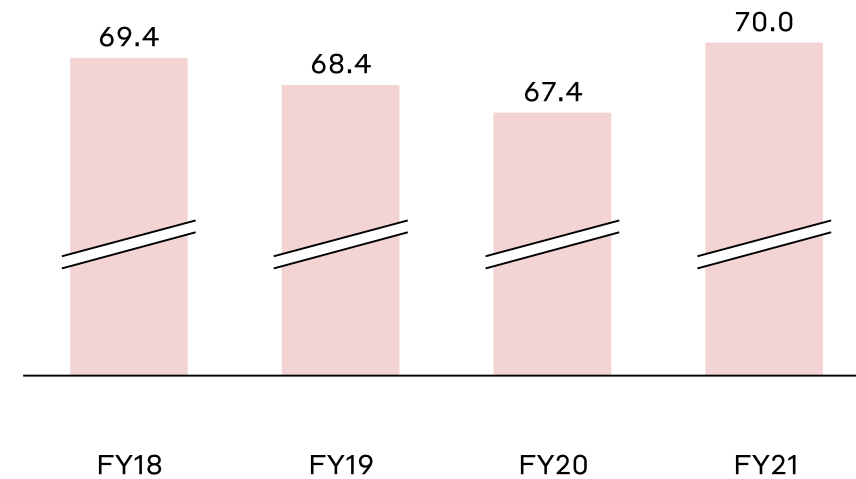
MAINLINE AND DIGITAL FULL PRICE SALES YOY GROWTH BY QUARTER (COMP STORES), %



## MARGIN GROSS MARGIN IMPROVEMENT

- Gross margin broadly in line with pre-transition levels

GROSS MARGIN EVOLUTION BY YEAR, %



<sup>1</sup> FY21 Q4 yoy growth vs LLY, due to Q4 FY20 significantly impacted by COVID-19

<sup>2</sup> Gross margin benefited from COVID provisions taken in the PY by circa 80 bps

# ... ACROSS MAJOR LUXURY MARKETS

## CHINA



LNY FILM & CAPSULE



SOCIAL RETAIL STORE



天猫超级品牌日  
TMALL SUPER BRAND DAY

## AMERICAS



SPECIAL ACTIVATIONS



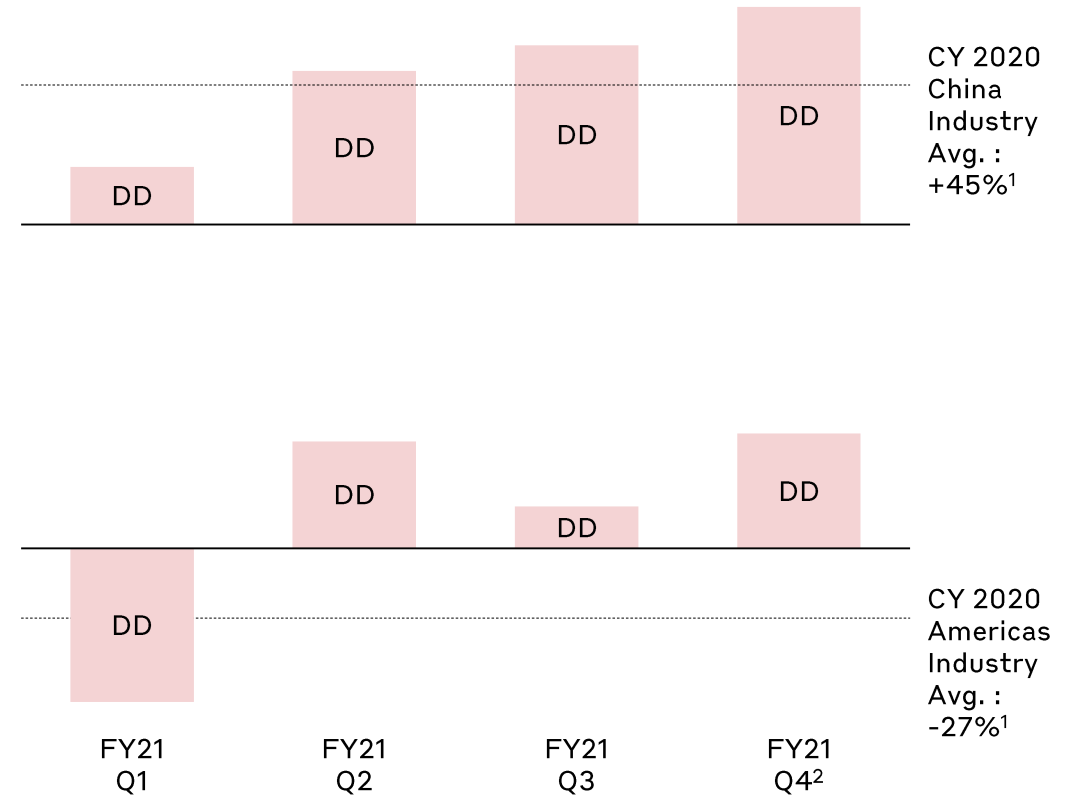
CONTENT PARTNERSHIPS



INFLUENCERS

## FULL PRICE PERFORMANCE IN CHINA AND AMERICAS

FULL PRICE REVENUE YOY GROWTH BY QUARTER (COMP STORES), %



1 Source: Bain Altagamma Luxury Market Monitor 2020  
2 FY21 Q4 yoy growth vs LLY, due to Q4 FY20 significantly impacted by COVID-19

# WE ARE FOCUSED ON BUILDING A SUSTAINABLE FUTURE

## OUR PEOPLE



INTERNATIONAL WOMEN'S DAY 2021

- Health and Safety
- Embedding well-being support and programmes
- Championing D&I
- Industry-leading employee policies

## OUR COMMUNITIES



- Support for COVID relief efforts
  - PPE, vaccine, food banks
  - Burberry Foundation COVID community fund
- Burberry x Marcus Rashford
- Burberry Inspire

## OUR ENVIRONMENT



- ReBurberry edit
- Sustainability Bond
- Burberry Regeneration Fund
- Carbon neutral shows and events
- Ended practice of destroying unsaleable products
- Banned fur



**We are now successfully  
through our transformation,  
and into the next chapter**

A sailboat with three sails is shown on the ocean. The sails feature intricate, colorful patterns: the leftmost sail is blue and yellow, the middle one is white and blue, and the rightmost one is black and white. The boat's hull is white and has the text '帆海汇' and 'FANHAIHUI' followed by numbers '005', '035', and '030' on different sections. The background is a clear blue sky and a calm sea.

# THE NEXT CHAPTER: GROWTH ACCELERATION

MARCO GOBBETTI  
(CHIEF EXECUTIVE OFFICER)

**In this next chapter,  
we will leverage our unique brand  
to deliver significant value creation**

IN THIS NEXT PHASE, WE WILL LEVERAGE OUR UNIQUE BRAND  
TO DELIVER HIGH-QUALITY GROWTH AND POSITIVE CHANGE

**BRAND**

**REVENUE**

Revenue acceleration, driven by  
full price

**PROFIT AND CASH**

Meaningful expansion, while  
investing in growth

Significant free cash generation

**POSITIVE CHANGE**

Positive change for our people, our  
communities and our environment

# BURBERRY IS A UNIQUE BRAND

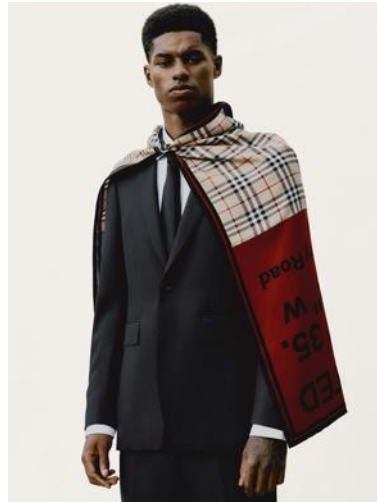
GROUNDED IN THE FOUNDING PRINCIPLES OF THOMAS BURBERRY AND TRUE TO OUR RICH HERITAGE



A TRUE LUXURY BRAND



UPHOLDING OUR  
SUSTAINABLE  
HERITAGE



FROM BRITAIN, TO THE  
WORLD



IN THE OUTDOORS  
AND BEYOND



UNEXPECTED  
INNOVATORS



WITH PURPOSE-DRIVEN  
VALUES, INSPIRED BY  
OUR FOUNDER

# WHAT WE WANT TO BE KNOWN FOR

## LUXURY



**A true luxury fashion house**

Creators of beautiful, memorable products, with a relentless focus on quality and craft

## CREATIVE



**A beacon of imagination and innovation**

Inspiring through bold, unexpected experiences and collaborations that excite and unite our community

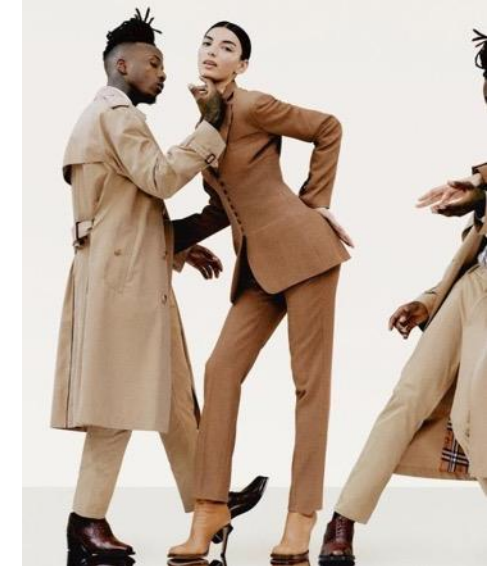
## AUTHENTIC



**The definitive luxury outerwear pioneer**

A modern brand that upholds its rich heritage, bringing a uniquely British perspective

## WITH PURPOSE



**A values-driven brand, guided by the spirit of our founder**

Committed to doing the right thing, from championing our community to protecting the planet

## REVENUE: WE WILL DRIVE REVENUE THROUGH 5 KEY LEVERS



- 1. BUILD BRAND ADVOCACY AND COMMUNITY**
- 2. FOCUS ON CORE CATEGORIES**
- 3. DRIVE STORE PERFORMANCE**
- 4. SUPERCHARGE DIGITAL SALES**
- 5. FOCUS ON FULL PRICE**

# REVENUE: BUILD BRAND ADVOCACY AND COMMUNITY

## OUR AMBITION

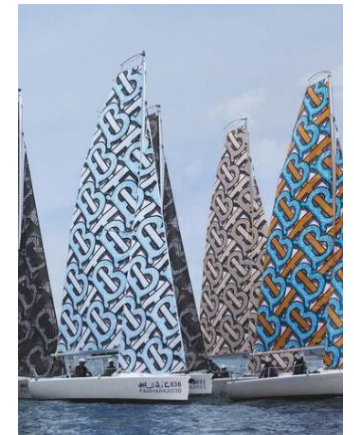
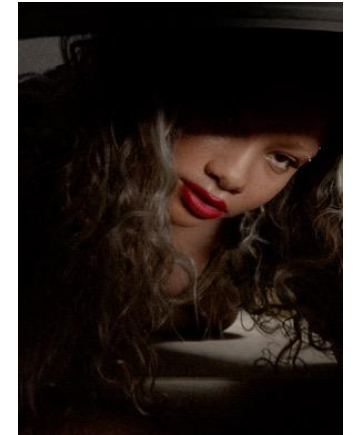
Excite and inspire the Fashion Vanguard, fostering a strong Burberry community

## OUR FOCUS FOR FY22-24

- Strengthen the emotional connection with our community through authentic luxury storytelling
- Amplify our brand through local and global Burberry communities, editorial partners and influencers
- Drive engagement through new social-first content and formats
- Create unexpected, memorable brand experiences and innovative formats to unite and excite our customers

## HOW THIS WILL DRIVE REVENUE GROWTH

- Accelerate demand
- Increase pricing power







OUR PLAN IN ACTION: OLYMPIA CAMPAIGN

## REVENUE: FOCUS ON CORE CATEGORIES

### OUR AMBITION

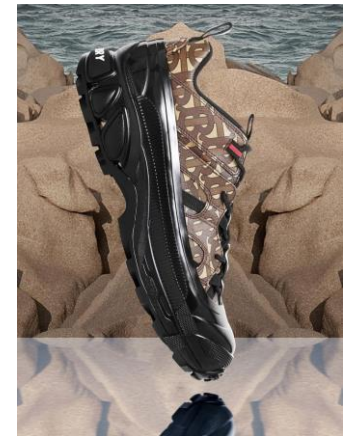
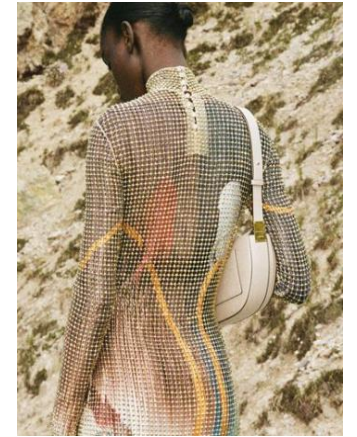
Strong offer, anchored in Outerwear and Leather Goods

### OUR FOCUS FOR FY22-24

- Leather Goods
- Outerwear Innovation
- Luxury RTW
- Shoes
- Build on replenishment offer

### HOW THIS WILL DRIVE REVENUE GROWTH

- Accelerate demand
- Increase AUR
- Increase stock availability



# BURBERRY



OUR PLAN IN ACTION: LEATHER GOODS POP-UP, HARRODS, LONDON

# REVENUE: DRIVE STORE PERFORMANCE

## OUR AMBITION

A luxury, omnichannel customer experience

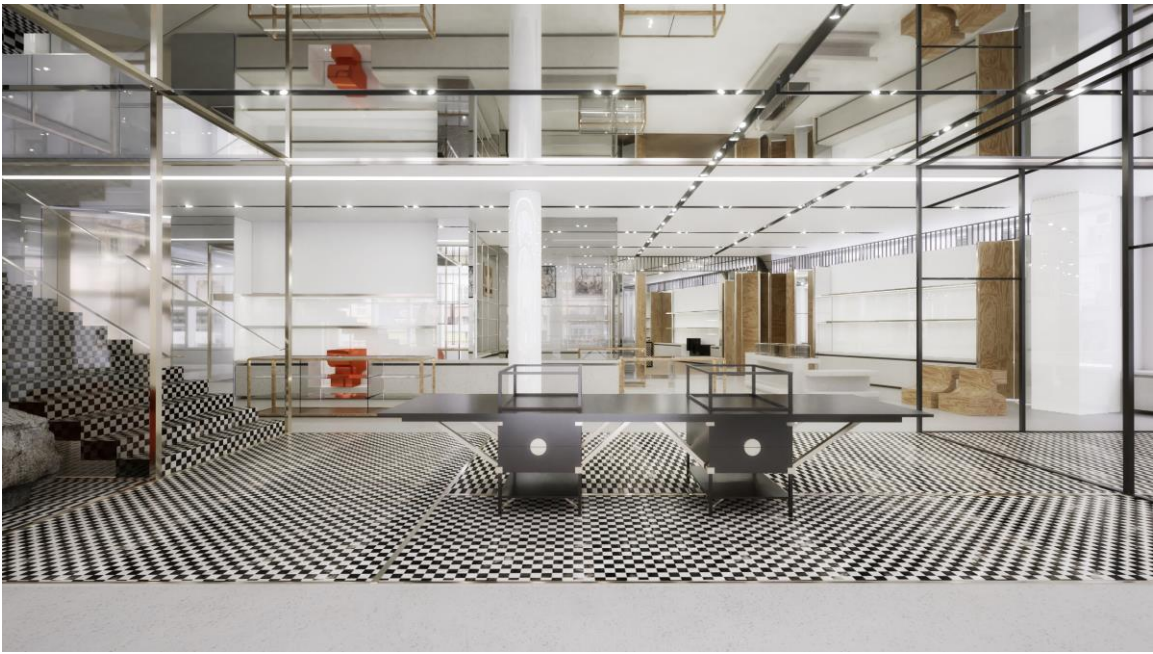
## OUR FOCUS FOR FY22-24

- Roll-out new store concept/experience
- Omnichannel leadership, incl. social retail
- Scale and elevate appointments
- Focus on local customers

## HOW THIS WILL DRIVE REVENUE GROWTH

- New customer acquisition
- Significant improvement in sales density

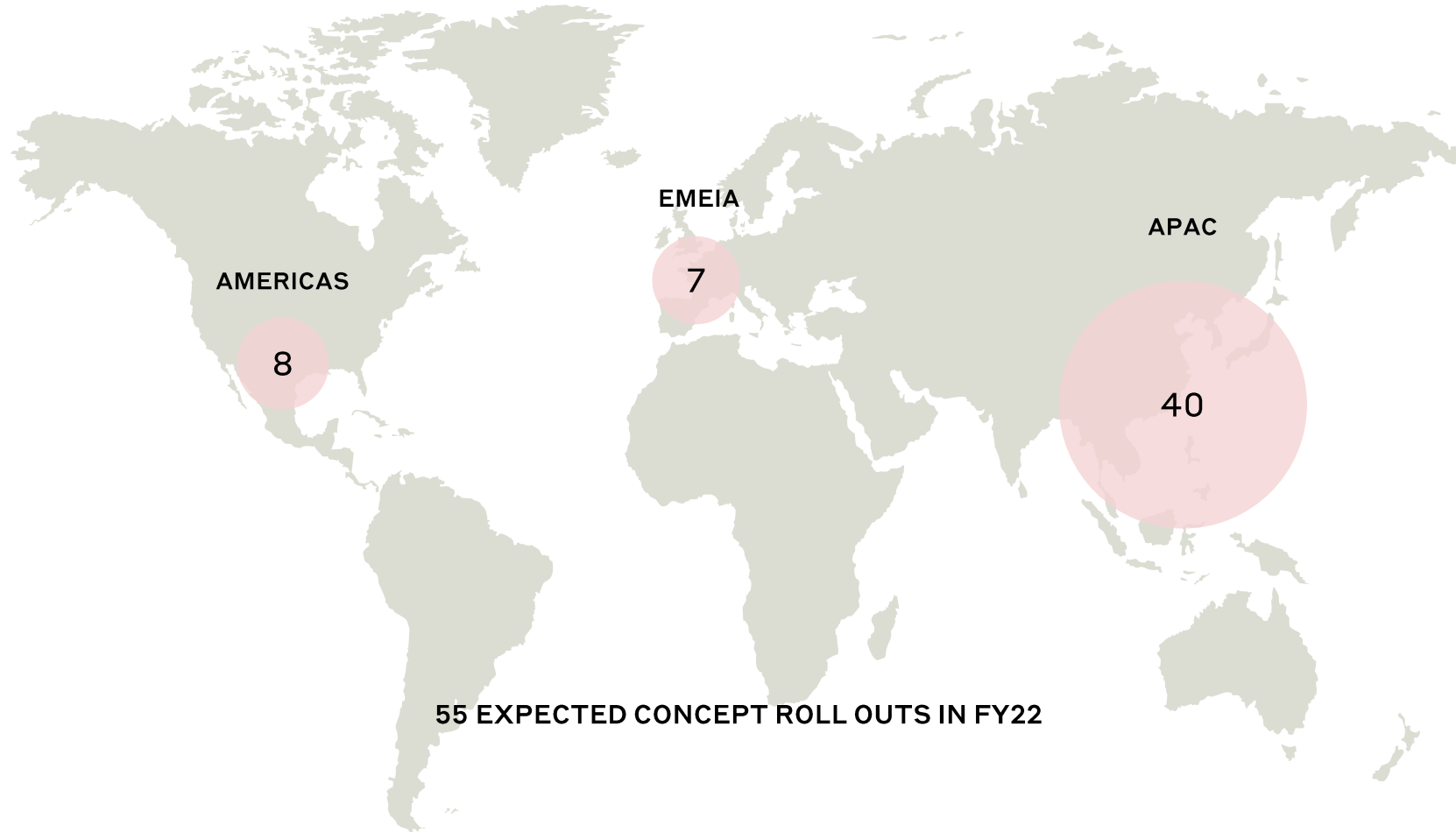




**NEW STORE CONCEPT  
SLOANE STREET, JUNE 2021**



# NEW STORE CONCEPT WILL BE ROLLED OUT AT PACE



# REVENUE: SUPERCHARGE DIGITAL SALES

## OUR AMBITION

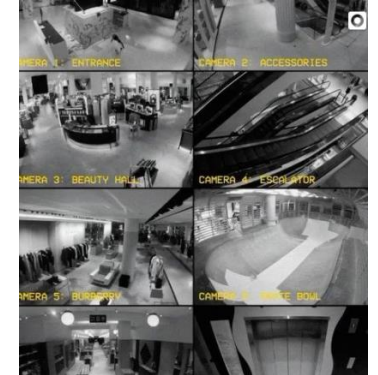
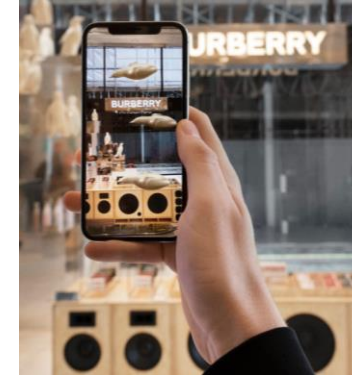
Remain the digital pioneer in luxury

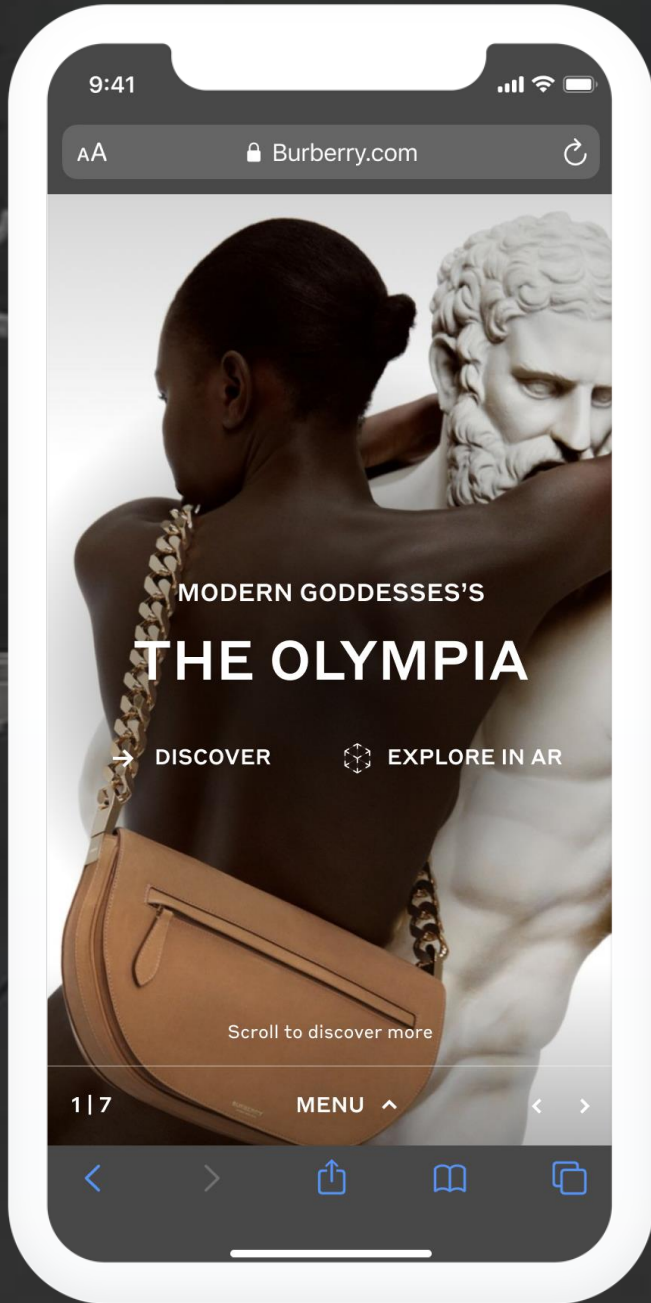
## OUR FOCUS FOR FY22-24

- Drive traffic and engagement through precision marketing
- Significantly scale customer recruitment through data
- Step change conversion through product assortment, personalisation and localisation
- Increase loyalty through digital clientelling
- Deepen partnerships with strategic 3P

## HOW THIS WILL DRIVE REVENUE GROWTH

- New customer acquisition
- Accelerated digital sales growth on .com and 3P





OUR PLAN IN ACTION: THE HANDBAG HUB



# REVENUE: FOCUS ON FULL PRICE

## OUR AMBITION

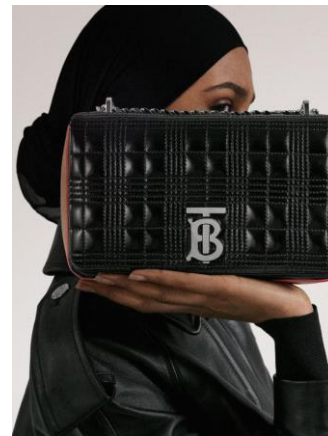
Overperformance in full price channels

## OUR FOCUS FOR FY22-24

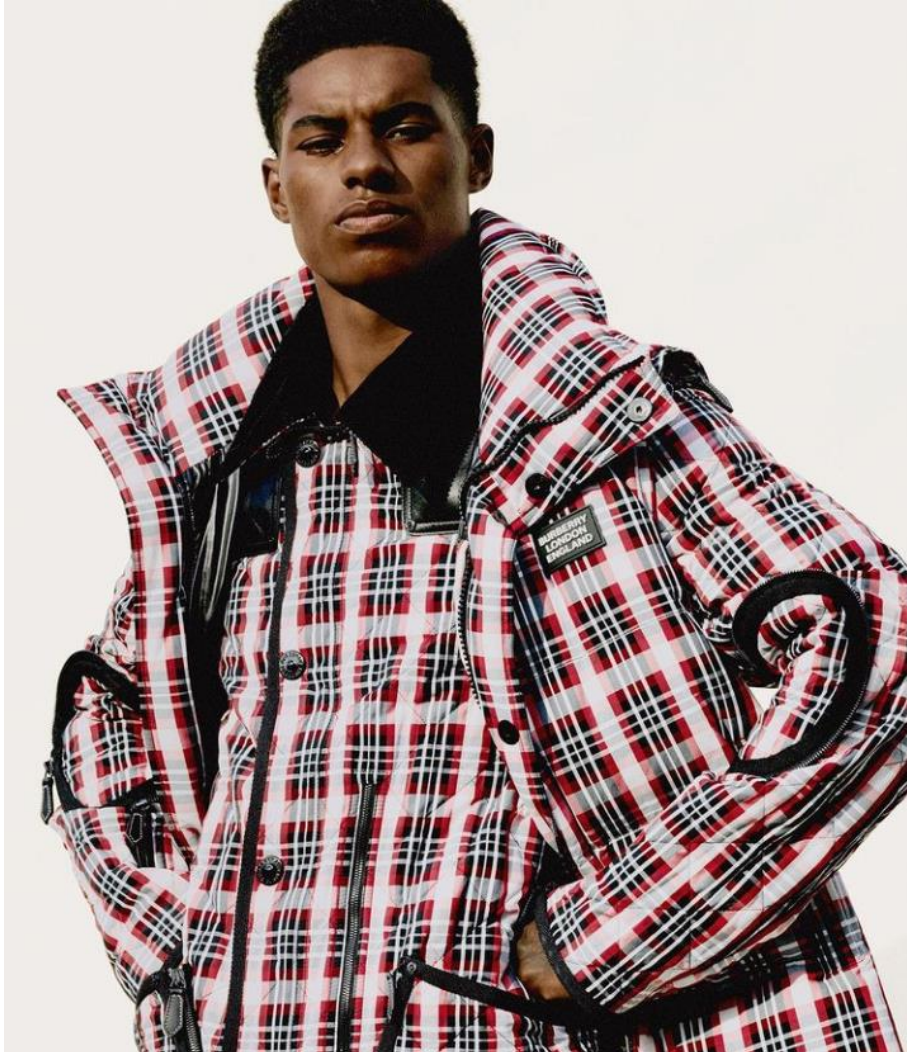
- Exit markdowns in Mainline stores in FY22
- Focus on image-driving FP channels

## HOW THIS WILL DRIVE REVENUE GROWTH

- Strengthen brand image
- Increase AUR



## PROFIT: WE WILL DRIVE PROFIT THROUGH 5 KEY LEVERS



1. GROSS MARGIN STRENGTH THROUGH LUXURY PRICING AND REPLENISHMENT
2. FULL PRICE PENETRATION
3. SALES DENSITY
4. DIGITAL PENETRATION
5. COST CONTROL

# ENABLERS OF OUR STRATEGY

**AGILE SUPPLY CHAIN DELIVERING  
EXCEPTIONAL QUALITY AND SERVICE**

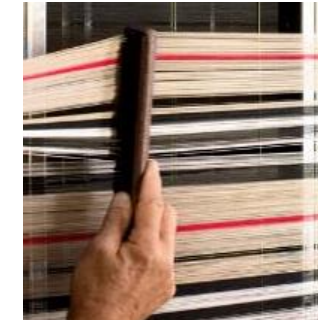


**SECURE, INTEGRATED AND CONSUMER-LED  
TECHNOLOGY**



**WORLD-CLASS TALENT**

**OPERATIONAL EFFICIENCY**



# DRIVING POSITIVE CHANGE: STRONG FOCUS ON ESG

## OUR PEOPLE



### FUELLING CREATIVITY

- Championing diversity, equity and inclusion
- Positively impacting working conditions and wellbeing

## OUR COMMUNITIES



### EMPOWERING YOUTH

- Tackling educational inequality
- Fostering community cohesion
- Supporting social and economic empowerment

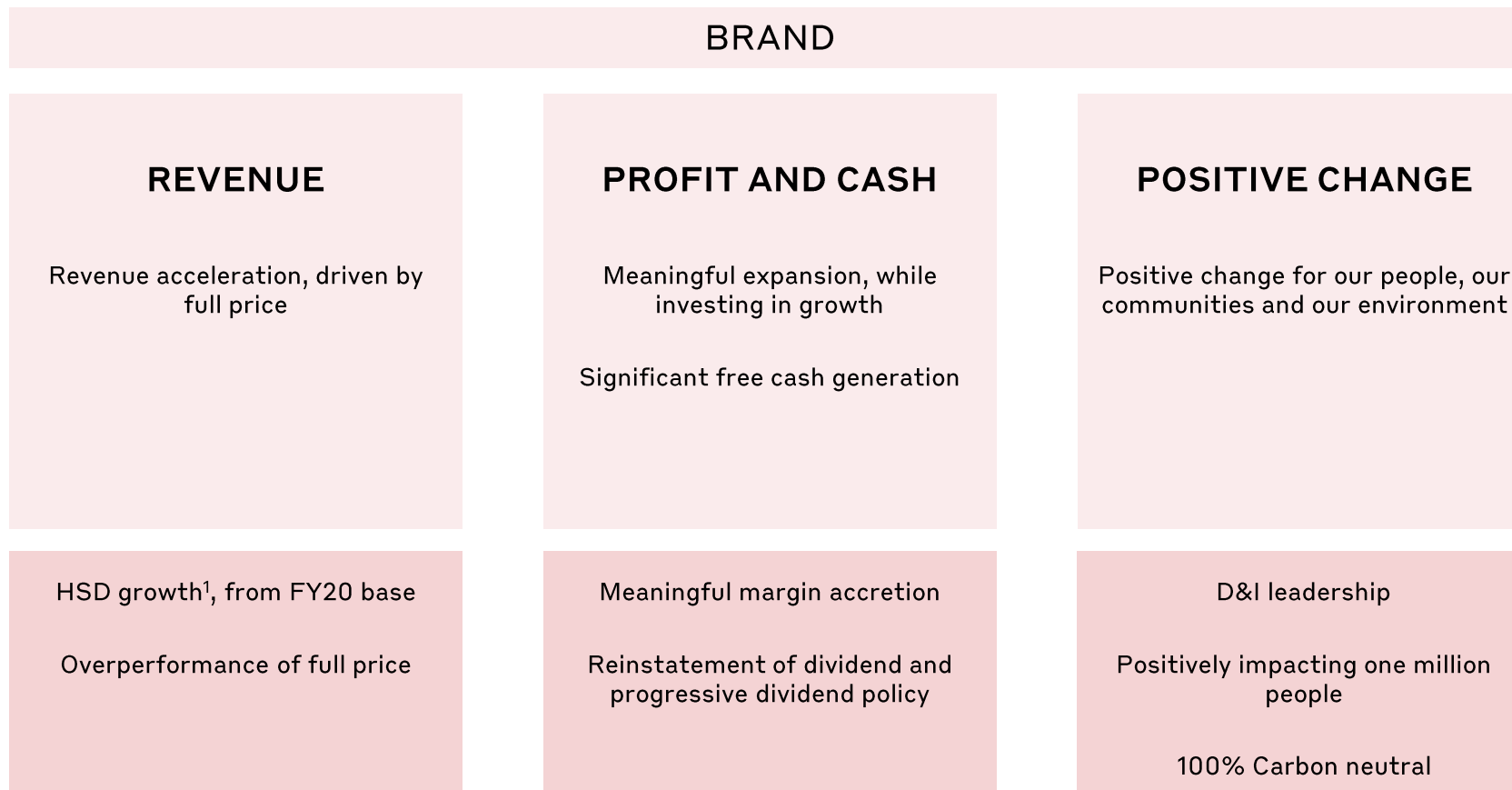
## OUR ENVIRONMENT



### BUILDING A SUSTAINABLE FUTURE

- A net-zero future
- Consciously crafted collections

# WHAT WE WILL DELIVER IN THIS NEXT PHASE: MEDIUM-TERM TARGETS



# **BURBERRY**

**The leading British luxury brand,  
delivering sustainable, high-quality growth and value  
for our stakeholders and communities**



**JULIE BROWN  
(CHIEF OPERATING AND FINANCIAL OFFICER)**

# FINANCIAL PERFORMANCE AND STABILITY

## OUR OBJECTIVES IN 2017

“Broadly stable revenue and earnings for the first two years followed by the accelerate and growth phase”

“Cumulative cost savings of £120m by FY20”

## WHAT WE HAVE ACHIEVED

- Revenue and earnings stability in FY19 and FY20 before COVID-19
- Broadly stable adjusted operating margin at CER including the COVID-19 year
- Cumulative cost savings of £185m delivered, with reinvestment in the business
- A better quality business in terms of revenue and earnings composition
- Robust financial platform with solid investment grade credit rating



# FY21 SUMMARY FINANCIALS

YE March		FY21	FY20	----- change -----	
		£m	£m	Rept FX	CER
Adjusted	Revenue	2,344	2,633	-11%	-10%
	Adjusted operating profit	396	433	-9%	-8%
	Adjusted operating profit margin	16.9%	16.4%	+50bp	+50bp
	Adjusted diluted EPS	67.3p	78.7p	-14%	-14%
	Free cash flow	349	66	426%	
	Dividend per share	42.5p	11.3p	276%	
Reported	Reported operating profit	521	189	176%	
	Reported diluted EPS	92.7p	29.8p	211%	

For definition of free cash flow and alternative performance measures see Appendix  
 FY21 dividend is subject to Board decision

# FACTORS INFLUENCING Q4 FY21 REVENUE PERFORMANCE

## Comparable sales

Impact on revenue

Strong full-price performance



Continued markdown and outlet reduction



Increased COVID-related store closures

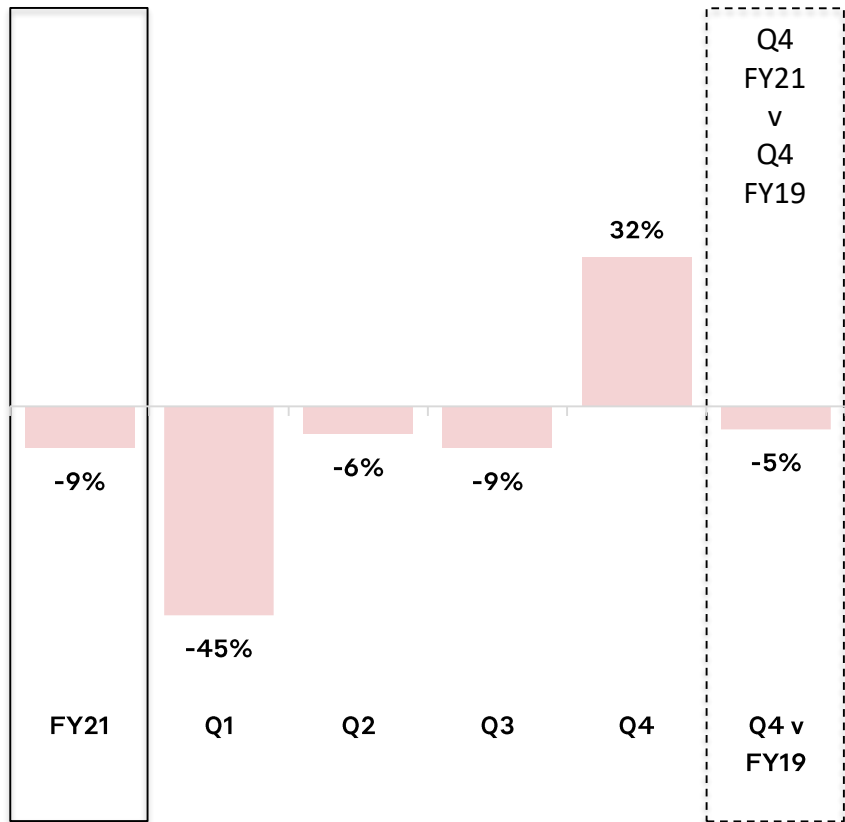


Continued pressure in tourist-dependent destinations

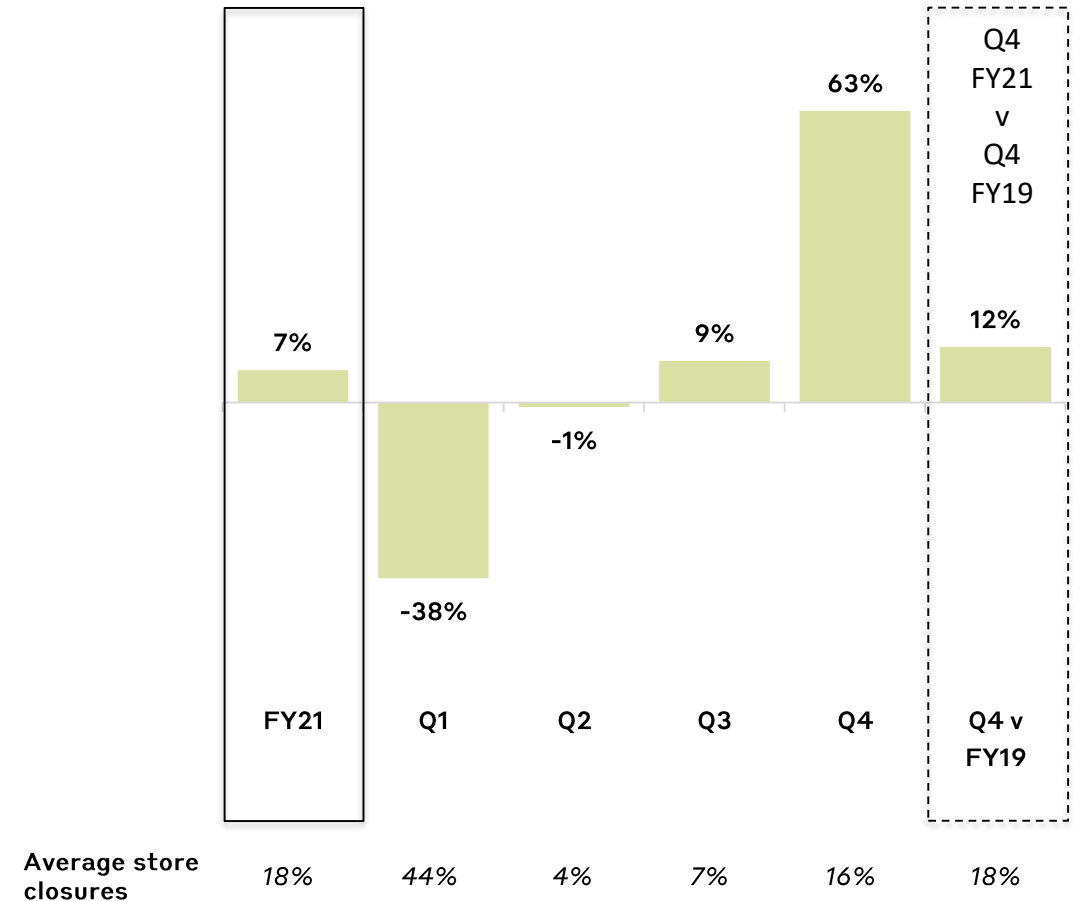


# QUARTERLY COMP STORE SALES INCLUDING STRONG FULL-PRICE SALES GROWTH

Comparable store sales by quarter

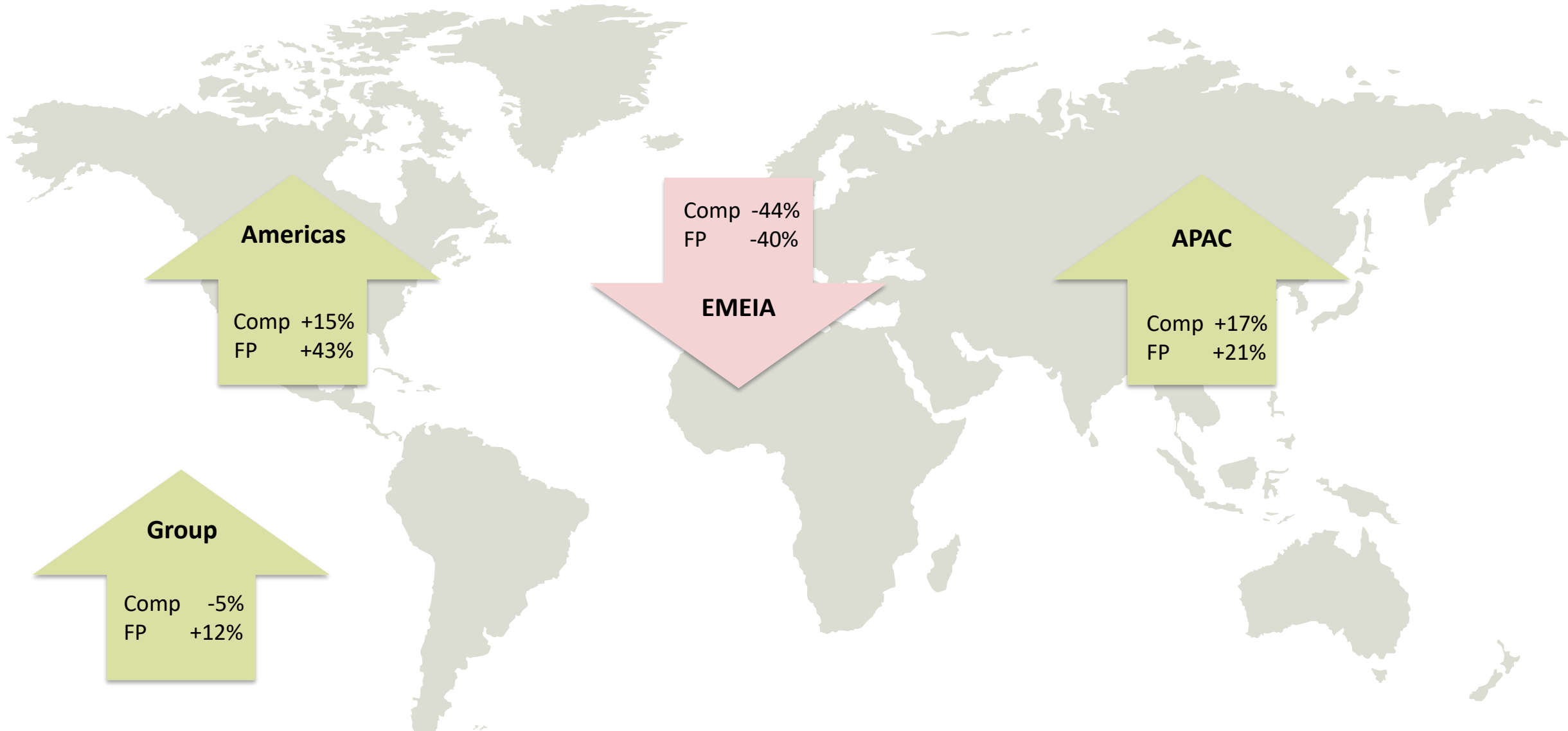


Full-price comparable sales by quarter



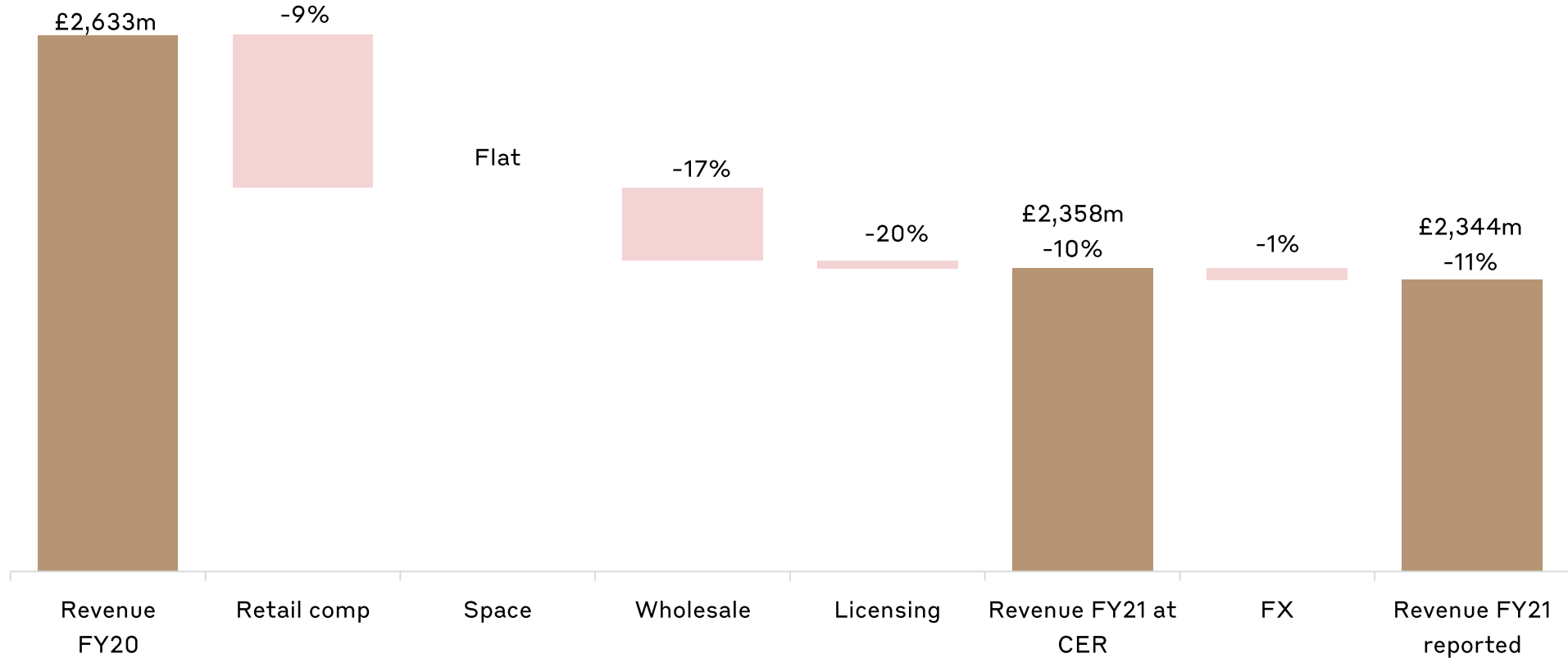
At constant exchange rates

# Q4 RETAIL COMPARABLE GROWTH V FY19 INCLUDING FULL-PRICE




Note: Comp - Comparable store sales at CER; FP - Full-price comparable store sales at CER

# GROUP REVENUE -10% (CER)



H1 FY21	£1,281m	-25%	-4%	-38%	-24%	£892m	-1%	£878m
H2 FY21	£1,352m	+5%	+4%	+7%	-16%	£1,466m	flat	£1,466m

A woman with long blonde hair, wearing a yellow dress, is walking and carrying two large brown shopping bags. The background is a blurred indoor setting with other people. The text is overlaid on the image in white.

Successfully navigated through COVID with enhanced  
revenue and earnings quality

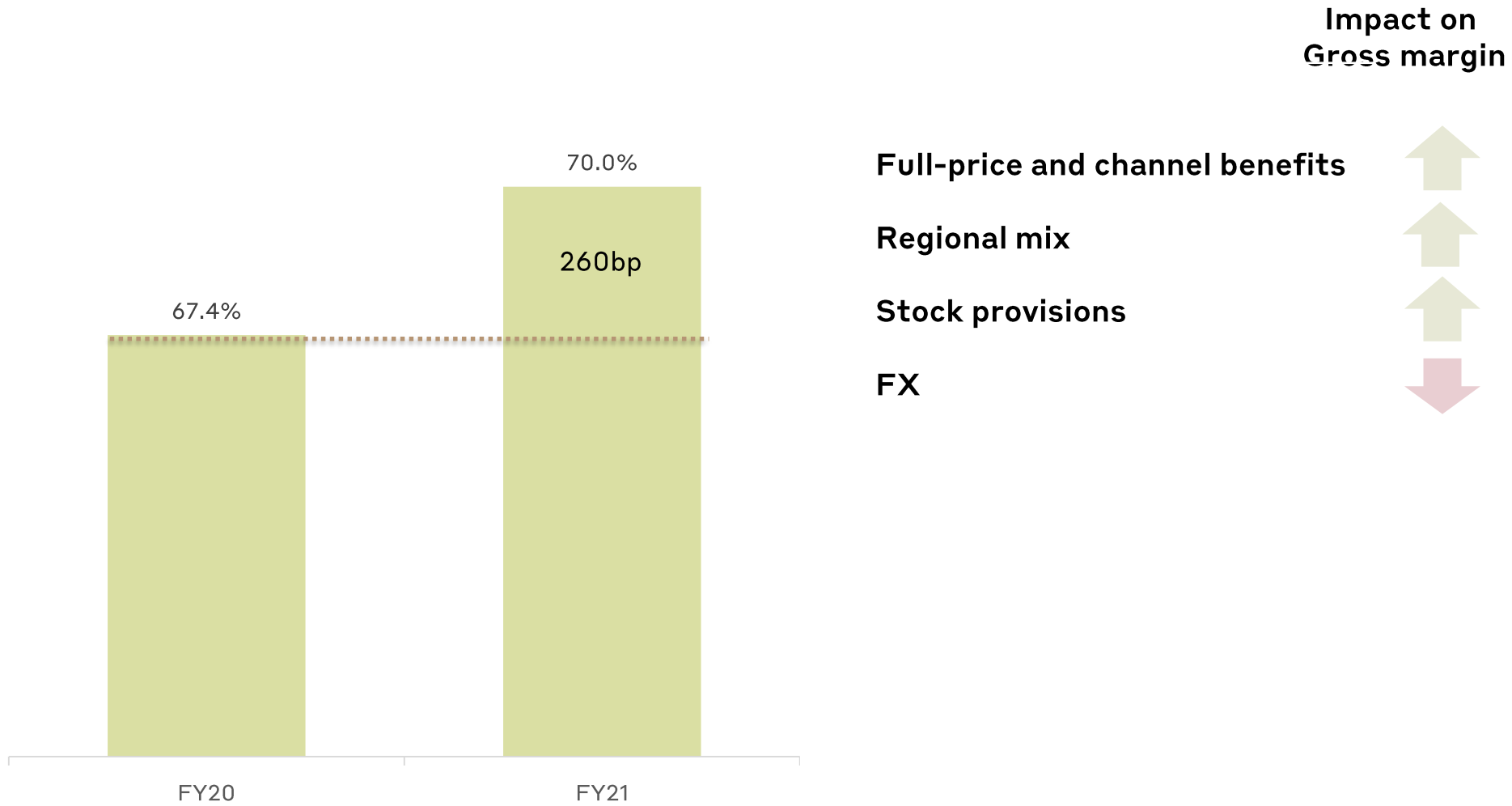
# INCOME STATEMENT

YE March	FY21	FY20	----- change -----	
	£m	£m	Rept FX	CER
Revenue	2,344	2,633	-11%	-10%
Gross profit	1,640	1,774	-8%	-7%
<i>Gross margin %</i>	<i>70.0%</i>	<i>67.4%</i>	<i>+260bp</i>	<i>+270bp</i>
Operating expenses	-1,244	-1,341	-7%	-7%
<i>Opex % sales</i>	<i>53.1%</i>	<i>51.0%</i>	<i>+210bp</i>	<i>+210bp</i>
Adjusted operating profit	396	433	-9%	-8%
<i>Adjusted operating profit margin</i>	<i>16.9%</i>	<i>16.4%</i>	<i>+50bp</i>	<i>+50bp</i>
Adjusting operating items	125	-244		
Reported operating profit	521	189	176%	
Tax*	-114	-47		
Reported diluted EPS	92.7p	29.8p	211%	
Adjusted diluted EPS	67.3p	78.7p	-14%	-14%

\* Reported tax; the Effective tax rate on an adjusted basis was 25.4% in FY21 (FY20 22.3%).

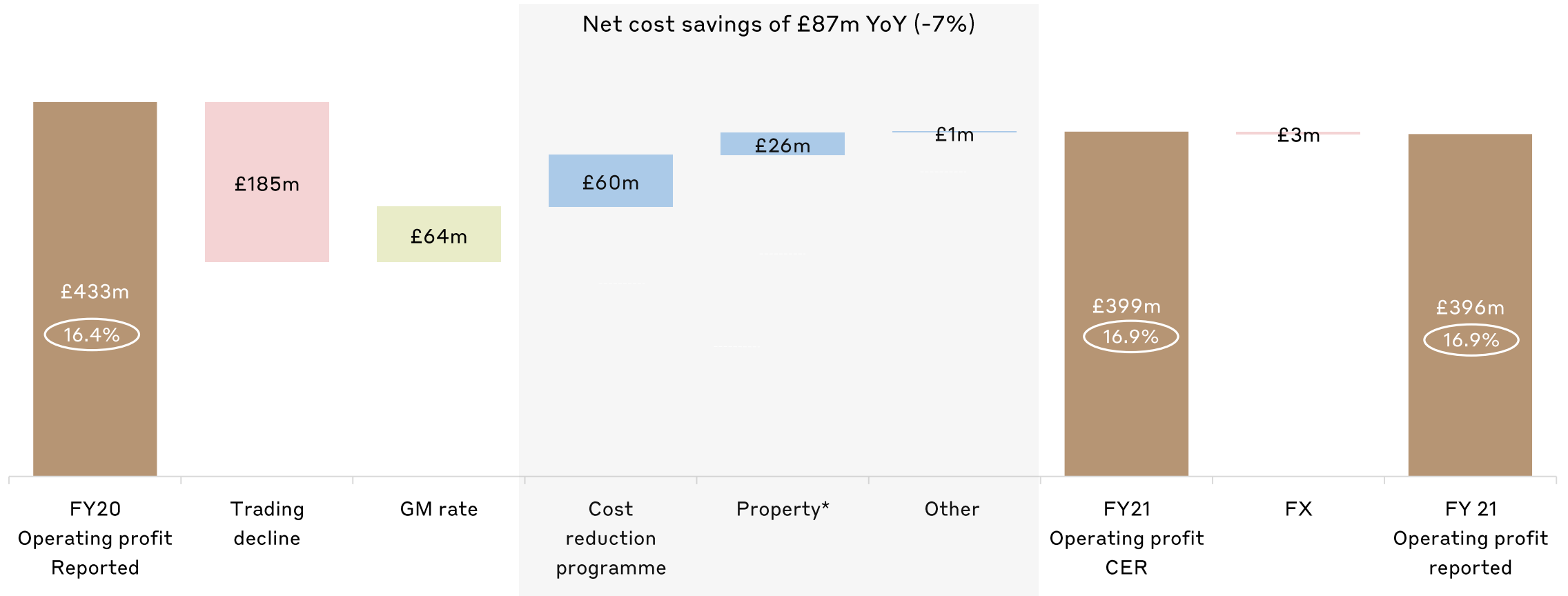
# ADJUSTED GROSS MARGIN

Adjusted gross margin FY20 and FY21





# ADJUSTED OPERATING PROFIT BRIDGE



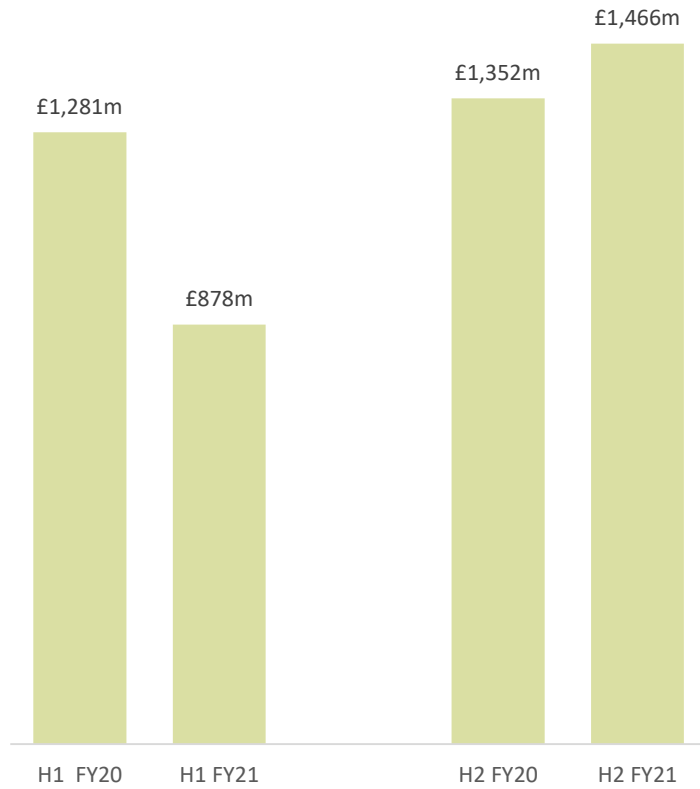
\* Property savings include the benefit of £43m from COVID-related reduced YoY amortisation, but exclude rent rebates of £54m reported as an Adjusting Item

# ADJUSTING ITEMS

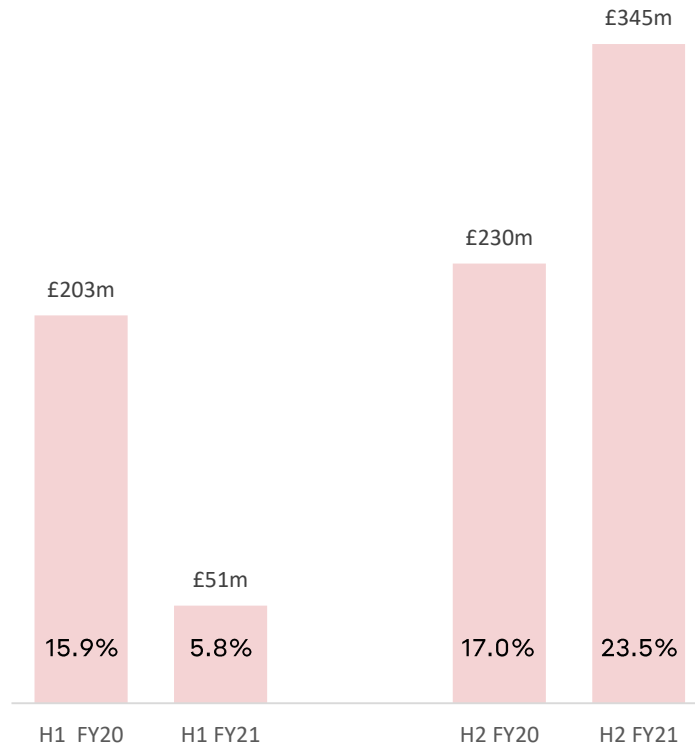
ADJUSTING ITEMS		FY21	FY20
		£m	£m
	Adjusted operating profit (reported fx)	396	433
COVID-19 related	Rent rebates from landlords	54	-
	COVID related government grants	9	-
	Inventory provisions	22	-68
	Store impairments	47	-157
	Other COVID related items	5	-16
	COVID-19 related adjusting items*	137	-241
	Restructuring costs	-30	-10
	Profit on sale of property	18	-
	Disposal of beauty business	-	5
	BME deferred consideration income	-	2
	<b>Total adjusting operating items</b>	<b>125</b>	<b>-244</b>
	<b>Operating profit</b>	<b>521</b>	<b>189</b>

# STRONG RECOVERY IN H2

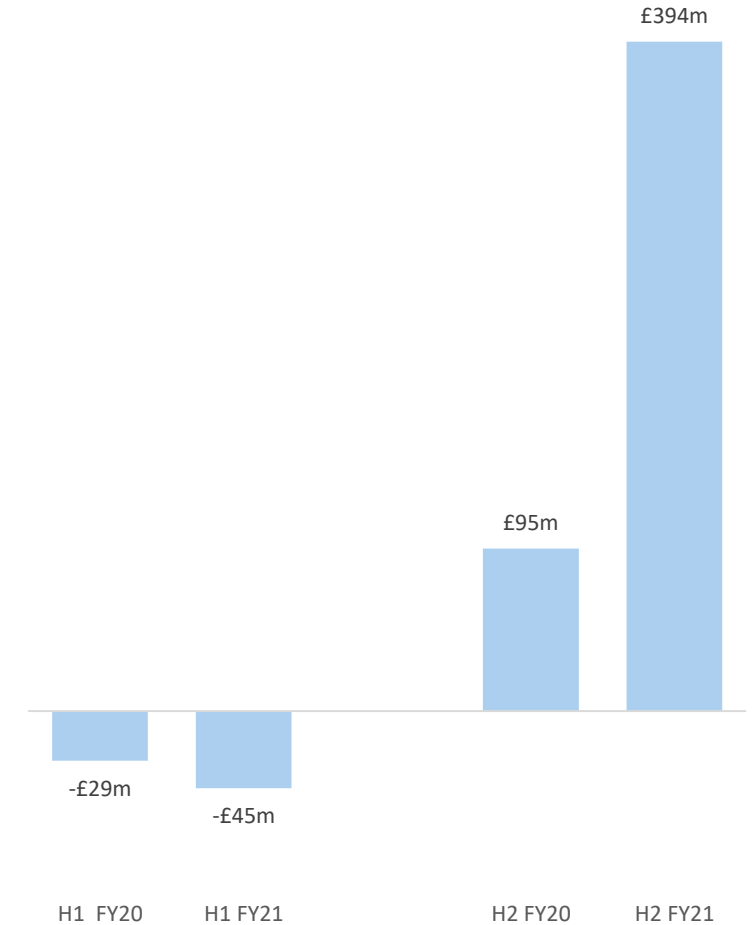
## Revenue



## Adjusted operating profit



## Free cash flow





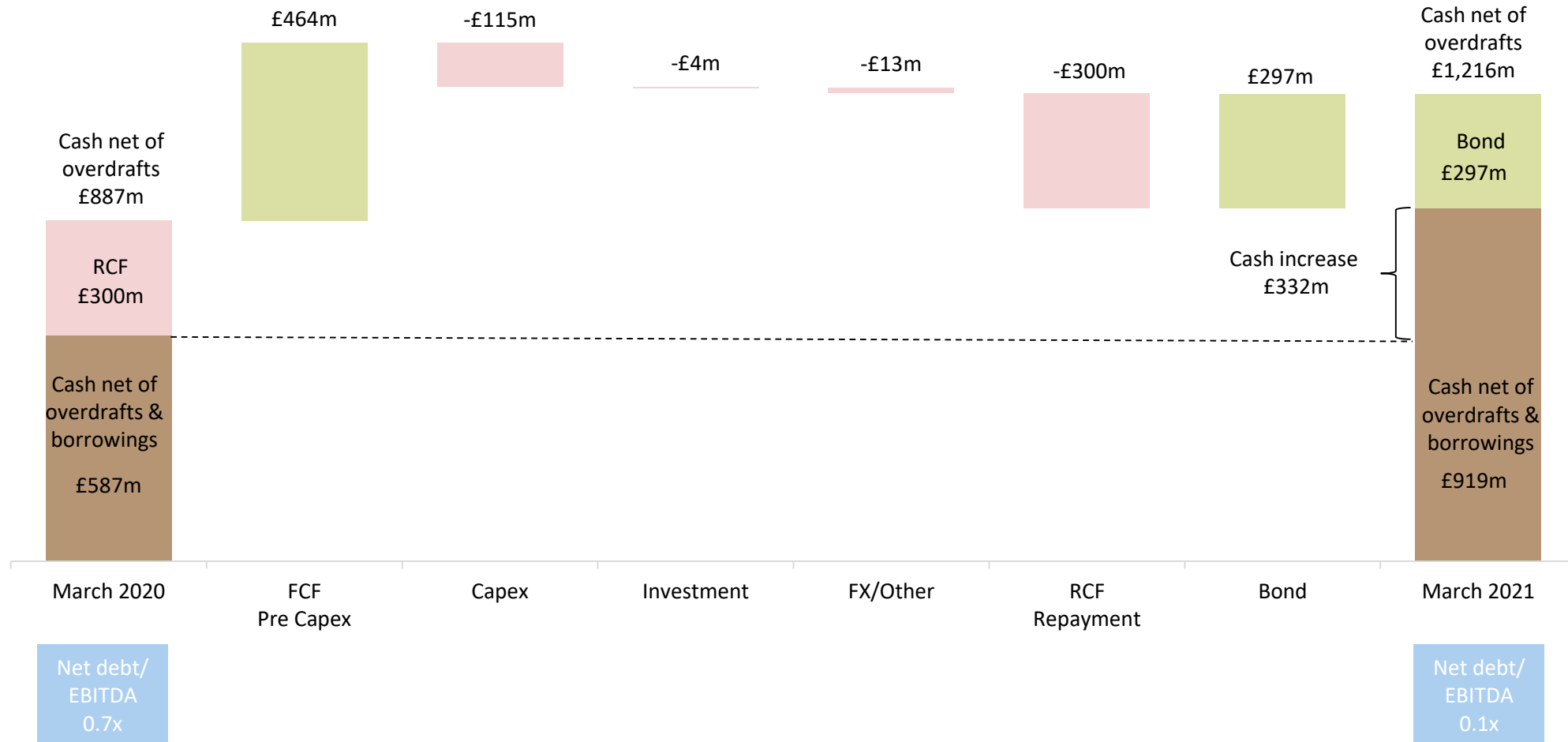
Strong cash generation,  
working capital management and liquidity in place

# STRONG FREE CASH GENERATION

YE March	FY21	FY20
	£m	£m
Adjusted operating profit	396	433
Depreciation and amortisation	277	331
Working capital	-25	-66
Other	29	-73
Cash inflow from operations	677	625
Payment of lease principal and related cash flows	-155	-244
Capital expenditure	-115	-149
Proceeds from disposal of non-current assets	27	3
Interest	-27	-19
Tax	-58	-150
Free cash flow	349	66
<i>Cash conversion *</i>	111%	52%

All figures based on Reported FX; \*See appendix for cash conversion definition

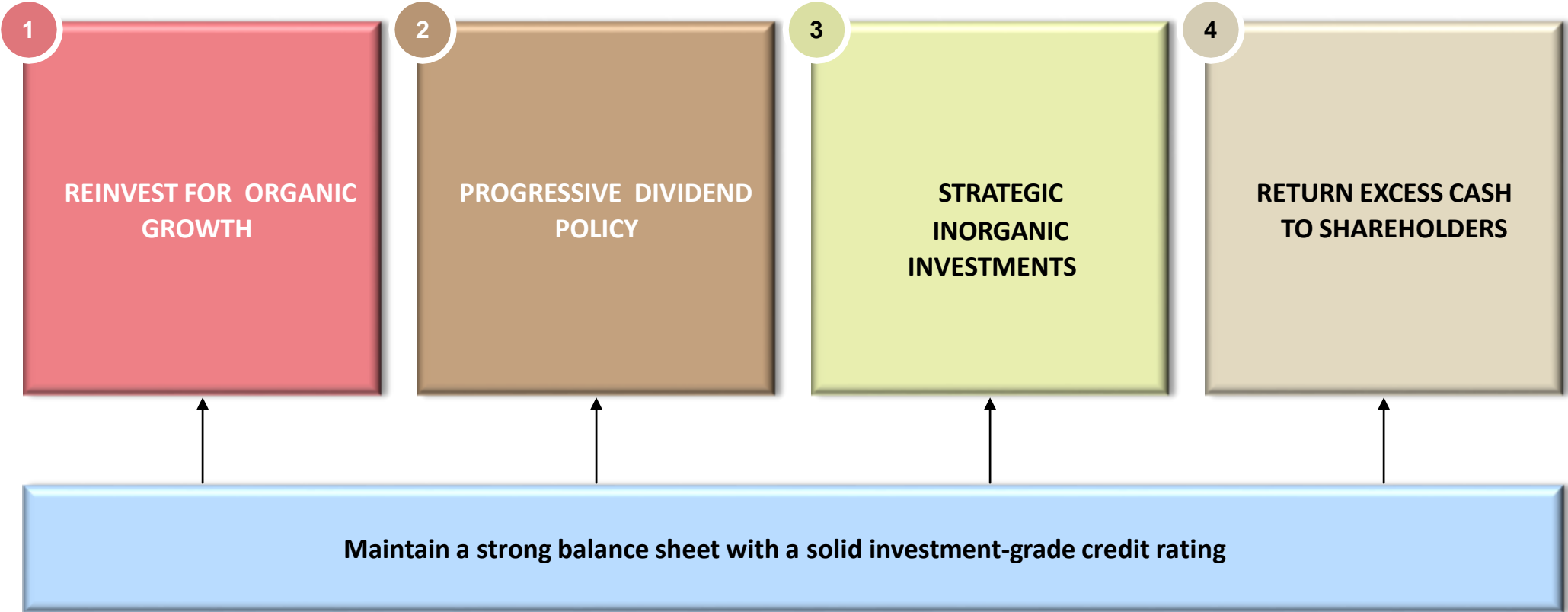
# CLOSING CASH POSITION GEARING BELOW TARGET LEVELS



\*On a pro forma basis leverage as at March 2021 would be 0.4x assuming a £172m dividend in line with FY19

# DIVIDEND REINSTATED TO PRE-COVID-19 LEVELS

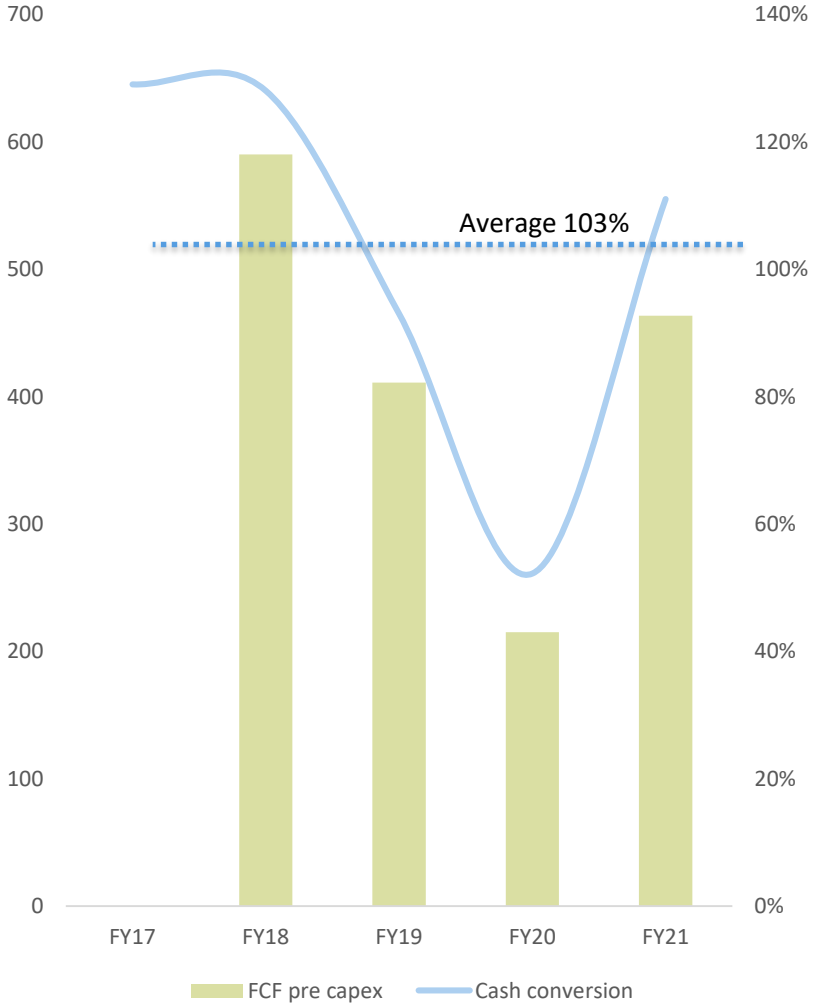
## OUR CAPITAL ALLOCATION FRAMEWORK



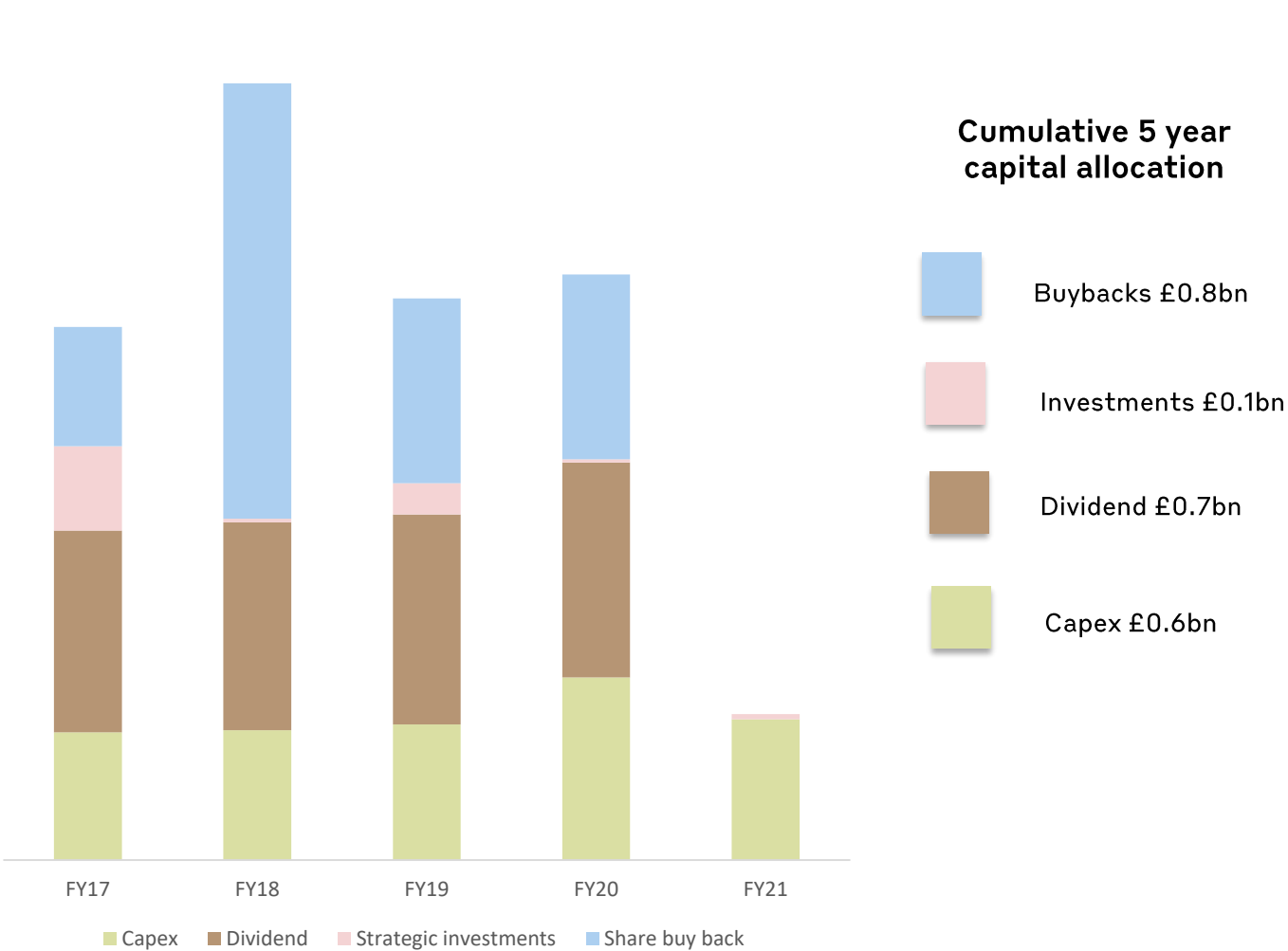
Leverage currently stands at 0.1x and we plan to return to our target range of 0.5-1x Net Debt/EBITDA from FY22

# 5 YEAR CAPITAL ALLOCATION HISTORY

Free cash flow ex capex of £2.2bn and cash conversion



Capex, Dividends, Strategic investments and Buy Backs totalling £2.1bn





# MEDIUM TERM GUIDANCE

## BUILDING BLOCKS OF MEANINGFUL MARGIN ACCRETION

Revenue to grow at HSD percentage  
leading to meaningful margin expansion\*

### Gross Margin

Gross margin  
underpinned by  
full-price strength

### Variable costs

Rise in line with  
sales

### Consumer facing & ESG Investment

Incremental  
investment

### Enabling cost areas

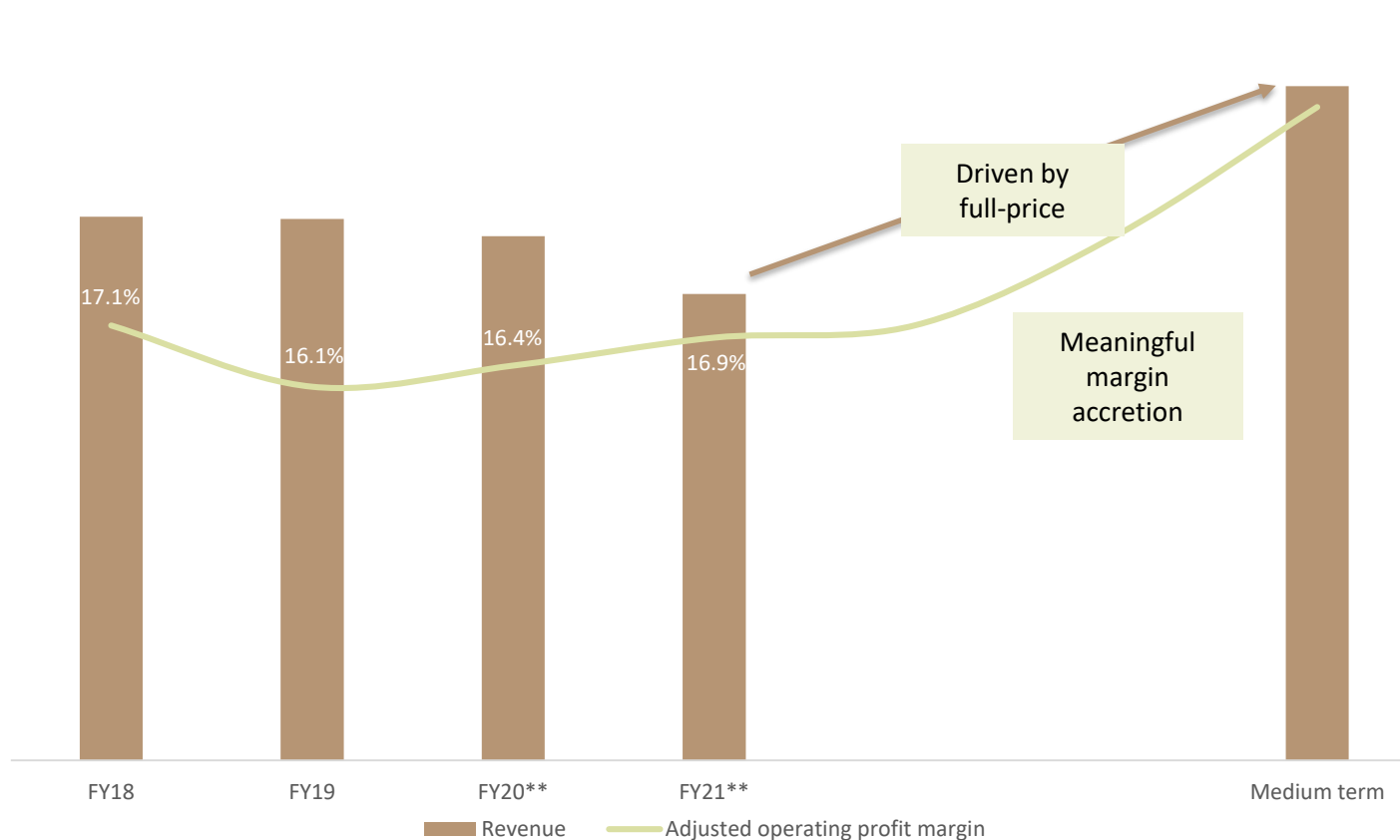
Enabling areas costs  
tightly controlled to  
enhance  
leverage

\* Revenue CAGR on FY20 basis; all figures based on FY21 CER

# MEDIUM TERM GUIDANCE

Transformation years and COVID impact

The next chapter: Accelerate and grow



## Revenue growth

HSD Revenue CAGR (base FY20)\*  
driven by brand advocacy, core product categories, improved sales densities, digital and full-price

## Adjusted operating margin

FY22 increased investment and cost normalisation

Medium term accretion expected driven by revenue growth and fixed cost leverage

\*Guidance based on constant exchange rates

\*\*Historical margins as reported with FY19 impacted by adverse FX (-110bps) and from FY20 adjusted operating profit is reported under IFRS16 (+110bps in FY20 v IAS17)

# THE NEXT CHAPTER: GROWTH AND ACCELERATION

## 2021 – STRENGTHEN THE FOUNDATION

- Strong brand with Full-Price sales growth
- Excellent recovery from COVID-19
- Improved quality of revenue & earnings
- Strong cash generation
- Dividend reinstated to pre-COVID-19 levels, progressive policy re-established

## GROWTH ACCELERATION

- Medium term target - revenue to grow at high single digits\*
- Meaningful margin expansion

\* Revenue CAGR on FY20 basis; all figures based on FY21 CER

A woman with dark hair pulled back, wearing dark sunglasses and a blue quilted vest over a blue long-sleeved top. She is standing on a beach with the ocean and a cloudy sky in the background. She is carrying a black quilted crossbody bag with a gold-tone logo. The text "Q&A" is overlaid in the center of the image.

Q&A

# DISCLAIMER

The financial information contained in this presentation is unaudited.

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.

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.

[www.burberryplc.com](http://www.burberryplc.com)

Twitter: @BurberryCorp

LinkedIn: Burberry

# ALTERNATIVE PERFORMANCE MEASURES

APM	Description and purpose	GAAP measure reconciled to															
Constant Exchange Rates (CER)	This measure removes the effect of changes in exchange rates compared to the prior period. It incorporates both the impact of the movement in exchange rates on the translation of overseas subsidiaries' results and also on foreign currency procurement and sales through the Group's UK supply chain.	<i>Results at reported rates</i>															
Comparable sales	<p>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</p> <p><b>Full price sales:</b> Net sales of Group's directly operated mainline comparable stores excluding Markdown sales.</p>	<p><i>Retail Revenue:</i></p> <table border="1"> <thead> <tr> <th>Period ended YoY%</th> <th>27 March 2021</th> <th>28 March 2020</th> </tr> </thead> <tbody> <tr> <td>Comparable sales</td> <td>(9%)</td> <td>(3%)</td> </tr> <tr> <td>Change in space</td> <td>-</td> <td>(1%)</td> </tr> <tr> <td>FX</td> <td>-</td> <td>1%</td> </tr> <tr> <td>Retail revenue</td> <td><b>(9%)</b></td> <td><b>(3%)</b></td> </tr> </tbody> </table>	Period ended YoY%	27 March 2021	28 March 2020	Comparable sales	(9%)	(3%)	Change in space	-	(1%)	FX	-	1%	Retail revenue	<b>(9%)</b>	<b>(3%)</b>
Period ended YoY%	27 March 2021	28 March 2020															
Comparable sales	(9%)	(3%)															
Change in space	-	(1%)															
FX	-	1%															
Retail revenue	<b>(9%)</b>	<b>(3%)</b>															
Q4 FY21 vs Q4 FY19 comparable sales	The change in sales over two years measured at constant foreign exchange rates. It also includes online sales. The measurement of comparable sales has <b>not</b> excluded stores temporarily closed as a result of the COVID-19 outbreak. This measure reflects the two year aggregation of the growth rates.	<p><i>Retail Revenue:</i></p> <table border="1"> <thead> <tr> <th>%change</th> <th>Q4 FY21 vs Q4 FY19</th> </tr> </thead> <tbody> <tr> <td>Reported growth</td> <td>(2%)</td> </tr> <tr> <td>Comparable sales</td> <td>(5%)</td> </tr> <tr> <td>Change in space</td> <td>5%</td> </tr> <tr> <td>CER retail</td> <td>0%</td> </tr> <tr> <td>FX</td> <td>(2%)</td> </tr> </tbody> </table>	%change	Q4 FY21 vs Q4 FY19	Reported growth	(2%)	Comparable sales	(5%)	Change in space	5%	CER retail	0%	FX	(2%)			
%change	Q4 FY21 vs Q4 FY19																
Reported growth	(2%)																
Comparable sales	(5%)																
Change in space	5%																
CER retail	0%																
FX	(2%)																

All metrics and commentary in this presentation are at reported FX and exclude adjusting items unless stated otherwise. Certain financial data within this presentation have been rounded.

# ALTERNATIVE PERFORMANCE MEASURES

APM	Description and purpose	GAAP measure reconciled to																		
Adjusted Profit	Adjusted profit measures are presented to provide additional consideration of the underlying performance of the Group's ongoing business. These measures remove the impact of those items which should be excluded to provide a consistent and comparable view of performance.	Reported Profit: <i>A reconciliation of reported profit before tax to adjusted profit before tax</i> is included in the income statement. The Group's accounting policy for adjusted profit before tax is set out in the financial statements.																		
Free Cash Flow	Free cash flow is defined as net cash generated from operating activities less capital expenditure plus cash inflows from disposal of fixed assets and including cash outflows for lease principal payments and other lease related items.	<p><i>Net cash generated from operating activities:</i></p> <table border="1"> <thead> <tr> <th>Period ended £m</th> <th>27 March 2021</th> <th>28 March 2020</th> </tr> </thead> <tbody> <tr> <td>Net cash generated from operating activities</td> <td>592</td> <td>456</td> </tr> <tr> <td>Capex</td> <td>(115)</td> <td>(149)</td> </tr> <tr> <td>Lease liabilities and related cash flows</td> <td>(155)</td> <td>(244)</td> </tr> <tr> <td>Proceeds from disposal of fixed assets</td> <td>27</td> <td>3</td> </tr> <tr> <td>Free cash flow</td> <td>349</td> <td>66</td> </tr> </tbody> </table>	Period ended £m	27 March 2021	28 March 2020	Net cash generated from operating activities	592	456	Capex	(115)	(149)	Lease liabilities and related cash flows	(155)	(244)	Proceeds from disposal of fixed assets	27	3	Free cash flow	349	66
Period ended £m	27 March 2021	28 March 2020																		
Net cash generated from operating activities	592	456																		
Capex	(115)	(149)																		
Lease liabilities and related cash flows	(155)	(244)																		
Proceeds from disposal of fixed assets	27	3																		
Free cash flow	349	66																		

All metrics and commentary in this presentation are at reported FX and exclude adjusting items unless stated otherwise. Certain financial data within this presentation have been rounded.

# ALTERNATIVE PERFORMANCE MEASURES

APM	Description and purpose	GAAP measure reconciled to		
Cash Conversion	Cash conversion is defined as free cash flow pre tax/adjusted profit before tax. It provides a measure of the Group's effectiveness in converting its profit into cash.	Net cash generated from operating activities:		
		Period ended £m	27 March 2021	28 March 2020
		Free cash flow	349	66
		Tax paid	58	150
		Free cash flow before tax	407	216
		Adjusted profit before tax	366	414
		Cash conversion	111%	52%
Net Debt	Net debt is defined as the lease liability recognised on the balance sheet plus borrowings less cash net of overdrafts.	Cash net of overdrafts:		
		Period ended £m	27 March 2021	28 March 2020
		Cash net of overdrafts	1,216	887
		Lease liability	(1,020)	(1,125)
		Borrowings	(297)	(300)
		Net debt	(101)	(538)



# ALTERNATIVE PERFORMANCE MEASURES

APM	Description and purpose	GAAP measure reconciled to	
Adjusted EBITDA	Adjusted EBITDA is defined as operating profit, excluding adjusting operating items, depreciation of property, plant and equipment, depreciation of right of use assets and amortisation of intangible assets. Any depreciation or amortisation included in adjusting operating items are not double-counted. Adjusted EBITDA is shown for the calculation of Net Debt/EBITDA for our gearing ratios.	Reconciliation from operating profit to adjusted EBITDA:	
		Period ended £m	
			27 March 2021
			28 March 2020
		Operating profit	521
		Adjusted operating items	(125)
		Amortisation of intangible assets	33
		Depreciation of property, plant and equipment	72
		Depreciation of right-of-use assets	172
		Adjusted EBITDA	673
			764

# FY22 FINANCIAL OUTLOOK

<b>REVENUE</b>	Markdowns	We will be exiting markdowns in in mainline stores in FY22. This will lead to a headwind against our comparable store sales of mid-single digits in the full year with Q1 FY21 comp impacted by HSD
	Wholesale	H1 wholesale to increase by around 50%
	Retail space	Expected to be broadly neutral on the year
<b>PROFIT</b>	Tax rate	We expect the adjusted tax rate to be around 22%
<b>CASH FLOW</b>	Capex	Expected to be in the range £180m to £190m
<b>FX*</b>	FX	Headwind on revenue of £96m and £34m on adjusted operating profit at 30 April spot rates
<b>DIVIDEND</b>		Resumption of progressive dividend policy
<b>CALENDAR</b>		Please note that FY22 is a 53 week year

- Based on FX rates at 30 April
- Note: all guidance based on FY21 CER

# FOREIGN EXCHANGE RATES

Forecast effective rates for FY22		Actual average exchange rates	
£1=	30 April 2021	FY21	FY20
Euro	1.15	1.12	1.14
US Dollar	1.39	1.30	1.27
Chinese Renminbi	9.03	8.85	8.88
Hong Kong Dollar	10.82	10.08	9.89
Korean Won	1,545	1,514	1,504

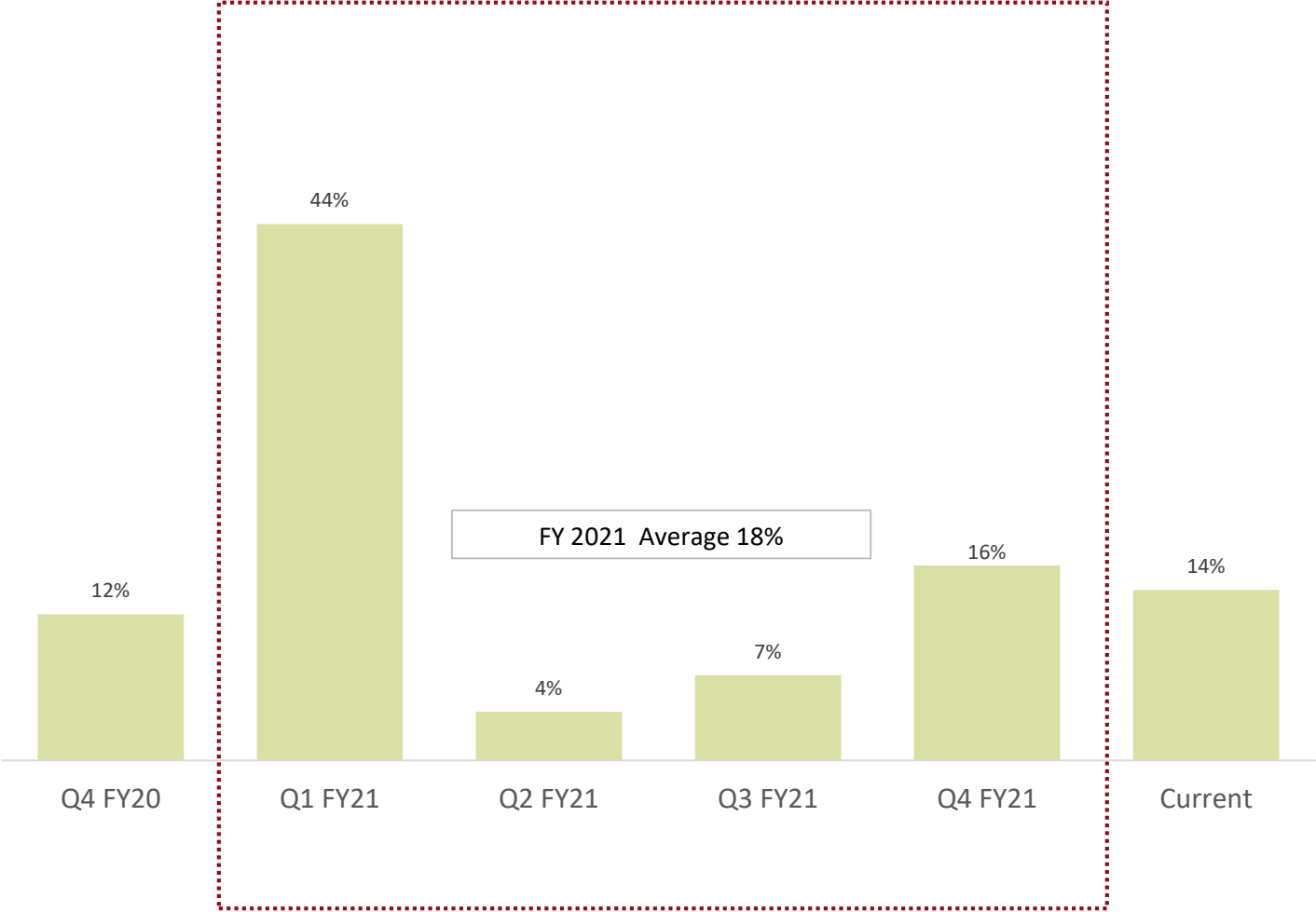
# STORE PORTFOLIO

	Directly-operated stores				Franchise stores
	Stores	Concessions	Outlets	Total	
At 28 March 2020	218	149	54	421	44
Additions	11	1	5	17	-
Closures	(15)	(5)	(3)	(23)	-
At 27 March 2021	214	145	56	415	44

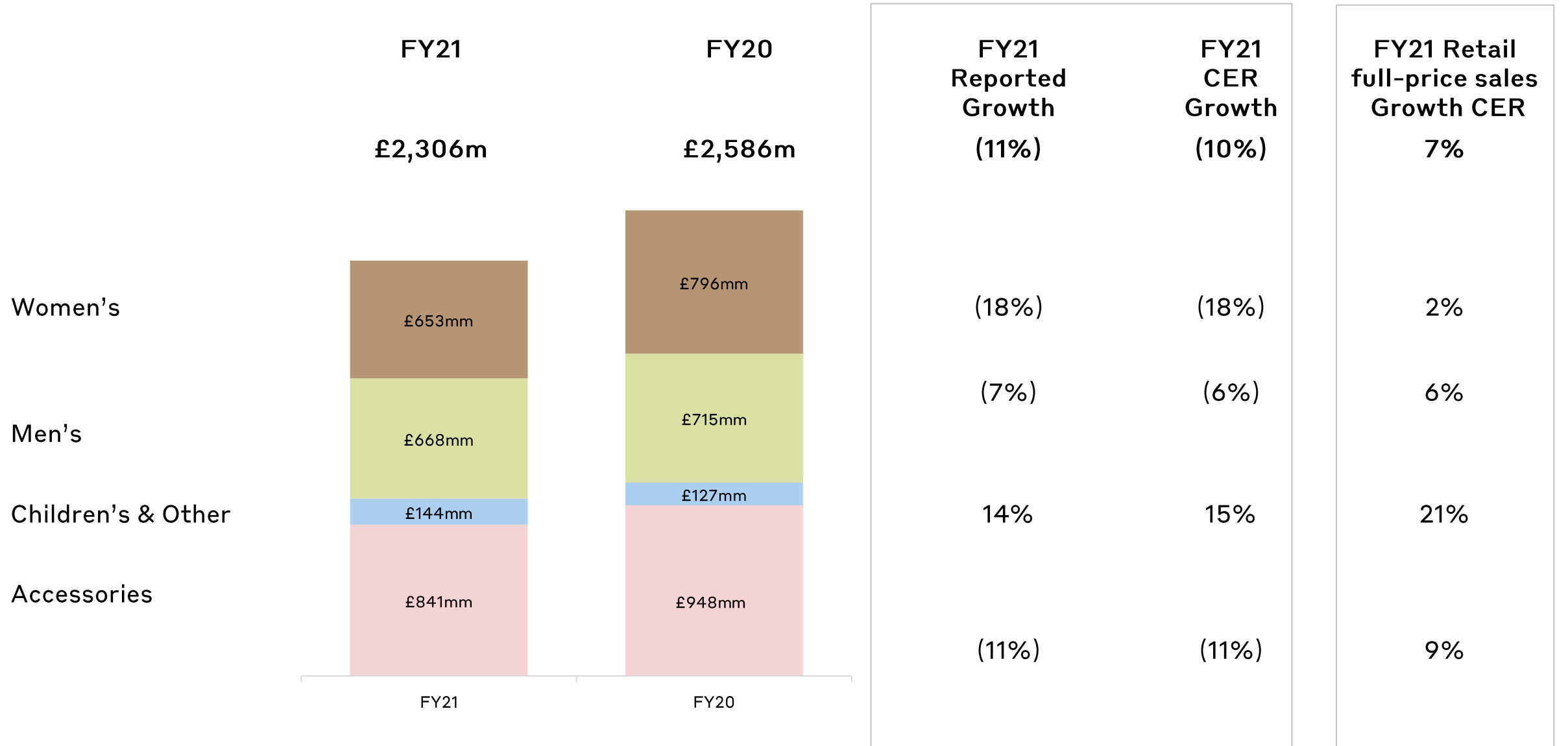
At 27 March 2021	Directly-operated stores				Franchise stores
	Stores	Concessions	Outlets	Total	
APAC	97	90	22	209	7
EMEIA	56	46	18	120	37
Americas	61	9	16	86	-
Total	214	145	56	415	44

# STORE CLOSURES A SIGNIFICANT HEADWIND

FY21 average store closures 18%, current 14%



# RETAIL & WHOLESALE REVENUE BY PRODUCT



# IR CONTACTS

Julian Easthope  
VP, Investor Relations  
[julian.easthope@ Burberry.com](mailto:julian.easthope@ Burberry.com)

Stephanie Crinnegan  
Director, Investor Relations  
[stephanie.crinnegan@ Burberry.com](mailto:stephanie.crinnegan@ Burberry.com)

Sophie Parker  
Investor Relations Coordinator  
[sophie.parker@ Burberry.com](mailto:sophie.parker@ Burberry.com)

## Reporting calendar

AGM	14 July 2021
Q1 Trading update	16 July 2021

Horseferry House  
Horseferry Road  
London  
SW1P 2AW  
Tel: +44 (0)20 3367 3524  
[investor.relations@ Burberry.com](mailto:investor.relations@ Burberry.com)