

24 January 2025

BURBERRY GROUP PLC

THIRD QUARTER TRADING UPDATE

"Since launching Burberry Forward in November, we have moved at pace to advance our strategy to reignite brand desire, improve our performance and drive long-term value creation. We are encouraged by the response to our "It's Always Burberry Weather" outerwear campaign and "Wrapped in Burberry" festive campaign. These activations resonated with a broad range of luxury customers leading to an improvement in brand desirability and strength in outerwear and scarves. The acceleration of our core categories reinforces our belief that Burberry has the most opportunity where we have the most authenticity and that our strategic plan will deliver sustainable, profitable growth over time. However, we recognise that it is still very early in our transformation and there remains much to do."

- Joshua Schulman, Chief Executive Officer

RETAIL REVENUE 13 WEEKS ENDED 28 DECEMBER 2024

	28 December	30 December	% change	
£ million	2024	2023	Reported FX	CER*
Retail revenue	659	706	-7%	-3%
Comparable store sales*	-4%	-4%		
Contribution from space	+1%	+2%		

*See page 3 for definition

Comparable store sales by region

Q3 FY25 vs LY	Asia Pacific*	EMEIA	Americas
Comparable store sales	-9%	-2%	+4%

*Asia Pacific consists of: Mainland China -7%, South Asia Pacific -19%, Japan +4%, South Korea -12%

In the third quarter, we implemented the following actions to drive Burberry Forward, generating an improvement in brand desirability, an acceleration in the performance of outerwear and scarves, and an uplift in conversion:

- Initiated brand reset with 360-degree "It's Always Burberry Weather" outerwear campaign and "Wrapped in Burberry" festive campaign
- Aligned product focus around recognisable brand signifiers, core categories and good/better/best pricing in a luxury context
- Enhanced visual merchandising in stores with festive windows celebrating outerwear and scarves, the reintroduction of mannequins and cross category styling; introduced new styling online to appeal to broad range of luxury customers and digital innovation with our virtual scarf try-on capability
- Reunited Creative and Commercial teams in newly refurbished headquarters in London, setting the stage for improved collaboration and productivity

FY25 OUTLOOK

As previously communicated, we are acting with urgency to stabilise the business and position the brand for a return to sustainable, profitable growth, supported by strong cash generation and balance sheet strength. We are confident that our strategic plan will improve our performance and drive long-term value creation.

While we recognise we are still early in our transformation, we are encouraged by the response from customers and partners over the festive period. In light of our Q3 performance, it is now more likely our second-half results will broadly offset the first-half adjusted operating loss, notwithstanding the uncertain macroeconomic environment.

RETAIL SALES PERFORMANCE

Q3 FY25 comparable store sales declined 4% in the period, with varying performance in each region:

- Americas grew 4%, boosted by local spend. Globally, the Americas customer was in line with the regional performance. We were encouraged by performance in the New York area where we concentrated local marketing efforts after reopening our refurbished 57th St Store.
- EMEIA decreased 2% with a similar decline in both locals and tourists. Globally, the EMEIA customer group was flat.
- Asia Pacific decreased 9% with Mainland China down 7%. Globally, the Mainland Chinese customer was flat versus last year and contributed to the 4% increase in Japan. South Asia Pacific was down 19% and South Korea down 12%.

By product, outerwear and scarves continued to outperform globally. The contribution from space was 1%, leading to a 3% decline in retail sales at constant exchange rates. Currency was a 4% headwind in the quarter, with retail revenue landing at £659m, down 7% at reported exchange rates.

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 store 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.

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

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- There will be a presentation today at 9.00am (UK time) for investors and analysts.

- The presentation can also be viewed live on the Burberry website <https://www.burberryplc.com/>, you can also click [here](#) to register.
- The supporting slides will be available on the website prior to the presentation and an indexed replay will be available later in the day.
- Burberry will issue its Preliminary Results for the 52 weeks ending 29 March 2025 on Wednesday 14 May 2025.

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.

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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 250 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 28 December 2024, globally Burberry had 235 retail stores, 143 concessions, 54 outlets and 33 franchise stores, excluding pop-up stores.

APPENDIX

Based on effective FX rates as of 3 January 2025, in FY25 we now expect a headwind of around £65m on revenue and around £25m on adjusted operating profit.

EXCHANGE RATES £1=	FORECAST EFFECTIVE AVERAGE RATES FOR FY25		ACTUAL AVERAGE EXCHANGE RATES	
	3 January 2025	25 October 2024	H1 FY25	FY24
Euro	1.19	1.19	1.18	1.16
US Dollar	1.27	1.29	1.29	1.26
Chinese Renminbi	9.19	9.23	9.23	9.01
Hong Kong Dollar	9.92	10.04	10.01	9.84
Korean Won	1,779	1,779	1,746	1,657
Japanese Yen	195	196	195	182

Detailed guidance for FY25

Item	Financial impact
Impact of retail space on revenues	Space is expected to be broadly stable in FY25.
Wholesale revenue	Wholesale revenue is expected to decline by around 35% in FY25.
Opex	Initiated cost savings programme to unlock annualised savings of around £40m, with around £25m to be delivered in FY25, and of which £8m realised in H1 FY25.
Adjusting items	Restructuring charge of around £20m in FY25, of which £12m was incurred in H1 FY25.
Currency	Based on 3 January effective foreign exchange rates the impact of year-on-year exchange rate movements is now expected to be around £65m headwind on revenue and around £25m headwind on adjusted operating profit.
Capex	Capex is expected to be around £150m.
Dividend	As we navigate this period, we have suspended dividend payments in respect of FY25 in order to maintain a strong balance sheet and our capacity to invest in Burberry's long-term growth.

Note: Guidance based on CER at FY24 rates

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