

APPAREL AND ACCESSORIES

Burberry propelled by beauty, Asia Pacific sales in H1 2017

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Burberry rainwear performed well in H1 2017. Photo by Philip Sinden for British Vogue

By STAFF REPORTS

British fashion house Burberry has announced double-digit underlying profit growth in the first half of 2017, ended Sept. 30.

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Burberry has faced a slew of challenges recently including declining sales, c-suite restructuring and the announcement that longtime creative director, and former CEO, Christopher Bailey will soon exit the house. But, for the first half of 2017, Burberry's revenues were up 4 percent underlying, and 9 percent reported with retail store sales increasing by 4 percent.

Bumped up

According to Burberry's financial results for the six-month period, its adjusted operating margin increase 14.6 percent.

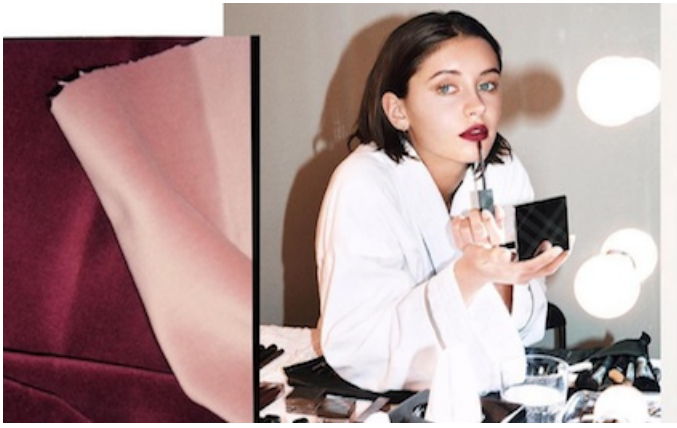
This increase is connected to improvements in its beauty line's profitability due to Burberry's partnership with Coty ([see story](#)). As planned, Burberry and Coty entered their strategic partnership Oct. 2.

In addition to Burberry Beauty performing well, the British heritage house's fashion and new goods resonated well with consumers during the first half of 2017. Burberry saw strength in its rainwear and leather goods.

Burberry also reports that conversions improved into all regions. Sales were led by returning top spending customers.

Also, the brand's direct-to-consumer digital revenue increase in all regions. The growth was streamlined by the growth of mobile purchases.

Burberry was also proud to share that, for the third consecutive year, it was included on the Dow Jones Sustainability Index.



Iris Law for Burberry Beauty. Image credit: Burberry

"I am pleased with our performance in the half with strong double-digit underlying profit growth," said Marco Gobbetti, CEO of Burberry, in a statement. "Consumers responded positively to fashion and newness, particularly in rainwear and leather goods.

"Digital revenue grew in all regions, led by mobile, while growth was strongest in our own stores in Asia Pacific," he said. "I look forward to building on our strong foundations as we implement our strategy to drive Burberry forward."

But, changes are on Burberry's horizon nonetheless.

On Oct. 31, it was announced, that after 17 years at the helm of Burberry, Mr. Bailey would be step down as president and chief creative officer next year.

Mr. Bailey will exit his executive roles and his position on the brand's board at the end of March, and will continue to help with the transition until the end of 2018. Credited with transforming Burberry from an outerwear company to a fully fledged fashion label, Mr. Bailey was also instrumental in driving the brand's recent digital innovations ([see story](#)).