

APPAREL AND ACCESSORIES

Burberry warns of issues from a no-deal Brexit, misses financial goals

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Burberry has undergone changes this year. Image credit: Burberry

By STAFF REPORTS

British fashion label Burberry has missed expectations for this past quarter, and stressed the importance of avoiding a no-deal Brexit policy.

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Burberry has joined numerous other British manufacturers who fear disruption to their supply chains if the country does not have a firm agreement with the European Union on trade matters. The label's chief operating and financial officer detailed how it would affect the brand's business during its earnings call on Jan. 23 that revealed a 1 percent drop in retail revenue.

Burberry business

In the third quarter ended Dec. 29, Burberry saw a 1 percent increase in comparable store sales, down from its 2 percent growth the previous year.

The Asia-Pacific area saw a jump thanks to mid single-digit growth in Mainland China, but the Americas were damaged by a fall in foot traffic.

Burberry decreased its space by 1 percent, with two net closures in the third quarter.

While the company did not meet expectations, it maintains that it is still going through its transitional period and is building slow but sustainable growth.



Burberry's Chinese New Year campaign. Image courtesy of Burberry

“I am pleased with our progress in the quarter as we continued to build brand heat around our new creative vision and shift consumer perception of Burberry,” said Marco Gobetti, CEO of Burberry, in a statement. “Excitement is growing ahead of next month’s launch of Riccardo’s debut collection.

“We will continue to manage the business dynamically as we reposition the brand,” he said. “We confirm our outlook for the full year.”

In November, Burberry also stated that its strategy to reposition itself under chief creative officer Riccardo Tisci’s vision has seen a positive response.

During the six months ended Sept. 29, the label’s revenues totaled 1,220 pounds, down 3 percent year-over-year, however Burberry is optimistic about the changes underway. The period saw Mr. Tisci’s first runway collection for the brand, as well as the roll out of a new logo and streetwear-infused aesthetic ([see story](#)).

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