

COMMERCE

Burberry earnings steady as new CEO, CFO, CCO settle in

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The brand's #BurberryNightCreatures campaign brings a new "Night Check" pattern to life. Image credit: Burberry

By LUXURY DAILY NEWS SERVICE

British fashion house **Burberry** is spreading news of a strong annual fiscal performance.

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For the period that ended April 1, 2023, Burberry Group reports revenues of 3 billion euros, or about \$3.3 billion at current exchange, up 10 percent year-over-year on a reported basis. All leadership changes considered, the news marks a stable earnings round, boosted most readily by rebounding travel across Europe and traction gained with luxury shoppers based out of the Asia Pacific region.

"I am very pleased with what we have achieved this year," said Jonathan Akeroyd, chief executive officer at Burberry, in a statement.

"We have delivered a strong financial performance, supported by good progress in our core leather goods and outerwear categories, with revenue accelerating in the fourth quarter as growth rebounded in mainland China," Mr. Akeroyd said. "Having appointed Daniel Lee as our new Chief Creative Officer, we have refocused our brand aesthetic and brought his new creative vision to life with a campaign and runway show that have been very well received.

"At the same time, we have reorganized our supply chain, merchandising and digital teams under new leaders to drive our strategy forward."

Level landscape

Last year brought Burberry a new chief executive officer Mr. Akeroyd started in April ([see story](#)) and chief creative officer, as English fashion designer Daniel Lee officially succeeded Riccardo Tisci in October.

Chief financial officer Kate Ferry subsequently joined the team in March 2023 ([see story](#)).

Per Burberry's latest earnings report, the overhaul appears to be paying off.



The designer made his debut in February 2023 with a new campaign featuring fresh creative expressions and celebrity faces. Image credit: Burberry

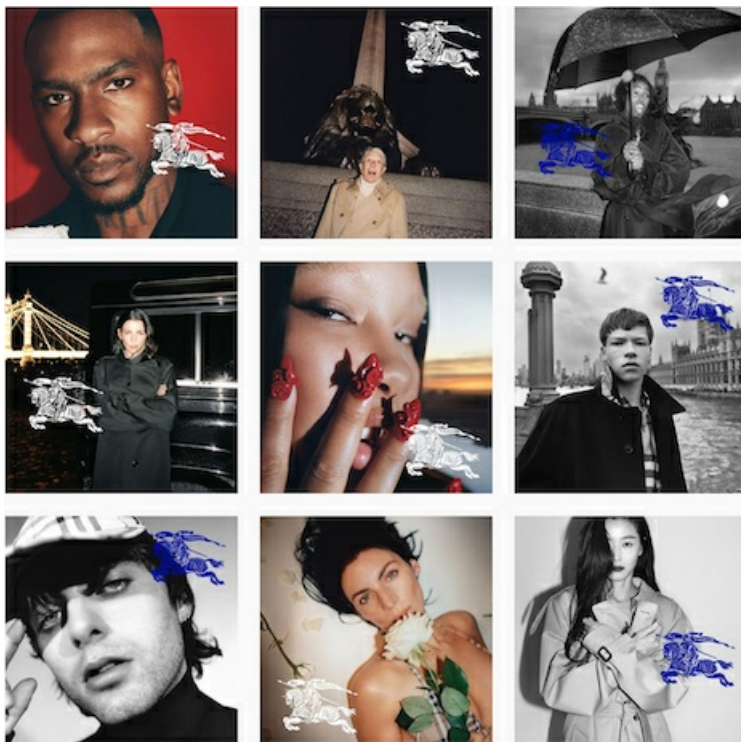
Retail sales played a crucial role in helping Burberry cross the finish line this fiscal, with overall comparable store sales up 7 percent y-o-y.

In the fourth quarter, comparable store sales jumped 16 percent y-o-y, lifted by Europe, the Middle East and Africa, as well as mainland China, up 27 percent and 17 percent, respectively.

Conversely, the Americas stand as the sole region showing declined comparable store sales across all four quarters, down 7 percent in Q4 and 3 percent annually compared to last year.

As is the case at Burberry, and across the board for Q4 2022 sales, it seems entry-level and first-time purchasers across North America are straying from any additional spending, with future economic instabilities in mind.

Throttled by COVID-19-related disruptions in mainland China, where comparable store sales fell 35 percent in Q1 and 23 percent in Q3, Burberry is just beginning to pick back up here, with a 13 percent y-o-y growth rate achieved in Q4.



Burberry has wiped the social slate clean, replacing old posts with images from the new Heritage Collection at the top of the year. Image credit: Burberry

The company renovated and opened 60 stores in the period that ended April 1, 2023 focusing on margins, the brand's refreshed locations represented 30 percent of its full-price network.

As a bulk of sales, about 80 percent, hails from its own stores wholesale retail channels generated roughly 17 percent of yearly revenues, while dollars garnered from licensing deals with the likes of U.S.-based distributor Coty (see story) comprised the rest Burberry aims to update over 50 percent of its boutiques by the end of the current

fiscal, eyeing full completion of all global locations by 2027.

Categorically, leather goods and core outerwear the latter being a key category for the brand known for its heritage trench coats rose by 15 and 30 percent y-o-y in Q4 respectively, pushed through.

Regarding the latter product range, one of importance to the brand, best known for its heritage trench coat styles, the acquisition of Italy's's Pattern SpA, the Group's longtime supplier, to "strengthen technical outerwear capability" as outlined in a March 2023 statement, may be partially responsible.

Design risks and remixed house codes ([see story](#)) imparted on behalf of a new creative lead could also factor in.

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A post shared by Burberry (@burberry)

With the fall/winter 2023 collection, the company's chief creative director made his official debut last year in September 2022 at London Fashion Week.

A more recent swimwear launch also provides hints of the types of untapped verticals Mr. Lee is willing to venture into, as Burberry Group seeks to break the \$4 billion mark in the next year.

Considering a series of major creative and executive shake-up announcements of late, current results provide a strong foundation upon which the house will continue to build.

"While the external environment remains uncertain, I am confident we can achieve our FY24 and medium-term targets as we focus on executing our plan to realize Burberry's potential as the modern British luxury brand," Mr. Akeroyd said.