

COMMERCE

# Burberry tempers FY24 forecast

November 20, 2023



Over the last three months, globally, comparable store sales have increased by just 1 percent at the British fashion house. Image credit: Burberry

By LUXURY DAILY NEWS SERVICE

British fashion label Burberry is adjusting its revenue guidance for the full year, citing weakened demand worldwide.

In the first half of its fiscal year, the brand has grossed 1.396 billion euros, or \$1.53 billion at current exchange, representing a jump of 7 percent year-over-year. Burberry's performance over the last three months specifically, however, saw comparable store sales increase by just 1 percent, the modest growth rate signaling that its operations are not exempt from a slowdown affecting the majority of luxury players at the moment.

"We made good progress against our strategic goals, executing our priorities at pace," said Jonathan Akeroyd, CEO of Burberry, in a statement.

"We continued to build momentum around our new creative vision with the launch of our Winter 23 collection in September, the first designed by Daniel Lee," Mr. Akeroyd said. "While the macroeconomic environment has become more challenging recently, we are confident in our strategy to realize our potential as the modern British luxury brand, and we remain committed to achieving our medium and long-term targets."

## Sharp turn

Areas of burgeoning growth have either flipped or drastically slowed at Burberry in recent months.

Last quarter, store sales grew by 18 percent, the boost upheld by retail surges in Asia-Pacific and Europe, the Middle East, India and Africa (EMEIA) which both rose by 36 and 17 percent y-o-y, respectively ([see story](#)).

This quarter, comparable in-store sales across APAC have only increased by 1 percent y-o-y, with the same measure EMEIA up 10 percent this time around. Meanwhile, the Americas continue to struggle, displaying double-digit declines.

Holiday 2023 [#Burberryhttps://t.co/4ypUQK7w7c](https://t.co/4ypUQK7w7c) [pic.twitter.com/SFwPLRojSq](https://pic.twitter.com/SFwPLRojSq)

Burberry (@Burberry) November 2, 2023

The region saw store sales dip by 8 percent in the first quarter. The downward momentum rolled over into the last three months, as the Americas experienced a y-o-y drop of 10 percent drop in comparable store sales.

While Burberry performances in APAC worked to counteract troubles in the Americas initially, the same cannot be said for this quarter.

As far as first-half sales are concerned, all of the maison's product divisions, except for children's items, saw small to moderate gains in revenue during Q2. Womenswear saw the greatest growth, rising 9 percent y-o-y.

In November 2022, Burberry revealed medium-term plans to grow its sales to 4 billion euros, with a longer-term goal to reach 5 billion euros down the line. This month, the brand is tempering FY24 forecasts.

Its leaders note that due to current market conditions, adjusted operating profit is expected to land at the "lower end of the current consensus range" of between 552 million and 668 million euros, or \$604-\$731 million at current exchange.

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