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// H1 FY2026/27

BURBERRY

VGR MARKET INTELLIGENCE

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01

Executive Summary

Primary source: Burberry Group plc, "Interim Results for 26 weeks ended 26 September 2026", RNS, 12 November 2026. https://www.investegate.co.uk/announcement/rns/burberry-group--brby/burberry-interim-results/9871227

Adjusted operating profit rose from £19m to £62m on 6.4% more revenue

Burberry's first-half revenue was £1,098m, up 6.4% as reported and 6% at constant exchange rates, so currency added little. Comparable retail sales rose 4% and wholesale 17.6%, which gave wholesale 15.8% of revenue against 14.3%. Adjusted operating profit was £62m against £19m and the adjusted margin 5.7% against 1.9%. Of the 380bp gain, 350bp came from operating costs held flat at constant rates and 30bp from gross margin.

Greater China and the Americas supplied all of the £68m increase

Retail and wholesale revenue rose £68m. Greater China added £38m, up 15.0% as reported and 10% at constant rates, and the Americas £30m, up 13.9%. EMEIA, 35.3% of the total, fell 0.8% and Asia Pacific rose 2.0%. Greater China comparable sales slowed from 9% in the first quarter to 5% in the second. The third-quarter update on 21 January 2027 will show whether that slowdown continues.

Net inventory rose 11.0% and free cash outflow widened to £147m

Inventories were £503m against £453m, up 11.0%, and up 25.4% since March. Provisions fell to £71m from £87m, and their cover of gross inventory to 12.4% from 16.1%, so gross inventory grew about 6.0%, between 5.2% and 6.7%. Working capital absorbed £197m against £43m, and free cash flow was an outflow of £147m against £50m.

Gross margin includes a rebate the release does not size

Gross margin rose 30bp to 68.3%, and the company names a one-off supply chain rebate among the causes without giving its amount, so the underlying gross margin cannot be calculated. Adjusting items fell to £8m from £37m. Profit for the period was £6m, a return on sales of 0.5%, after an adjusted tax rate of 55% that includes £7m of prior-year adjustments.

Full-year margin expansion needs a second-half margin of only about 7.3%

Burberry expects revenue growth and margin expansion in FY27. The FY26 adjusted margin was 6.6%, and its second half, taking the interim figures from the full year, earned 10.2%. To beat 6.6% for the year, the second half needs about 7.3% to 7.4% across 0% to 9% revenue growth, an illustration and not a forecast. The 10% to 12% wholesale guide implies second-half wholesale growth of about 3% to 7%, against 17.6% in the first half.

WHAT TO WATCH

Q3 Trading Update, 21 January 2027: Greater China comparable sales against +5% in Q2.
FY27 results: the H2 adjusted margin against 10.2% a year earlier and the 7.3% needed.
FY27 results: provision cover against 12.4% and the size of the supply chain rebate.

VGR will publish the next Burberry analysis when the figures are released.

The period in figures

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BURBERRY GROUP PLC · LSE: BRBY · H1 FY2026/27 · GBP

FINANCIAL YEAR ENDS 27 MARCH 2027 · PERIOD ENDED 26 SEPTEMBER 2026 · REPORTED 12 NOVEMBER 2026 · ANALYSIS 13 NOVEMBER 2026

NET REVENUES	GROSS PROFIT	OPERATING PROFIT	NET PROFIT
+6.4%	+6.8%	+226.3%	n/m
1,098 vs 1,032	749 vs 701	62 vs 19	6 vs £(27)m
	GROSS MARGIN	OPERATING MARGIN	RoS
	68.3%	5.7%	0.5%
	from 67.9%	from 1.9%	from (2.6%)
COMPARABLE RETAIL SALES	FREE CASH FLOW	NET DEBT INCL. LEASES	NET DEBT / ADJ. EBITDA
+4%	£(147)m	£988m	1.7x
from 0%	from £(50)m	from £1,094m	from 2.2x

£m, 26 weeks against 26 weeks; operating profit is adjusted operating profit (reported £54m against £(18)m)

03 · THE PROFIT BRIDGE

Gross profit rose £48m and costs £5m

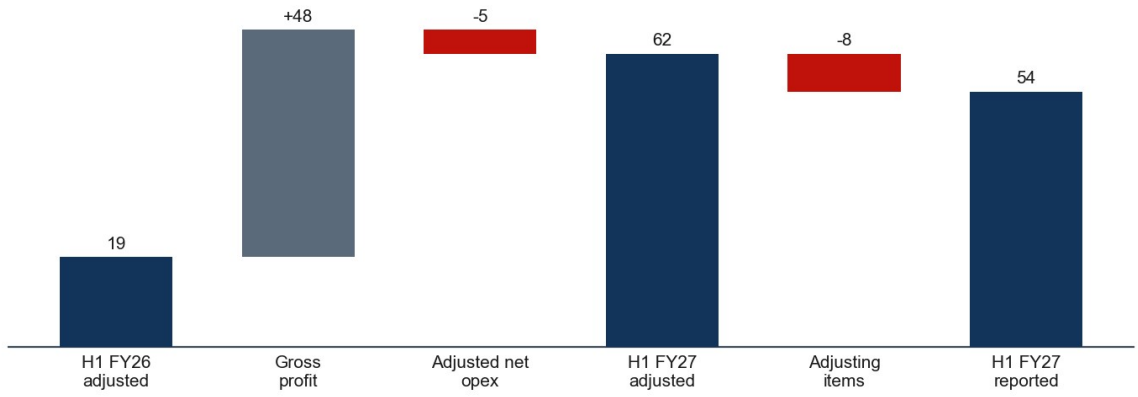
Adjusted operating profit rose £43m to £62m. Gross profit added £48m on revenue up £66m, and adjusted net operating expenses rose £5m, 0.7%. Adjusting items, all restructuring under the Burberry Forward programme, fell to £8m from £37m, so reported operating profit moved from a loss of £18m to a profit of £54m, a swing of £72m. Retail and wholesale made £36m of adjusted operating profit against a loss of £9m; licensing made £26m against £28m.

£M	H1 FY27	H1 FY26	CHANGE
Revenue	1,098	1,032	**+66**
Gross profit	749	701	**+48**
Adjusted net operating expenses	(687)	(682)	**(5)**
Adjusted operating profit	62	19	**+43**
Adjusting operating items	(8)	(37)	**+29**
Operating profit/(loss)	54	(18)	**+72**
of which retail/wholesale	36	(9)	**+45**
of which licensing	26	28	**(2)**

Source: Burberry Group plc, Interim Results (RNS), 12 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

Gross profit added £48m and costs £5m, lifting adjusted profit to £62m

Burberry adjusted operating profit, H1 FY27 against H1 FY26 · £m



Source: Burberry Group plc, Interim Results, 12 November 2026. Bridge: VGR arithmetic.

04 · GROWTH COMPOSITION

Wholesale grew 17.6% and two regions made all the growth

Revenue rose £66m, 6.4%. Retail added £42m, 4.1 points, wholesale £26m, 2.5 points, and licensing took away £2m. The company's retail bridge puts comparable sales at 4%, space at 0% and currency at 1 point, so retail rose 5% as reported. Group growth at constant rates is printed as a whole 6%, so the currency effect on the group is bounded between about 0 and 1 point.

CHANNEL, £M	H1 FY27	H1 FY26	CHANGE
Retail	896	854	**+4.9%**
Wholesale	174	148	**+17.6%**
Licensing	28	30	**(6.7%)**
Revenue	1,098	1,032	**+6.4%**

Source: Burberry Group plc, Interim Results (RNS), 12 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures. Licensing growth on rounded figures; the company prints (5)% on unrounded numbers.

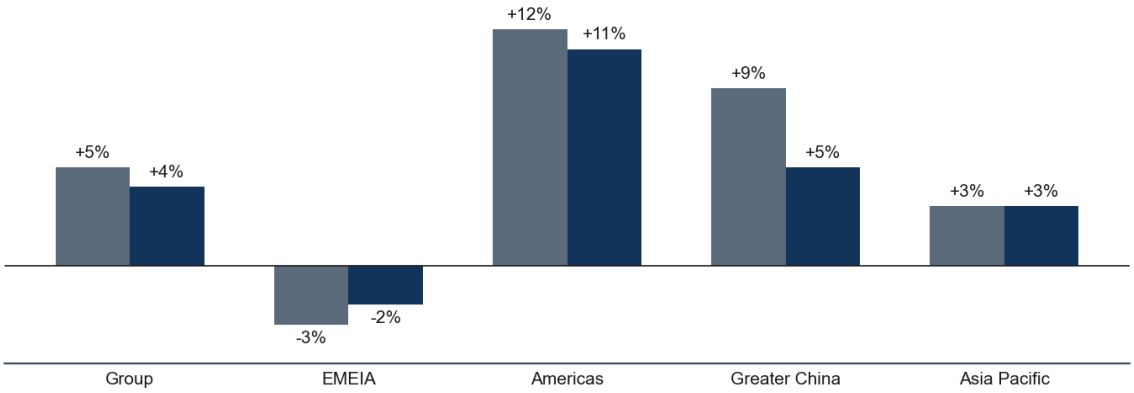
By destination, Greater China added £38m and the Americas £30m, together 100.0% of the £68m rise in retail and wholesale revenue. In Greater China reported growth was 15.0% and constant-currency growth 10%, so the renminbi, at 9.10 to the pound against 9.65, supplied about 5 points. In Asia Pacific the yen, at 214 against 196, took reported growth to 2.0% from 6% at constant rates. EMEIA fell 0.8%.

RETAIL AND WHOLESALE, £M	H1 FY27	H1 FY26	REPORTED	CER
Greater China	291	253	**+15.0%**	+10%
Americas	246	216	**+13.9%**	+13%
Asia Pacific	155	152	**+2.0%**	+6%
EMEIA	378	381	**(0.8%)**	(1%)
Total	1,070	1,002	**+6.8%**	+6%

Source: Burberry Group plc, Interim Results (RNS), 12 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures. CER growth is the company's, in whole percentages.

Greater China slowed from +9% to +5% in Q2; the Americas held above 10%

Comparable retail sales growth, Q1 FY27 (light) against Q2 FY27 (dark) · %



Source: Burberry Group plc, Interim Results, 12 November 2026. Company figures, whole percentages.

By product, womenswear grew 9.6% and supplied £30m, 44.1% of the increase; accessories grew 6.4%, menswear 4.6% and childrenswear and other 4.7%. The release gives growth in words for outerwear, leathergoods and e-commerce but no £ figures.

PRODUCT, £M	H1 FY27	H1 FY26	CHANGE
Accessories	365	343	**+6.4%**
Womenswear	342	312	**+9.6%**
Menswear	318	304	**+4.6%**
Childrenswear and other	45	43	**+4.7%**

Source: Burberry Group plc, Interim Results (RNS), 12 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

05 · THE ESTATE

The estate grew by two stores to 412

Burberry opened 7 directly operated stores and closed 5, ending the half with 412: 223 stores, 134 concessions and 55 outlets, plus 27 franchise stores. The company states that change in space contributed 0% to retail growth and expects space to be broadly stable in FY27. Selling space in square metres and sales densities are not disclosed.

DIRECTLY OPERATED	STORES	CONCES-SIONS	OUTLETS	TOTAL
At 28 March 2026	222	134	54	410
Additions	4	2	1	7
Closures	(3)	(2)	-	(5)

DIRECTLY OPERATED	STORES	CONCES-SIONS	OUTLETS	TOTAL
At 26 September 2026	223	134	55	412

Source: Burberry Group plc, Interim Results (RNS), 12 November 2026. Excludes pop-ups. Franchise stores 27 at both dates.

06 · MARGIN ARCHITECTURE

350bp of the 380bp margin gain came from operating leverage

The adjusted operating margin rose 380bp to 5.7%. Adjusted net operating expenses fell from 66.1% of revenue to 62.6%, a gain of 350bp, and gross margin added 30bp. Depreciation and amortisation fell to 16.6% of revenue from 18.2%, 164bp, which is about half of the cost leverage. The company names full price performance and a one-off supply chain rebate as gross margin gains, and higher inventory provisions and the wholesale mix as offsets, with no amounts. Wholesale gained 1.5 points of revenue share.

SHARE OF REVENUE	H1 FY27	H1 FY26	CHANGE
Gross margin	68.3%	67.9%	**+30bp**
Adjusted net opex	62.6%	66.1%	**(350bp)**
Adjusted operating margin	5.7%	1.9%	**+380bp**
Depreciation and amortisation	16.6%	18.2%	**(164bp)**
Adjusted EBITDA	22.2%	20.1%	**+216bp**
Operating margin (statutory)	5.0%	(1.7%)	**+670bp**

Source: Burberry Group plc, Interim Results (RNS), 12 November 2026. Margins and the first three changes as printed. Depreciation, EBITDA margin and their changes: VGR arithmetic on rounded £m.

07 · INVENTORY

Net inventory rose 11.0%; gross inventory about 6.0%

Inventories were £503m, up 11.0% on a year earlier and 25.4% on March. The company attributes the rise to a return to a normalised inventory profile ahead of peak trading and to earlier deliveries. Provisions fell to £71m from £87m. Dividing each provision by its stated share of gross inventory gives a gross value of about £573m against £540m, a rise of about 6.0%, bounded between 5.2% and 6.7%. Net inventory rose faster than gross because cover fell 370bp.

£M	26 SEP 26	27 SEP 25	28 MAR 26
Inventories, net	503	453	401
Inventory provisions	71	87	67
Provision cover of gross inventory	12.4%	16.1%	14.3%
Gross inventory (derived)	c.573	c.540	c.469

£M	26 SEP 26	27 SEP 25	28 MAR 26
Inventory cash flow in the half	(108)	(25)	19 (year)

Source: Burberry Group plc, Interim Results (RNS), 12 November 2026. Gross inventory = provision / cover, VGR arithmetic, bounded by the one-decimal cover.

Note 13 gives a range for provisions of 8% to 12% of gross inventory after a rise of £10m or a fall of £12m. The current rate is 12.4%, above that range, and the same moves on the derived gross value give about 10.3% to 14.1%. The release does not reconcile the two. FY27 results will show the cover after peak trading.

08 · CASH FLOW AND BALANCE SHEET

Free cash outflow of £147m on a £197m working capital build

CASH FLOW, £M	H1 FY27	H1 FY26	CHANGE
Adjusted operating profit	62	19	**+43**
Depreciation and amortisation	182	188	(6)
Working capital	(197)	(43)	**(154)**
Other including adjusting items	3	(16)	**+19**
Lease principal and related	(107)	(115)	**+8**
Capital expenditure	(32)	(38)	+6
Net interest	(49)	(18)	**(31)**
Tax	(9)	(27)	**+18**
Free cash flow	(147)	(50)	**(97)**

Source: Burberry Group plc, Interim Results (RNS), 12 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

Inventory took £108m of the £197m working capital outflow, payables and provisions £72m and receivables £17m. Interest paid rose to £62m from £35m, 77.1% more, while net finance expense in the income statement rose only to £35m from £30m; the company links part of the cash interest to tax-audit settlements and gives no amount. The £300m revolving facility is undrawn.

NET DEBT, £M	26 SEP 26	28 MAR 26	27 SEP 25
Cash net of overdrafts	(459)	(614)	(424)
Borrowings	507	511	517
Lease debt	940	955	1,001
Net debt	988	852	1,094
Adjusted EBITDA, rolling 12 months	586	549	499

NET DEBT, £M	26 SEP 26	28 MAR 26	27 SEP 25
Net debt / adjusted EBITDA	1.7x	1.6x	2.2x

Source: Burberry Group plc, Interim Results (RNS), 12 November 2026.

09 · CAPITAL ALLOCATION AND RETURNS

No interim dividend and capex of 2.9% of revenue

The board declared no interim dividend, as a year earlier, and the group bought no shares for cancellation; the employee share trusts bought £11m. Capital expenditure was £32m, 2.9% of revenue against 3.7%. The guide of around £100m for the year implies about £68m in the second half, more than twice the first-half rate. Net assets were £958m against £897m.

£M	H1 FY27	H1 FY26	CHANGE
Capital expenditure	32	38	(6)
Capex as % of revenue	2.9%	3.7%	(77bp)
Interim dividend	nil	nil	
Purchase of own shares by ESOP trusts	11	5	+6
Net assets	958	897	**+61**

Source: Burberry Group plc, Interim Results (RNS), 12 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

10 · EARNINGS QUALITY

Statutory profit of £6m after a 67% tax rate

Profit before tax was £19m against a loss of £48m. Tax of £13m left profit for the period at £6m, a return on sales of 0.5% against minus 2.6%. The reported tax rate was 67% and the adjusted rate 55%, against a full-year guide of 30% to 34%. The tax note shows £7m of prior-year adjustments; if all of it sits in the adjusted charge, the adjusted rate without it is about 29.6%, a bound because the split is not disclosed. Adjusted diluted EPS was 3.4p against 0.6p.

£M	H1 FY27	H1 FY26	FY26
Adjusted profit before tax	27	(11)	94
Adjusting items	(8)	(37)	(45)
Profit/(loss) before tax	19	(48)	49
Taxation	(13)	21	(29)
Profit/(loss) for the period	6	(27)	20
Diluted EPS	1.8p	(7.1)p	n/a

£M	H1 FY27	H1 FY26	FY26
Adjusted diluted EPS	3.4p	0.6p	15.2p

Source: Burberry Group plc, Interim Results (RNS), 12 November 2026. FY26 is the audited 52 weeks to 28 March 2026.

The release says the one-off supply chain rebate helped gross margin and gives no amount. It is inside adjusted operating profit, so the size of the underlying improvement cannot be separated from it. The Burberry Forward programme is expected to cost £82m in total and to end this year.

11 · GUIDANCE AND THE IMPLIED REQUIREMENT

Margin expansion needs a second-half margin of about 7.3%

FY27 GUIDE	CURRENT	H1 FY27	VGR CHECK
Revenue and margin	Growth and expansion	+6.4%; 5.7%	FY26 margin 6.6%
Wholesale growth	10% to 12%	+17.6%	H2 about +3% to +7%
Annualised savings	Around £100m	n/a	£80m in FY26
Space	Broadly stable	0%	412 stores
Capex	Around £100m	£32m	H2 about £68m
Adjusted tax rate	30% to 34%	55%	Prior-year items £7m
Currency	c.£20m revenue tailwind	Neutral profit	30 Oct 2026 rates

Source: Burberry Group plc, Interim Results (RNS), 12 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures. Guidance is at FY26 constant exchange rates.

Taking the interim figures from FY26, the second half of FY26 earned £141m on £1,388m, a margin of 10.2%. To exceed the 6.6% full-year margin of FY26, the second half of FY27 needs the profit below. This is an illustration, not a forecast; it assumes no restatement of FY26.

H2 FY27 REVENUE GROWTH	H2 REVENUE, £M	PROFIT NEEDED, £M	H2 MARGIN NEEDED
0%	1,388	102	7.4%
+3%	1,430	105	7.4%
+6%	1,471	108	7.3%
+9%	1,513	111	7.3%

VGR illustration: (1,098 + H2 revenue) x 6.6% less H1 adjusted operating profit of £62m. Not a forecast.

The bar is about 280bp below the 10.2% of the second half of FY26. The wholesale guide on FY26 wholesale of £303m implies £159m to £165m in the second half, growth of 2.8% to 6.7% against £155m, mixing a constant-currency guide with reported first-half revenue.

12 · DISCLOSURE DELTA AND METRICS NOT REPORTED

Nine measures are not reported in the release

METRIC	STATUS	WHAT IT WOULD SETTLE
Supply chain rebate	not disclosed	The underlying gross margin
E-commerce revenue	not disclosed	The mid-teens growth claim
Outerwear and leathergoods revenue	not disclosed	Category growth in £
Selling space in square metres	not disclosed	Sales densities
Gross inventory value	not disclosed	Exact provision-adjusted growth
Cash interest on tax settlements	not disclosed	Recurring interest cost
Free cash flow plan	not disclosed	The on-plan claim
Wholesale revenue by region	not disclosed	Where the 17.6% came from
FY27 revenue guide in figures	not disclosed	The size of revenue growth

Source: Burberry Group plc, Interim Results (RNS), 12 November 2026.

13 · THE COMPANY'S ACCOUNT, TESTED

Three of seven claims are supported by the disclosed figures

CLAIM	TEST	DISPOSITION
"fifth consecutive quarter of growth"	Q1 +5% and Q2 +4% are in this release; the earlier quarters are not	Partially verifiable.
"Wholesale revenue up 17%, ahead of guidance"	Wholesale +17% at CER confirmed; the earlier guide is not in this release	Figure supported; comparison not verifiable.
"Net operating expenses flat at CER"	Adjusted net opex £687m against £682m, +0.7% reported	Supported.
"Free cash flow on plan"	The plan is not disclosed	Not verifiable from the disclosure.
"Balance sheet continues to strengthen year on year"	Net debt £988m against £1,094m; but £136m above March	Supported year on year.
Gross margin from "quality of sales" and a "one-off supply chain rebate"	Neither part is quantified	Not verifiable from the disclosure.

CLAIM	TEST	DISPOSITION
"comparable retail sales grew 4%, with no impact from space"	Retail bridge: change in space 0%	Supported.

Source: Burberry Group plc, Interim Results (RNS), 12 November 2026.

14 · METHOD, SOURCES AND PRECISION

Method, sources and precision

All figures come from the announcement named in the Executive Summary. The RNS page is a cover notice that links the full 35-page statement, http://www.rns-pdf.londonstockexchange.com/rns/8189C_1-2026-11-11.pdf, which was read in full. The interim figures are unaudited and were reviewed by Ernst & Young LLP. Growth and margins are calculated from figures in £m; where the company prints a rate calculated on unrounded figures, its rate is shown. Second-half FY26 figures are FY26 less H1 FY26 as printed in this release.

ITEM	PRECISION	NOTE
Revenue, profit and margin changes	Exact	Calculated from disclosed figures
Currency effect on group growth	Bounded	CER growth printed in whole points
Gross inventory	Bounded	Provision / one-decimal cover
Adjusted tax rate without prior-year items	Bounded	Split not disclosed
Second-half FY26 figures	Exact	Full year less interim, no restatement assumed
Underlying gross margin	Not calculable	Rebate not disclosed

VGR precision register.

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Analysis by Pau Almar, VGR.

METHODOLOGY

VGR Standardised Financial Analysis Methodology v5. Arithmetic before language; every finding names the disclosure that would settle it.

PRIMARY SOURCE

Burberry Group plc (LSE: BRBY), "Interim Results for 26 weeks ended 26 September 2026", RNS, 12 November 2026. https://www.investegate.co.uk/announcement/rns/burberry-group--brby/burberry-interim-results/9871227

WORKING RECORD

Burberry_H1 FY2026-27_Source_Figures.md, with company-disclosed figures, VGR arithmetic, the claims register and metrics not reported in separate parts, alongside the source files in _src.

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