



Burberry's sales decline slows in Q1

The British brand said it is encouraged by the initial progress of its turnaround strategy, which has helped it weather a fall in global tourist spend.

By Kirsty McGregor



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Burberry's turnaround is gathering pace. The heritage luxury brand says actions taken over the past few months — including marketing campaigns celebrating the British summertime and a “rebalancing” of its collections — helped to improve its performance in the first quarter of the 2026 fiscal year.

Comparable store sales were down 1 per cent year-on-year in the 13 weeks ended 28 June, compared with the 21 per cent decline recorded in the last quarter. Overall, Burberry's retail revenue — including contributions from new space — fell 6 per cent on a reported basis to £433 million in the first quarter (down 2 per cent at constant exchange rates).

By region, comparable store sales in EMEA grew 1 per cent as a rise in local spend helped offset a decline in tourist spending. The Americas grew 4 per cent. Sales fell by 5 per cent in Greater China and by 4 per cent in the rest of Asia, where a “challenging performance” in Japan was only partially offset by growth in South Korea. (Richemont also noted the downturn in Japan as the value of the yen strengthens.)

On a call with journalists, Burberry CEO Joshua Schulman said it was his one-year anniversary in the role. “If you had asked me 12 months ago where we’d be today, I wouldn’t have imagined the amount of progress this exceptional team is making,” he said. “We’re really pleased with the sequential improvement we’re seeing across the regions, particularly the shift to positive comps in EMEA and the Americas. We’re optimistic about the quarters ahead.”

CFO Kate Ferry emphasised that China is still a “very important market” for Burberry, currently representing about 30 per cent of its global sales. While traffic there is challenging, she said conversion has improved.

In the US, which accounts for 19 per cent of revenue, Burberry has adopted a two-pronged approach: targeting its top-spending customers with tailored events, such as a trip to Flamingo Estate in Los Angeles, while driving traffic in malls by bringing its festival marketing campaign to life with live DJ





sets. “The storytelling and products now appeal to a much broader range of luxury consumers,” said Schulman.

“Tariffs are a headwind, but we spent a lot of last year looking at supply chain and price elasticity,” said Ferry. “We took a surgical approach to price increases in the US. It is highly dynamic, so we continue to monitor and manage.”

Across all markets, Burberry said its Q1 sales were supported by stronger brand desirability — up 11 points this quarter according to its internal tracker — and improved conversion across the board. Outerwear and scarves are performing well, and Schulman highlighted lightweight jackets with check trims as a Q1 bestseller. Burberry is also seeing “green shoots” in other categories, he said, such as footwear (wellies and pool slides had a “strong response from customers”).

E-commerce sales improved for the third consecutive quarter, driven by stronger product mix and storytelling, though Burberry warned that wholesale sales are expected to decline by around mid-teens in the first half of 2026.

In May, Burberry outlined cost-saving measures that include laying off 20 per cent of staff, equivalent to 1,700 jobs. At the same time, the brand revealed that its revenue for the year ended 31 March 2025 fell 15 per cent to £2.46 billion, with adjusted operating profit tumbling 88 per cent year-on-year to £26 million. Today, Burberry announced that it is on track to deliver £80 million in annualised savings by the end of fiscal 2026.

“Saying goodbye to team members is difficult, but I think everyone understands the rationale for the actions we’ve taken and that we’re doing this to have a stronger Burberry that endures for years to come,” said Schulman.

As part of its restructuring, Burberry has announced the appointment of its four regional presidents to the company’s executive committee. Claudia Kim, president Asia Pacific; Frank van Loon, president EMEA; Josie Zhang, president Greater China; and Laura Dubin-Wander, president Americas, will continue to lead their respective regions while participating in executive committee decisions, strategy and operations.

It follows Burberry’s decision to remove its vacant chief commercial officer position. “Rather than replace that role, I’ve had the regional presidents report directly to me. That gets me — and the decision making — closer to the customer,” said Schulman.

Looking ahead, Schulman stressed that the turnaround is still in its early stages, but he is optimistic that Burberry is now on the right path. “It’s not turning on a light switch; this is a multi-year plan. There is so much storytelling we can do around timeless British luxury.”

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