# Burberry faces £66m loss and 1,700 job cuts while CEO’s pay nears £2.6m after nine months



Burberry has recently reported a troubling financial situation, revealing a loss of £66 million for the past year compared to a profit of £383 million the previous year. This downturn has coincided with the company's announcement of plans to cut approximately 1,700 jobs globally by 2027, which constitutes about 20% of its workforce. These decisions come under the leadership of new chief executive Joshua Schulman, who has been at the helm for just nine months. Despite the job cuts, Schulman's compensation totals nearly £2.6 million, including £380,000 allocated for relocation expenses, bringing his overall salary for this brief period to a striking figure.

The financial losses are particularly alarming in light of the declining luxury goods sector, amplified by various misjudgments in strategy, as suggested by the company's recent annual report. Schulman, previously the CEO of renowned brands like Coach, is attempting to pivot Burberry back to its roots. His strategy involves refocusing on the brand’s core heritage products, such as the iconic trench coats and scarves, while aiming to achieve significant cost savings postures.

While Burberry’s share price has seen an increase of almost 50% since Schulman took over, primarily driven by his plans for revitalisation, the contrast is stark when juxtaposed against the backdrop of imminent job losses. The proposed cuts were presented as part of a larger initiative to target £100 million in annual savings—£60 million in fresh cuts alongside £40 million from a previous plan. As the company adapts to the current economic climate, the rationale for such drastic measures has been questioned by commentators. Andrew Speke from the High Pay Centre voiced concerns, highlighting the ethical implications of massive executive compensations amid workforce reductions and suggesting that such practices might harm employee morale.

Schulman’s substantial potential earnings, which could reach £5.6 million this year if bonus targets are met, stand in sharp contrast to the company’s financial woes. Coupled with a further potential bonus contingent upon doubling the company’s share price within three years, this pay structure raises eyebrows, particularly when the firm is grappling with decreasing consumer demand across several key markets, including mainland China, where a 7% dip in sales has been noted.

In recent months, Burberry's approach towards its workforce has shifted dramatically, as evidenced by plans to eliminate an entire night shift at its trench coat manufacturing site in Yorkshire. This decision underpins the broader narrative of cost-cutting strategies intended to address overproduction and align with Schulman’s vision for the brand—one that seeks to emphasise its rich British heritage.

In summary, Burberry finds itself at a critical juncture, navigating significant organisational changes and financial instability. As Schulman embarks on his ambitious plan to navigate the luxury brand back to prominence, the juxtaposition of executive pay against workforce reductions raises pressing questions about the ethics of corporate governance in the luxury retail sector.

## Reference Map:

* Paragraph 1 – [[1]](https://www.theguardian.com/fashion/2025/may/30/burberry-job-cuts-boss-joshua-schulman-pay), [[2]](https://www.theguardian.com/fashion/2025/may/30/burberry-job-cuts-boss-joshua-schulman-pay)
* Paragraph 2 – [[1]](https://www.theguardian.com/fashion/2025/may/30/burberry-job-cuts-boss-joshua-schulman-pay), [[4]](https://www.ft.com/content/5684ea53-946b-442f-ad17-d217280472a2)
* Paragraph 3 – [[1]](https://www.theguardian.com/fashion/2025/may/30/burberry-job-cuts-boss-joshua-schulman-pay), [[3]](https://www.reuters.com/business/retail-consumer/burberry-full-year-profit-beats-expectations-2025-05-14/), [[5]](https://www.ft.com/content/e76477d1-10ca-4b68-8c87-c013fd5dd372)
* Paragraph 4 – [[6]](https://www.burberryplc.com/news/corporate/2024/burberry-appoints-joshua-schulman-as-chief-executive-officer), [[7]](https://www.ft.com/content/80f096c2-ebb7-41fd-8122-24c874f6ea8c)

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## Bibliography

1. <https://www.theguardian.com/fashion/2025/may/30/burberry-job-cuts-boss-joshua-schulman-pay> - Please view link - unable to able to access data
2. <https://www.theguardian.com/fashion/2025/may/30/burberry-job-cuts-boss-joshua-schulman-pay> - Burberry's new CEO, Joshua Schulman, received nearly £2.6 million in his first nine months, including £380,000 for relocation expenses. Despite this, the company plans to cut 1,700 jobs worldwide by 2027 to address declining profits. Schulman, formerly of Coach, aims to revitalise Burberry by focusing on its core products and heritage. The company reported a £66 million annual loss, a significant drop from the previous year's £383 million profit, amid challenges in the luxury goods industry.
3. <https://www.reuters.com/business/retail-consumer/burberry-full-year-profit-beats-expectations-2025-05-14/> - Burberry announced plans to cut approximately 1,700 jobs, or around 20% of its global workforce, primarily in office roles, as part of a strategic turnaround led by new CEO Joshua Schulman. The cost-cutting measure includes shutting the night shift at the Castleford trench coat factory in England due to overproduction. Schulman, previously of Coach and Jimmy Choo, took over last year and has refocused the brand on promoting British heritage and signature items like trench coats and scarves.
4. <https://www.ft.com/content/5684ea53-946b-442f-ad17-d217280472a2> - Burberry has announced plans to cut around 1,700 jobs, about 18% of its global workforce, by 2027 as part of a major cost-cutting initiative aimed at revitalizing the brand. This restructuring effort, led by new CEO Joshua Schulman, targets an additional £60 million in savings, bringing total expected annual savings to £100 million. The company reported an operating loss of £3 million for the year ending March 29, 2025, a steep decline from a £418 million profit the previous year, with revenues falling 17% to £2.5 billion.
5. <https://www.ft.com/content/e76477d1-10ca-4b68-8c87-c013fd5dd372> - Burberry's shares surged by 15% following an announcement of better-than-expected festive sales, as the British luxury brand's comparable store sales dropped only 4% versus the anticipated 12%. This was primarily due to robust performance in the US market, especially in New York, reflecting patterns observed in other high-end brands like Richemont. Despite these positive figures, Burberry faces challenges with a sales decline in Europe, the Middle East, Africa, and especially in the Asia-Pacific region, where mainland China saw a 7% decrease.
6. <https://www.burberryplc.com/news/corporate/2024/burberry-appoints-joshua-schulman-as-chief-executive-officer> - Burberry announced the appointment of Joshua Schulman as Chief Executive Officer and Executive Director, effective July 17, 2024. Schulman, 52, joins Burberry with a track record of driving transformative growth and value creation as CEO of global luxury, fashion, and retail businesses. He was previously CEO of American fashion brands Michael Kors (2021-2022) and Coach, where he also served as Brand President (2017-2020). Prior to this, at Neiman Marcus Group, he was President of Bergdorf Goodman for five years.
7. <https://www.ft.com/content/80f096c2-ebb7-41fd-8122-24c874f6ea8c> - Joshua Schulman, a veteran in the fashion industry with senior roles at Gucci, Yves Saint Laurent, Jimmy Choo, and Coach, has been appointed as the new CEO of Burberry, succeeding Jonathan Akeroyd. Schulman's focus will be on stabilizing the 168-year-old British luxury brand, which has recently faced financial challenges and job cuts. Despite Akeroyd's efforts to modernize Burberry with high-end accessories, the company plans to revisit and emphasize its traditional strengths in outerwear and scarves.