Samsonite International S.A. Announces
Results for the Six Months Ended June 30, 2024

Consolidated net sales increased by 2.8%[1] compared to a strong first half in 2023

Gross profit margin expanded by 140 basis points year-on-year to 60.2% and Adjusted EBITDA margin[2] increased by 10 basis points to 18.9%, both first half records

Profit attributable to the equity holders increased by 7.7% (+16.1% constant currency) year-on-year to US$164.3 million

Generated strong Free Cash Flow[3] of US$81.6 million, a year-on-year increase of US$18.2 million

Total net leverage ratio[4] further improved to 1.39x, the lowest level since the 2016 acquisition of Tumi

Company to pursue a dual listing of its shares in the United States

HONG KONG, August 14, 2024 – Samsonite International S.A. ("Samsonite" or "the Company", together with its consolidated subsidiaries, "the Group"; SEHK stock code: 1910), a leader in the global lifestyle bag industry and the world's best-known and largest travel luggage company, today published its unaudited condensed consolidated interim financial information for the six-month period ended June 30, 2024.

Overview

Commenting on the results, Mr. Kyle Gendreau, Chief Executive Officer, said, "We are pleased with Samsonite's performance in the first half of 2024. We leveraged our increased investment in marketing to achieve year-on-year constant currency net sales growth compared to a record first half in 2023, a notable accomplishment given stronger headwinds this year, including more challenging macroeconomic conditions in China, a more competitive pricing environment in India, as well as lower consumer confidence and retail traffic in many markets. Our ongoing discipline on promotional discounts and rigorous expense controls enabled the Group to achieve gross profit margin of 60.2% and Adjusted EBITDA margin[2] of 18.9%, both first half records. Additionally, our Free Cash Flow[3] generation improved as we continued to optimize working capital during the period."

Supported by increased investment in marketing and contribution from the Group's direct-to-consumer ("DTC") channel, net sales for the six months ended June 30, 2024, increased by 2.8%[1] year-on-year despite softening consumer demand. Net sales for the first half of 2024 in Asia, Europe and Latin America increased by 2.0%[1], 4.6%[1], and 20.3%[1], respectively, and were relatively consistent in North America, against a strong first half in the previous year. During the first half of 2023, the Group registered record net sales that were fueled by a post-pandemic travel resurgence across Asia, particularly in China, which lifted restrictions at the beginning of 2023; as well as strong growth in North America due to increased sales to wholesale customers ahead of a robust summer travel season and strong sales of the *Tumi* brand driven by elevated demand for its key core collections and supported by the arrival of delayed inventory.

The Group's industry-leading *Samsonite* brand achieved a year-on-year net sales increase of 5.8%[1] in the first half of 2024, with growth across all regions. Net sales of the *Tumi* brand grew by 0.3%[1], while net sales of the *American Tourister* brand decreased slightly by 0.9%[1] in the first half of 2024 compared to the first half of 2023.

Supported by continued investments in its DTC operations, the Group's DTC net sales increased by 4.7%[1] and contributed to a first half record of 38.1% of total net sales during the first half of 2024 compared to 37.7% in the first half of 2023.

The Group's gross profit margin expanded to a new first half record of 60.2% for the first half of 2024 compared to 58.8% for the first half of 2023, with improvements in all regions. This increase was driven by a higher share of total net sales from the DTC channel, shifts in brand mix and continued discipline on promotional discounts.

As planned, the Group increased investment in marketing to 6.6% of net sales during the first half of 2024, a 20-basis point increase from the first half of 2023. At the same time, the Group continued to diligently manage its fixed selling, general and administrative ("SG&A") expenses to drive positive operating leverage, even with continued investments in expanding its company-operated retail store fleet to 1,083 stores as of June 30, 2024, a net increase of 82 company-operated retail stores compared to June 30, 2023. The Group's fixed SG&A expenses increased by US$17.3 million year-on-year to US$425.5 million for the six months ended June 30, 2024. However, fixed SG&A expenses in the first half of 2024 remained relatively flat compared to the US$427.8 million in the second half of 2023, despite the net addition of 31 company-operated retail stores during the first half of 2024, reflecting the Group's ongoing discipline on expense management.

Adjusted EBITDA margin[2] improved by 10 basis points to a first half record of 18.9% for the six months ended June 30, 2024, compared to 18.8% for the same period in 2023, even as the Group increased its investment in marketing and expanded its company-operated retail store fleet. Adjusted EBITDA[5] was a healthy US$333.5 million for the first half of 2024, essentially unchanged compared to US$334.3 million for the first half of 2023, but a year-on-year increase of 4.3%[1] on a constant currency basis.

For the six months ended June 30, 2024, the Group recorded profit attributable to the equity holders of US$164.3 million, an improvement of US$11.8 million, or 7.7% (+16.1% constant currency), helped by a US$11.3 million reduction in net finance costs, year-on-year. Adjusted Net Income[6] increased by US$3.1 million, or 1.8% (+9.3% constant currency), to US$174.0 million for first half of 2024, compared to US$170.9 million for the same period in 2023. These solid results underscore the Group's fundamentally enhanced margin profile and ongoing discipline in expense management.

With robust Adjusted EBITDA[5] and prudent cash and working capital management, Samsonite's Free Cash Flow[3] increased by US$18.2 million year-on-year to US$81.6 million during the six months ended June 30, 2024. The Group ended the first half of 2024 with net debt of US$1.0 billion[7] and total net leverage ratio[4] of 1.39x, a further improvement compared to net debt of US$1.1 billion[7] and total net leverage ratio[4] of 1.53x at the end of 2023.

In April 2024, the Company refinanced its term loan B facility to further enhance its financial flexibility. The Group borrowed US$100.0 million from its lower interest rate revolving credit facility and used the proceeds of such borrowing and the proceeds from its new term loan B facility to repay the entire principal amount of its outstanding borrowings under the previous term loan B facility, plus transaction expenses. The principal amount of borrowings under the new term loan B facility was US$500.0 million as of June 30, 2024. In addition, the Company was able to reduce the interest rate payable on its new term loan B borrowings by 75 basis points, with the refinancing expected to reduce the Company's annual cash interest payments in the first full year following the refinancing by approximately US$4.9 million.

Considering its strong performance and financial position, the Board of Directors reinstated annual cash distributions to the Company's shareholders in 2024, paying out US$150 million in July 2024. Furthermore, in June 2024, the Board authorized a share buyback program of up to US$200 million, and the Company plans to initiate share buybacks after the blackout period ends following its first half 2024 results announcement.

The Board has authorized the Company to pursue a dual listing of Samsonite's shares in the United States. The Board and the Company believe the United States is the appropriate venue to establish a dual listing following a thorough evaluation of the Company's global footprint, growth drivers, and strategic priorities. A dual listing in the United States will build on the Company's strong investor support on the Hong Kong Stock Exchange to enhance value creation over time, by improving the liquidity of the Company's shares and making them more accessible to shareholders in the United States and globally.

Mr. Gendreau continued, "For the remainder of 2024, our outlook has become more clouded due to increased macroeconomic uncertainties and softening consumer sentiment. Year-on-year net sales growth slowed to 1.5%[1] in the second quarter of 2024 compared to 4.1%[1] in the first quarter of 2024 due to deceleration in Asia and North America. In Asia, compared to the same period in 2023, we continued to see good growth in the second quarter of 2024 in Japan and Australia, where net sales increased by 12.2%[1] and 4.8%[1], respectively, but net sales in China decreased by 3.5%[1] due to softening consumer sentiment, and net sales in India decreased by 11.3%[1] due to intensified promotional activity by competitors. As a result, net sales in Asia decreased by 2.9%[1] in the second quarter of 2024 versus an increase of 7.5%[1] in the first quarter of 2024, year-on-year. In North America, net sales decreased by 1.2%[1] in the second quarter of 2024 compared to an increase of 0.3%[1] in the first quarter of 2024, with second quarter 2024 net sales of the *Tumi* brand down by 3.1%[1] year-on-year due to the slower traffic and increased caution among consumers that is currently affecting many premium and luxury brands. Second quarter 2024 net sales in Europe and Latin America increased by 9.5%[1] and 23.3%[1], respectively, year-on-year, though performance in some markets showed signs of weakening."

"We continue to see softer sales trends as we head into the second half of 2024. Promotional activity has increased in the marketplace, particularly at entry level price points, and while we have responded tactically to this, Samsonite's priority remains to drive high-quality sales to build a strong foundation for long-term, profitable, brand-accretive growth. We will remain vigilant in controlling promotional discounts and managing expenses, especially our fixed SG&A expenses, to sustain the Group's robust margin profile. Additionally, we will continue to manage cash and working capital closely to maintain strong Free Cash Flow[3] generation. This will provide additional flexibility in capital allocation to continue to deleverage our balance sheet, invest in organic growth, and return cash to our shareholders."

"Trends in global travel and tourism remain positive, supporting demand for the Group's products. International tourism arrivals continue to improve and are projected to exceed pre-pandemic levels in 2024[8], and demand for air travel during the peak Northern Hemisphere summer period remains strong[9]. As consumers continue to prioritize travel over other discretionary spending, our prospects remain bright despite current headwinds."

"With substantial liquidity of US$1.6 billion[10] as of June 30, 2024, we are well positioned to continue to invest in the business for future growth. Our relentless commitment to product innovation, quality, functionality, reliability and sustainability will reinforce our brands' appeal among consumers as they become more selective and deliberate with their spending, and further sets us apart from the competition. As such, we will continue to invest in marketing to drive awareness across our brands, targeting advertising spend at approximately 7% of net sales. In addition, we will continue to invest in upgrading and expanding our brick-and-mortar retail and e-commerce operations."

"We continue to make great progress on "Our Responsible Journey", leveraging our leadership position to create a path towards a more sustainable future for our industry. A priority right now is establishing a near-term, science-based emissions reduction target across our own operations and supply chain. We're excited about this important next step and are planning to publish our target later this year."

Mr. Gendreau concluded, “Our teams are highly energized, and we are confident that our portfolio of leading brands, unrivaled global sourcing and strong distribution infrastructure, and commitment to sustainability and innovation will continue to strengthen Samsonite’s market position and drive sustainable and profitable long-term growth.”

Table 1: Key Financial Highlights for the Three Months Ended June 30, 2024

Expressed in US$ millions, except per share data	Three months ended June 30, 2024	Three months ended June 30, 2023	Percentage increase (decrease) 2024 vs. 2023	Percentage increase (decrease) 2024 vs. 2023 excl. foreign currency effects[1]
Net sales	**908.9**	924.1	(1.6)%	1.5%
Gross profit	**545.4**	549.1	(0.7)%	3.3%
Gross profit margin	**60.0%**	59.4%		
Operating profit	**164.9**	167.4	(1.5)%	3.0%
Profit attributable to the equity holders	**81.4**	78.7	3.4%	13.6%
Adjusted Net Income[6]	**86.9**	89.6	(3.1)%	5.9%
Adjusted EBITDA[5]	**172.3**	177.9	(3.2)%	1.2%
Adjusted EBITDA margin[2]	**19.0%**	19.3%		
Basic earnings per share – Expressed in US$ per share	**0.056**	**0.055**	2.2%	12.2%
Diluted earnings per share – Expressed in US$ per share	**0.055**	**0.054**	1.6%	11.5%
Adjusted basic and diluted earnings per share[11] – Expressed in US$ per share	**0.059**	**0.062**	(4.8)%	4.0%

<u>2024 Second Quarter Highlights</u>

For the three months ended June 30, 2024, the Group's net sales decreased by US$15.2 million, or 1.6%, to US$908.9 million, but increased by 1.5%[1] on a constant currency basis, against a strong second quarter in 2023. In comparison, during the three months ended June 30, 2023, Samsonite recorded net sales growth of 36.1%[1, 12] compared to the second quarter of 2022, driven by an 84.3%[1] net sales increase in Asia due to post-pandemic travel resurgence across the region, particularly in China (+191.8%[1]), and net sales growth of 19.8%[1] in North America due to increased sales to wholesale customers ahead of a robust summer travel season and strong performance of the *Tumi* brand driven by elevated demand for its key core collections and supported by the arrival of delayed inventory.

The 1.5%[1] year-on-year constant currency net sales increase during the second quarter of 2024 was driven by growth in Europe and Latin America, where net sales increased by 9.5%[1] and 23.3%[1] year-on-year, respectively, though with growth in some markets showing signs of slowing. During the second quarter of 2024, net sales in Asia decreased by 2.9%[1] compared to the same period in 2023, with net sales in China decreasing by 3.5%[1] due to softening sentiment among Chinese consumers, and net sales in India decreasing by 11.3%[1] due to intensified promotional activity among competitors. Excluding China and India, net sales in Asia decreased slightly by 0.2%[1], year-on-year. Net sales in North America for the second quarter of 2024 decreased by 1.2%[1], with net sales of the *Tumi* brand down by 3.1%[1] year-on-year due to slower traffic and increased caution among consumers.

For the three months ended June 30, 2024, net sales of the *Samsonite* brand increased by 5.2%[1] driven by growth in North America, Europe and Latin America. Performance of the *Tumi* brand was impacted by the softer consumer demand and traffic that is currently affecting many premium and luxury brands, with second quarter 2024 net sales decreasing by 0.8%[1] year-on-year. Net sales of the *American Tourister* brands decreased by 4.5%[1] due to reduced purchases by certain wholesale customers in North America and intensified promotional activity by competitors in India. The Group's DTC net sales increased by 2.3%[1] and accounted for 39.4% of total net sales during the second quarter of 2024 compared to 39.1% in the same period of 2023.

The Group achieved gross profit margin of 60.0% in the second quarter of 2024, an increase of 60 basis points year-on-year, as the Group continued to carefully control promotional discounts. As planned, the Group increased its investment in marketing to 7.1% of net sales in the second quarter of 2024 compared to 6.9% of net sales in the second quarter of 2023. At US$211.9 million, second quarter 2024 fixed SG&A expenses were flat to recent quarters, but up marginally compared to the US$207.9 million recorded in the second quarter of 2023.

Adjusted EBITDA[5] decreased by US$5.7 million, or 3.2%, to US$172.3 million, but increased by 1.2%[1] on a constant currency basis, year-on-year. Second quarter 2024 Adjusted EBITDA margin[2] was 19.0% compared to 19.3% for the same period in 2023.

For the three months ended June 30, 2024, the Group recorded profit attributable to the equity holders of US$81.4 million, an increase of US$2.7 million, or 3.4% (+13.6% constant currency), helped by a US$3.1 million reduction in net finance costs, compared to the same period in 2023. The Group's Adjusted Net Income[6] for the three months ended June 30, 2024, decreased by US$2.7 million, or 3.1%, to US$86.9 million, but increased by 5.9%[1] on a constant currency basis year-on-year. This resilient performance underscores the Group's fundamentally enhanced margin profile and ongoing discipline in expense management.

Table 2: Key Financial Highlights for the Six Months Ended June 30, 2024

Expressed in US$ millions, except per share data	**Six months ended June 30, 2024**	Six months ended June 30, 2023	Percentage increase (decrease) 2024 vs. 2023	Percentage increase (decrease) 2024 vs. 2023 excl. foreign currency effects[1]
Net sales	**1,768.5**	1,776.2	(0.4)%	2.8%
Gross profit	**1,064.8**	1,043.6	2.0%	5.9%
Gross profit margin	**60.2%**	58.8%		
Operating profit	**314.7**	312.1	0.8%	5.6%
Profit attributable to the equity holders	**164.3**	152.5	7.7%	16.1%
Adjusted Net Income[6]	**174.0**	170.9	1.8%	9.3%
Adjusted EBITDA[5]	**333.5**	334.3	(0.3)%	4.3%
Adjusted EBITDA margin[2]	**18.9%**	18.8%		
Basic earnings per share – Expressed in US$ per share	**0.113**	0.106	6.7%	15.0%
Diluted earnings per share – Expressed in US$ per share	**0.112**	0.105	6.1%	14.4%
Adjusted basic earnings per share[11] – Expressed in US$ per share	**0.119**	0.118	0.9%	8.3%
Adjusted diluted earnings per share[11] – Expressed in US$ per share	**0.118**	0.118	0.3%	7.7%

Results for the Six Months Ended June 30, 2024

The Group's performance for the six months ended June 30, 2024, is discussed in greater detail below.

Net Sales

For the six months ended June 30, 2024, the Group's net sales decreased by US$7.7 million, or 0.4%, to US$1,768.5 million, but increased by 2.8%[1] on a constant currency basis compared to a record first half in 2023 (the Group recorded net sales of US$1,776.2 million in the first half of 2023, an increase of 44.5%[1] (and an increase of 45.7%[1, 12] when excluding net sales in Russia[12]) compared to the same period in 2022).

Net Sales Performance by Region

Table 3: Net Sales by Region

Region[13]	**Six months ended June 30, 2024 US$ millions**	Six months ended June 30, 2023 US$ millions	Percentage increase (decrease) 2024 vs. 2023	Percentage increase (decrease) 2024 vs. 2023 excl. foreign currency effects[1]
Asia	**680.0**	693.9	(2.0)%	2.0%
North America	**608.3**	611.3	(0.5)%	(0.5)%
Europe	**372.3**	365.7	1.8%	4.6%
Latin America	**107.5**	104.6	2.7%	20.3%
Corporate	**0.4**	0.7	(37.0)%	(37.0)%
Net sales	**1,768.5**	1,776.2	(0.4)%	2.8%

Asia

During the six months ended June 30, 2024, the Group's net sales in Asia decreased by US$13.9 million, or 2.0%, to US$680.0 million, but increased by 2.0%[1] on a constant currency basis against a strong first half in 2023. During the six months ended June 30, 2023, Samsonite recorded year-on-year net sales growth of 86.7%[1] in Asia, driven by the strong rebound in travel across the region following the pandemic, particularly in China which lifted restrictions at the beginning of 2023.

During the first half of 2024, net sales in China increased by 7.6%[1] year-on-year, driven by net sales growth of 23.0%[1] in the first quarter of 2024 due to strong travel demand during the Chinese New Year holiday compared to a low base in the same period in 2023 when the country just emerged from COVID-related restrictions, partially offset by a net sales decline of 3.5%[1] in the second quarter of 2024 with weakening consumer sentiment. Net sales in Japan, South Korea, and Australia for the first half of 2024 increased by 19.0%[1], 4.6%[1] and 12.9%[1], respectively, compared to the first half of 2023. These constant currency net sales gains were partially offset by net sales decreases in India, Hong Kong[14], and Singapore[15]. After three years of rapid growth in India, the country's first half 2024 net sales decreased by 10.6%[1] year-on-year due to intensified promotional activity by competitors. During the first half of 2024, net sales in Hong Kong[14] decreased by 12.9%[1] due to continued macroeconomic uncertainty and softening consumer sentiment, while net sales in Singapore[15] decreased by 5.0%[1] against a strong first half in 2023.

North America

For the six months ended June 30, 2024, the Group recorded net sales of US$608.3 million in North America, down marginally by 0.5%[1] compared to a high net sales base in the prior year period due to slower traffic and increased caution among consumers. During the first half of 2023, net sales in North America increased by 25.3%[1] year-on-year to US$611.3 million due to increased sales to wholesale customers ahead of a robust summer travel season and by strong sales of the *Tumi* brand driven by elevated demand for its key core collections and supported by the arrival of delayed inventory. During the first half of 2024, the Group's net sales in the United States were relatively unchanged (down 0.2%), while net sales in Canada decreased by 4.4%[1], year-on-year.

Europe

For the six months ended June 30, 2024, the Group recorded net sales of US$372.3 million in Europe, an increase of 4.6%[1] year-on-year compared to a strong first half in 2023. During the six months ended June 30, 2023, net sales in Europe increased by 26.1%[1] (and by 30.3%[1, 12] when excluding the net sales in Russia[12]) year-on-year primarily due to the resurgence of travel driving strong demand for the Group's products. The net sales increase in the first half of 2024 was primarily driven by Belgium[16], where net sales increased by 12.3%[1], and Spain, with net sales growth of 5.7%[1], partially offset by net sales decreases in Germany of 3.9%[1], in France of 7.8%[1], in Italy of 4.3%[1], and in the United Kingdom[17] of 0.4%[1], where softening consumer confidence affected performance.

Latin America

For the six months ended June 30, 2024, the Group recorded net sales of US$107.5 million in Latin America, an increase of 20.3%[1] compared to the corresponding period in 2023, driven by year-on-year net sales increases of 17.1%[1] in Mexico and 8.7%[1] in Brazil, while net sales in Chile were down slightly by 0.6%[1], year-on-year.

Net Sales Performance by Brand

Table 4: Net Sales by Brand

Brand	**Six months ended June 30, 2024 US$ millions**	Six months ended June 30, 2023 US$ millions	Percentage increase (decrease) 2024 vs. 2023	Percentage increase (decrease) 2024 vs. 2023 excl. foreign currency effects[1]
Samsonite	**903.8**	880.3	2.7%	5.8%
Tumi	**413.9**	421.1	(1.7)%	0.3%
American Tourister	**307.4**	320.8	(4.2)%	(0.9)%
Other[18]	**143.4**	154.1	(7.0)%	(0.5)%
Net sales	**1,768.5**	1,776.2	(0.4)%	2.8%

The industry-leading *Samsonite* brand achieved strong growth in the six months ended June 30, 2024, with net sales increasing by 5.8%[1] year-on-year despite exceptionally high sell-in to wholesale customers during the same period in 2023. All regions registered constant currency net sales increases during the first half of 2024: Asia (+5.7%[1]), North America (+2.6%[1]), Europe (+6.8%[1]), and Latin America (+23.9%[1]). The *Samsonite* brand's share of the Group's total net sales increased to 51.1% in the first half of 2024 compared to 49.6% in the first half of 2023.

For the six months ended June 30, 2024, net sales of the *Tumi* brand increased by 0.3%[1] compared to the first half of 2023. The constant currency net sales increase was driven by increases in Asia (+2.7%[1]) and Latin America (+31.8%[1]), largely offset by decreases in North America (-1.5%[1]) and Europe (-1.1%[1]) due to moderating customer traffic in the first half of 2024 against a high net sales base in the first half of 2023, which was driven by elevated demand for its key core collections and supported by the arrival of delayed inventory. The *Tumi* brand's share of the Group's total net sales remained relatively unchanged at 23.4% in the first half of 2024 compared to 23.7% in the first half of 2023.

Net sales of the *American Tourister* brand decreased slightly by 0.9%[1] for the six months ended June 30, 2024, compared to the first half of 2023. During the first half of 2024, net sales increased by 24.0%[1] in Latin America. Net sales in Asia were unchanged[1] due to reduced sales in India as competitors significantly discounted their products, while net sales in Europe decreased slightly by 1.5%[1]. Net sales decreased by 11.9%[1] in North America due to reduced purchases by certain wholesale customers. As a result, the *American Tourister* brand's share of the Group's total net sales decreased to 17.4% in the first half of 2024 compared to 18.0% in the first half of 2023.

Net Sales Performance by Distribution Channel

Table 5: Net Sales by Distribution Channel

Distribution Channel	**Six months ended June 30, 2024 US$ millions**	Six months ended June 30, 2023 US$ millions	Percentage increase (decrease) 2024 vs. 2023	Percentage increase (decrease) 2024 vs. 2023 excl. foreign currency effects[1]
Wholesale	**1,093.9**	1,106.5	(1.1)%	1.5%
DTC	**673.5**	669.0	0.7%	4.7%
Other[19]	**1.0**	0.8	33.1%	33.1%
Total net sales	**1,768.5**	1,776.2	(0.4)%	2.8%

For the six months ended June 30, 2024, net sales in the Group's wholesale channel increased by 1.5%[1] compared to a strong first half in 2023, during which travel in all markets continued to recover and sell-in was strong ahead of a robust summer travel season.

During the six months ended June 30, 2024, the Group's net sales in the DTC channel, which includes company-operated brick-and-mortar retail stores and e-commerce sites operated by the Group, increased by 4.7%[1] to US$673.5 million, year-on year. The DTC channel contributed to a first half record of 38.1% of net sales in the first half of 2024, compared to 37.7% for the same period in 2023. During the first half of 2024, DTC retail net sales increased by 2.8%[1] to US$482.7 million (representing 27.3% of net sales) from US$489.0 million (representing 27.5% of net sales) for the first half of 2023. DTC e-commerce net sales increased by 10.0%[1] to US$190.8 million (representing 10.8% of net sales) during the first half of 2024, compared to US$180.0 million (representing 10.1% of net sales) during the first half of 2023.

During the six months ended June 30, 2024, the Group added 48 company-operated retail stores, partially offset by the permanent closure of 17 company-operated retail stores. This resulted in a net addition of 31 company-operated retail stores (12 in Asia, 3 in North America, 8 in Europe, and 8 in Latin America) during the six months ended June 30, 2024, compared to a net increase of 16 company-operated retail stores during first half of 2023. The total number of company-operated retail stores was 1,083 as of June 30, 2024, compared to 1,052 as of December 31, 2023, and 1,001 as of June 30, 2023.

Gross Profit

The Group's gross profit increased by US$21.3 million, or 2.0% (+5.9%[1] constant currency), to US$1,064.8 million for the six months ended June 30, 2024, from US$1,043.6 million in the first half of 2023. Gross profit margin expanded to a new first half record of 60.2% for the first half of 2024, an increase of 140 basis points year-on-year, with gross profit margin improving in all regions. The increase in the Group's gross profit margin was driven by an increased proportion of total net sales attributable to the DTC channel to 38.1% in the first half of 2024 from 37.7% in the first half of 2023, shifts in brand mix and continued discipline on promotional discounts.

Investment in Marketing

As planned, the Group increased its investment in marketing to US$117.4 million during the six months ended June 30, 2024, an increase of US$3.2 million, or 2.8% (+5.4%[1] constant currency), compared to US$114.2 million in the first half of 2023. As a percentage of net sales, marketing expenses increased by 20 basis points to 6.6% of net sales in the first half of 2024 from 6.4% in the same period in 2023.

Distribution Expenses

Distribution expenses increased by US$31.0 million, or 6.3% (+10.4%[1] constant currency), to US$520.3 million (representing 29.4% of net sales) for the six months ended June 30, 2024, from US$489.3 million (representing 27.5% of net sales) for the first half of 2023. Distribution expenses as a percentage of net sales increased primarily due to higher depreciation and amortization of lease right-of-use assets in relation to the 82 net new company-operated retail stores opened since June 30, 2023 (including 31 net new company-operated retail stores opened during the first half of 2024), as well as other expenses to support sales growth. Additionally, many company-operated retail stores were operating with reduced staff and temporary rental concessions in the first half of 2023, both of which had normalized by the end of 2023. The Group remains focused on managing its distribution expenses to drive operating leverage.

General and Administrative Expenses

General and administrative expenses decreased by US$8.9 million, or 7.0% (-4.8%[1] constant currency), to US$118.2 million (representing 6.7% of net sales) for the six months ended June 30, 2024, from US$127.1 million (representing 7.2% of net sales) for the first half of 2023. The decrease in general and administrative expense as a percentage of net sales reflects continued discipline on the fixed cost structure of the business.

Operating Profit

The Group reported an operating profit of US$314.7 million for the six months ended June 30, 2024, an improvement of US$2.6 million, or 0.8% (+5.6%[1] constant currency), compared to the US$312.1 million for the first half of 2023.

Net Finance Costs and Income Tax Expense

Net finance costs decreased by US$11.3 million, or 14.0% (-10.8%[1] constant currency), to US$69.7 million for the six months ended June 30, 2024, from US$81.0 million for the first half of 2023. This reduction was attributable to a decrease in the non-cash charge associated with redeemable non-controlling interest put options of US$9.0 million, and a US$6.1 million reduction in interest expense on loans and borrowings to US$45.7 million for the six months ended June 30, 2024, from US$51.8 million in the first half of 2023 as the Group continued to repay borrowings under its senior credit facilities. Total loans and borrowings were US$1,822.9 million as of June 30, 2024, compared to US$1,935.6 million as of June 30, 2023.

The Group recorded an income tax expense of US$65.9 million for the six months ended June 30, 2024, compared to income tax expense of US$59.7 million for the first half of 2023. The Group's consolidated effective tax rate for operations was 26.9% and 25.9% for the first half of 2024 and the first half of 2023, respectively, mainly due to an increase in withholding taxes on intra-group dividends during the first half of 2024.

Profit Attributable to the Equity Holders

The Group recorded profit attributable to the equity holders of US$164.3 million for the six months ended June 30, 2024, an increase of US$11.8 million, or 7.7% (+16.1%[1] constant currency), compared to US$152.5 million for the first half of 2023. This increase was driven primarily by a US$11.3 million reduction in net finance costs year-on-year.

Adjusted EBITDA and Adjusted Net Income

The Group continued to diligently manage its fixed SG&A expenses to drive positive operating leverage during the first half of 2024. The Group's fixed SG&A expenses increased by US$17.3 million year-on-year to US$425.5 million for the six months ended June 30, 2024, due to the growth in the Group's company-operated retail store fleet to 1,083 company-operated retail stores as of June 30, 2024, an increase of 82 company-operated retail stores compared to June 30, 2023. Additionally, many company-operated retail stores were operating with reduced staff and temporary rental concessions in the first half of 2023, both of which had normalized by the end of 2023. However, fixed SG&A expenses in the first half of 2024 remained relatively flat compared to the US$427.8 million in the second half of 2023, despite the net addition of 31 company-operated retail stores during the first half of 2024, reflecting the Group's ongoing discipline on expense management. Fixed SG&A expenses, as a percentage of net sales, were 24.1% during the first half of 2024, 110 basis points above the 23.0% for the first half of 2023, but 410 basis points below the 28.2% for the first half 2019.

For the six months ended June 30, 2024, the Group's Adjusted EBITDA[5] was stable at US$333.5 million compared to the US$334.3 million for the same period in 2023 and increased by 4.3%[1] on a constant currency basis compared to the first half of 2023. First half 2024 Adjusted EBITDA margin[2] increased by 10 basis points to a first half record 18.9% compared to 18.8% for the same period in 2023. This resilient performance was driven by a 140-basis point increase in the Group's gross profit margin to 60.2%, partially offset by a 20-basis point increase in marketing expenses to 6.6% of net sales and a 110-basis point increase in fixed SG&A expenses to 24.1% of net sales during the first half of 2024, compared to the same period in 2023.

Adjusted Net Income[6] increased by US$3.1 million, or 1.8% (+9.3%[1] constant currency), to US$174.0 million for the six months ended June 30, 2024, compared to US$170.9 million for the first half of 2023. The improvement in Adjusted Net Income was primarily due to improved gross profit.

Working Capital

The Group continued to optimize its working capital during the first half of 2024. At US$637.7 million as of June 30, 2024, inventories were US$58.2 million lower than the US$695.9 million as of December 31, 2023, and US$102.7 million lower than the US$740.4 million as of June 30, 2023, as the Group continued to gradually reduce its inventories to target levels. Trade and other receivables were higher at US$346.1 million as of June 30, 2024, compared to US$319.6 million at the end of 2023 and US$314.4 million as of June 30, 2023. Trade payables were lower at US$462.8 million as of June 30, 2024, versus US$500.4 million at the end of 2023 and US$537.5 million at the end of the first half of 2023. As a result, net working capital was US$521.0 million as of June 30, 2024, relatively consistent with the US$515.1 million as of December 31, 2023, and the US$517.3 million as of June 30, 2023. Net working capital efficiency[20] was 14.6% as of June 30, 2024, compared to 14.0% as of December 31, 2023, and 14.4% as of June 30, 2023. The Group will continue to carefully manage its working capital for the remainder of 2024.

Total Capital Expenditures

During the six months ended June 30, 2024, the Group selectively opened 48 new company-operated retail stores. In comparison, the Group opened 32 new company-operated retail stores in the first half of 2023. As a result of adding new stores and remodeling existing stores, capital expenditures on retail stores were US$20.2 million for the first half of 2024 compared to US$10.2 million in the first half of 2023. Total capital expenditures were US$41.2 million[21] during the first half of 2024, an increase of US$15.5 million compared to the US$25.7 million[21] spent in the first half of 2023. The Group intends to continue to prudently invest in expanding and upgrading its company-operated retail store fleet during the balance of 2024.

Balance Sheet and Free Cash Flow

Free Cash Flow[3] improved by US$18.2 million to US$81.6 million for the six months ended June 30, 2024, compared to US$63.4 million for the first half of 2023. As a result, the Group improved its net debt position to US$1,007.4 million[7] as of June 30, 2024, compared to a net debt position of US$1,107.4 million[7] as of December 31, 2023. The Group continued to maintain substantial liquidity of US$1,559.6 million[10] as of June 30, 2024, compared to US$1,562.0 million[10] at the end of 2023.

The reduction in net debt, together with strong Adjusted EBITDA[5], enabled the Group to further lower its total net leverage ratio[4] to 1.39x as of June 30, 2024, compared to 1.53x as of December 31, 2023.

2024 First Half Results – Earnings Call for Analysts and Investors:

Date: Wednesday, August 14, 2024
Time: 08:30 New York / 13:30 London / 20:30 Hong Kong
Webcast Link: https://media.website.wisdomir.com/live/land/00303/
Dial-in Details: https://corporate.samsonite.com/on/demandware.static/-/Sites-InvestorRelations-Library/default/dwcaac7f09/PDF/press-release/2024/E_Samsonite_1H2024%20Results%20Date%20&%20Conference%20Call%20(FINAL%202024-08-06).pdf

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About Samsonite

With a heritage dating back to 1910, Samsonite International S.A. ("Samsonite" or the "Company", together with its consolidated subsidiaries the "Group"), is a leader in the global lifestyle bag industry and is the world's best-known and largest travel luggage company. The Group is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags and travel accessories throughout the world, primarily under the *Samsonite*®, *Tumi*®, *American Tourister*®, *Gregory*®, *High Sierra*®, *Lipault*® and *Hartmann*® brand names as well as other owned and licensed brand names. The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK").

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Notes

1 Results stated on a constant currency basis, a non-International Financial Reporting Standards ("IFRS") Accounting Standards measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

2 Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing adjusted earnings before interest, taxes, depreciation and amortization of intangible assets ("Adjusted EBITDA") by net sales.

3 Free Cash Flow is defined as net cash generated from (used in) operating activities less (i) purchases of property, plant and equipment and software ("total capital expenditures") and (ii) principal payments on lease liabilities (each as set forth on the condensed consolidated statements of cash flows).

4 The total net leverage ratio is calculated by dividing total consolidated net debt minus the aggregate amount of unrestricted cash by the consolidated Adjusted EBITDA for the trailing four fiscal quarters on a pro forma basis as defined in the credit agreement.

5 Adjusted EBITDA, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. Adjusted EBITDA includes the lease interest and amortization expense under IFRS 16 to account for operational rent expenses. The Group believes these measures provide additional information that is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business.

6 Adjusted Net Income, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact the Group's reported profit attributable to the equity holders, which the Group believes helps to give securities analysts, investors and other interested parties a more complete understanding of the Group's underlying financial performance.

7 As of June 30, 2024, the Group had US$815.5 million in cash and cash equivalents and outstanding financial debt of US$1,822.9 million (excluding deferred financing costs of US$9.1 million), resulting in a net debt position of US$1,007.4 million. As of December 31, 2023, the Group had US$716.6 million in cash and cash equivalents and outstanding financial debt of US$1,824.0 million (excluding deferred financing costs of US$17.0 million), resulting in a net debt position of US$1,107.4 million.

8 Source: UN Tourism World Tourism Barometer, Volume 22, issue 2, May 2024.

[9] Source: IATA Air Passenger Market Analysis, May 2024.

[10] Total liquidity is calculated as the sum of cash and cash equivalents per the condensed consolidated statements of financial position plus available capacity under the Group's revolving credit facility. As of June 30, 2024, the Group had total liquidity of US$1,559.6 million, comprising cash and cash equivalents of US$815.5 million and US$744.1 million available to be borrowed on the Group's revolving credit facility. As of December 31, 2023, the Group had total liquidity of US$1,562.0 million, comprising cash and cash equivalents of US$716.6 million and US$845.4 million available to be borrowed on the Group's revolving credit facility.

[11] Adjusted basic and diluted earnings per share, both non-IFRS measures, are calculated by dividing Adjusted Net Income by the weighted average number of shares used in the basic and diluted earnings per share calculations, respectively.

[12] On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine, and the Group subsequently completed the disposition of its Russian operations on July 1, 2022. As such, when comparing the Group's net sales for the three and six months ended June 30, 2023, with its net sales for the three and six months ended June 30, 2022, net sales of the Group's former Russian operations in the respective periods under comparison are excluded.

[13] The geographic location of the Group's net sales generally reflects the country/territory from which its products were sold and does not necessarily indicate the country/territory in which its end customers were actually located.

[14] Net sales reported for Hong Kong include net sales made domestically, net sales made in Macau, as well as net sales to distributors in certain other Asian markets.

[15] Net sales reported for Singapore include net sales made domestically and net sales to distributors in certain other Asian markets.

[16] Net sales in Belgium were US$12.6 million and US$12.1 million for the six months ended June 30, 2024, and June 30, 2023, respectively, an increase of US$0.5 million, or 4.4% (+4.3% constant currency). Remaining sales consisted of direct shipments to distributors, customers and agents in other European countries, including e-commerce.

[17] Net sales reported for the United Kingdom include net sales made in Ireland.

[18] Other includes certain other non-core brands owned by the Group, such as *Gregory, High Sierra*, *Kamiliant*, *ebags*, *Xtrem*, *Lipault*, *Hartmann*, *Saxoline* and *Secret*.

[19] "Other" primarily consists of licensing revenue.

[20] Net working capital efficiency is calculated as net working capital (the sum of inventories and trade and other receivables, minus accounts payable) divided by annualized net sales.

[21] For the six months ended June 30, 2024, the Group spent US$39.1 million and US$2.1 million on capital expenditures and software purchases, respectively. For the six months ended June 30, 2023, the Group spent US$20.9 million and US$4.8 million on capital expenditures and software purchases, respectively.

Non-IFRS Measures

The Company has presented certain non-IFRS measures in this press release because each of these measures provides additional information that management believes is useful for securities analysts, investors and other interested parties to gain a more complete understanding of the Group's operational performance and of the trends impacting its business. These non-IFRS measures, as calculated herein, may not be comparable to similarly named measures used by other companies, and should not be considered comparable to IFRS measures. Refer to the relevant announcement/report published by the Company for the corresponding period for reconciliations of the Group's non-IFRS Accounting Standards financial information. Non-IFRS measures have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Group's financial results as reported under IFRS Accounting Standards.

Forward-looking Statements

This press release contains forward-looking statements. Forward-looking statements reflect the Company's current views with respect to future events and performance. These statements may discuss, among other things, the Company's net sales, gross profit margin, operating profit, Adjusted Net Income, Adjusted EBITDA, Adjusted EBITDA margin, cash flow, liquidity and capital resources, potential impairments, growth, strategies, plans, achievements, distributions, organizational structure, future store openings or closings, market opportunities and general market and industry conditions. The Company generally identifies forward-looking statements by words such as "expect", "seek", "believe", "plan", "intend", "estimate", "project", "anticipate", "may", "will", "would" and "could" or similar words or statements. Forward-looking statements are based on beliefs and assumptions made by management using currently available information. These statements are only predictions and are not guarantees of future performance, actions or events. Forward-looking statements are subject to risks and uncertainties.

If one or more of these risks or uncertainties materialize, or if management's underlying beliefs and assumptions prove incorrect, actual results may differ materially from those contemplated by a forward-looking statement. Among the factors that could cause actual results to differ materially are: the effect of worldwide economic conditions; the effect of political or social unrest and armed conflict; the effects of inflation; a general economic downturn or generally reduced consumer spending; significant changes in consumer spending patterns or preferences; competition; interruptions or delays in the supply of finished goods or key components; the performance of the Group's products within the prevailing retail environment; and financial difficulties encountered by customers and related bankruptcy and collection issues.

Forward-looking statements speak only as of the date on which they are made. The Company's shareholders, potential investors and other interested parties should not place undue reliance on these forward-looking statements. The Company expressly disclaims any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable securities laws and regulations.

Rounding

Certain amounts presented in this press release have been rounded up or down to the nearest tenth of a million, unless otherwise indicated. There may therefore be discrepancies between the actual totals of the individual amounts in the tables and the totals shown, between the amounts in the tables and the amounts given in the corresponding analyses in the text of this press release and between amounts in this press release and other publicly available documents. All percentages and key figures were calculated using the underlying data in whole US Dollars.