



Samsonite

Samsonite International S.A.

# 2011 ANNUAL RESULTS

28 MARCH 2012



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# Agenda

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## 🌀 Results Highlights

🌀 Business Overview

🌀 Financial Highlights

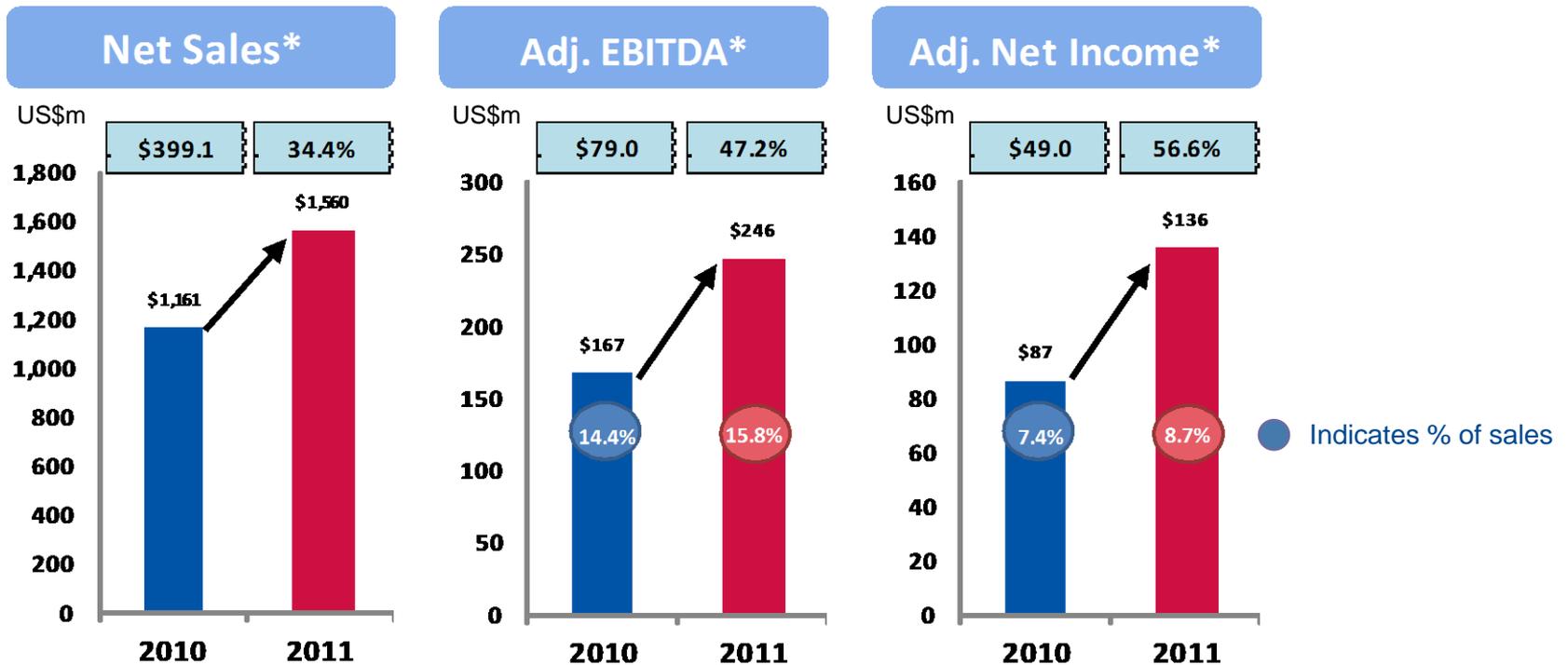
🌀 Outlook and Strategy for 2012

🌀 Q&A



# Results Highlights

Record Net Sales, Adjusted EBITDA and Adjusted Net Income driven by growth across all regions



\* Excludes Lacoste and Timberland due to termination of licensing agreements as of December 31, 2010.



# Business Highlights

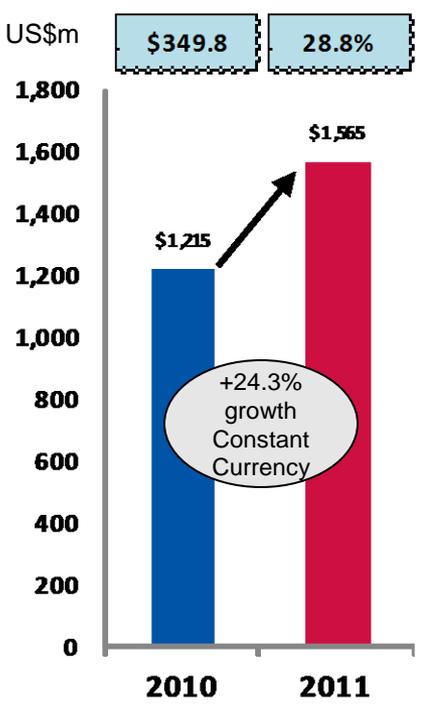
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- Strong performance across all regions led by Asia and buoyed by growth in global travel
- Record net sales, with double digit growth in sales of both *Samsonite* and *American Tourister*
- Strong sales growth across travel, business and casual categories, supported by product innovation and marketing
- Continued significant investments in marketing to build brand equity, enhance product awareness and drive sales
- Further expansion of global distribution network and points of sale
- Strong operating cash flow and balance sheet provides solid platform to execute future growth plans
- Successful listing on the Main Board of the Hong Kong Stock Exchange



# Key Financial Highlights

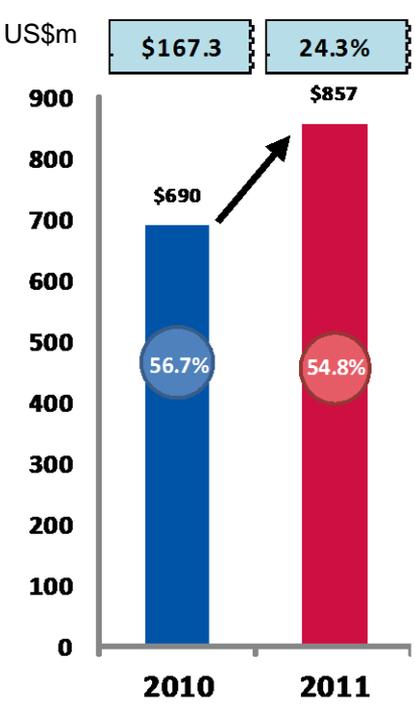
## Net Sales



Growth excluding Lacoste & Timberland

+\$399.1	+34.4%
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## Gross Margin



+\$195.8	+29.7%
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- Net sales increased by 34.4%<sup>(1)</sup> year-on-year to a record US\$1,565.1 million
- Gross margin increased 29.7%<sup>(1)</sup> despite inflationary pressure on costs in 2011

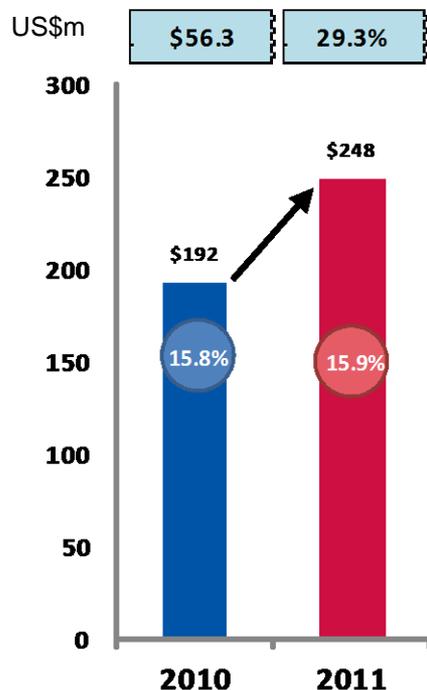
<sup>(1)</sup> Excludes Lacoste and Timberland. Net sales of Lacoste and Timberland accounted for only 0.3% of total sales in 2011, versus 4.4% in 2010, and will no longer have a material impact on future performance.

● Indicates % of sales



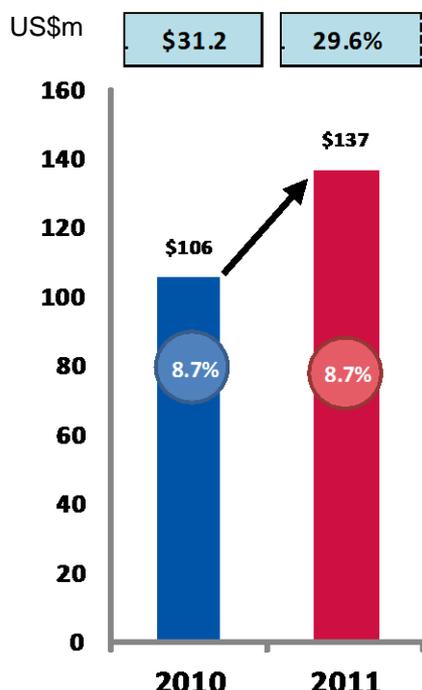
# Key Financial Highlights

## Adj. EBITDA



+\$79.0    +47.2%

## Adj. Net Income



+\$49.0    +56.6%

Growth  
excluding  
Lacoste &  
Timberland

● Indicates % of sales

- Adjusted EBITDA up 47.2 %<sup>(1)</sup>
- Adjusted Net Income up 56.6%<sup>(1)</sup>
- Reported profit attributable to equity holders of \$87 million exceeded profit forecast of \$64 million in the Global Offering Prospectus
- Necessary to adjust reported EBITDA and Net Income for certain non-recurring costs and non-cash items to reflect accurate picture of excellent results achieved

<sup>(1)</sup> Excludes Lacoste and Timberland due to termination of licensing agreements as of December 31, 2010.



# Key Financial Highlights

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- Company used IPO proceeds to repay in full our loan notes, former amended senior credit facility and former term loan facility
- Net cash position of \$126.2 million as of December 31, 2011
- Earnings per share on an adjusted basis rose from US\$0.08 in 2010 to US\$0.10 in 2011
- Delivering on our intention to maintain a progressive distribution policy: the Board recommends a cash distribution of US\$30 million or approximately US\$0.02 per share



# Agenda

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⌘ Results Highlights

⌘ Business Overview

⌘ Financial Highlights

⌘ Outlook and Strategy for 2012

⌘ Q&A



# Excellent Results Achieved

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Excellent results achieved in 2011 due to:

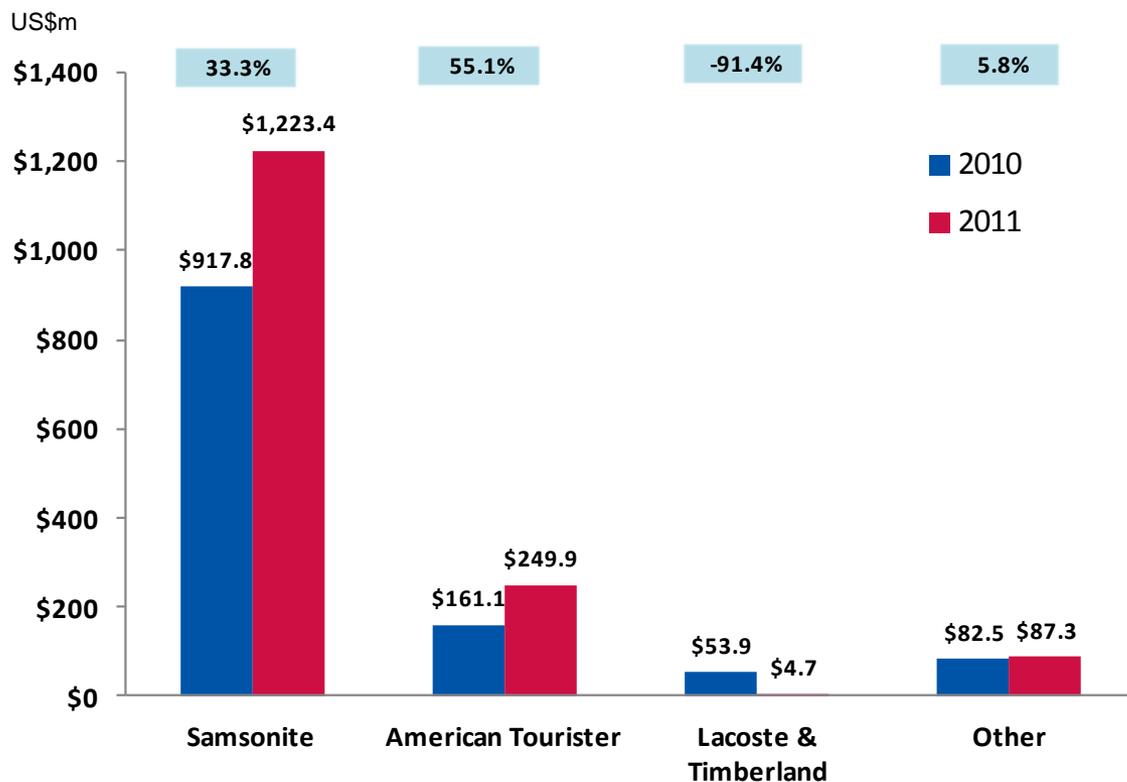
- ✦ Continued growth in global travel: International tourist arrivals grew over 4% in 2011 to 980 million<sup>(1)</sup>
- ✦ Product lines developed in each region to ensure they reflect local consumer tastes in each market
- ✦ Continued focus on innovative designs for lighter, stronger and more maneuverable luggage
- ✦ Business and casual categories continue to gain traction, helping to diversify our offering and revenue base
- ✦ Increased investment in marketing worldwide to strengthen brand visibility in an otherwise fragmented global luggage market
- ✦ Added 2,906 points of sale throughout 2011

<sup>(1)</sup> Source: UNWTO World Tourism Barometer



# Strong Sales Growth in Both Brands

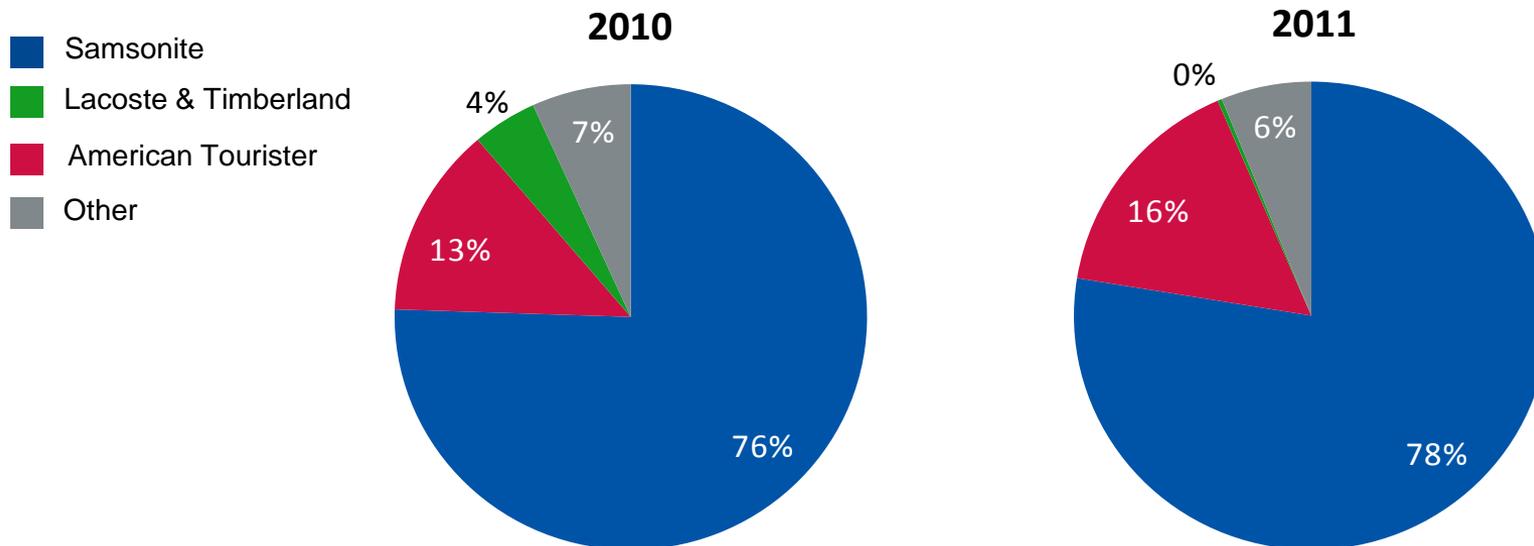
## Net Sales Growth by Brand



- Strong growth in *Samsonite* across all regions – net sales up 33.3% to US\$1,223.4 million
  - Asia +42.1%, North America +35.8%, Europe +26.8%, Latin America +18.9%
- American Tourister* – net sales up 55.1% to US\$249.9 million, driven primarily by Asia
  - Asia represents 89.6% of total brand's growth of US\$88.8 million
- Lacoste and Timberland* licenses terminated at end of 2010 with sales of remaining product carrying into 2011



# Samsonite Remains Our Largest Brand



- Sales of *Samsonite* up US\$305.6 million or 33.3%
- *American Tourister* sales up US\$88.8 million or 55.1%, driven by Asia where sales increased 77.1%



# Products Tailored to Customer Needs Across Regions is a Key to our Success

## *Samsonite*

Asia and Europe



Cosmolite

North America



Winfield



B-Lite



X-Space

## *American Tourister*

Asia



Cube Alfa

North America



iLite DLX



Smart

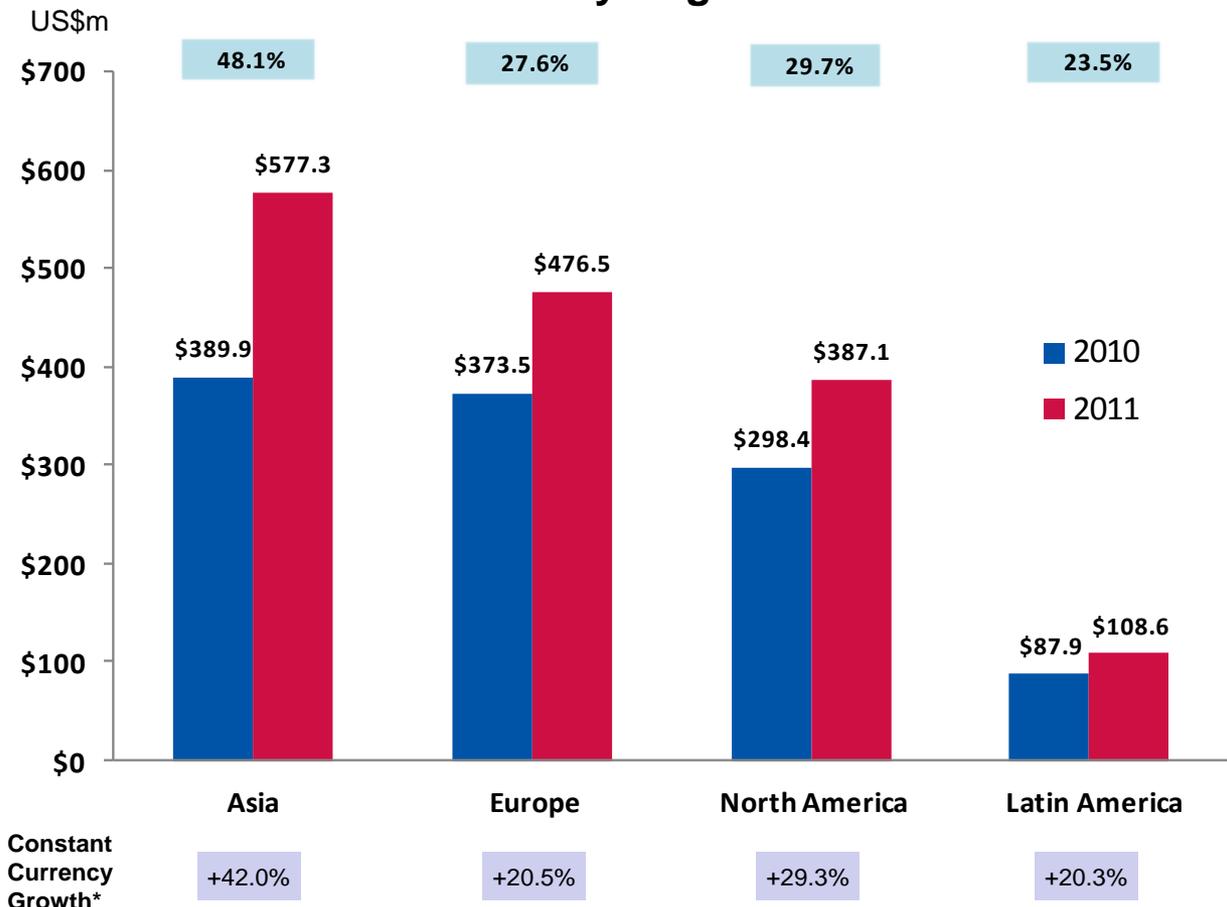


Meridien Lite



# Strong Sales Growth in All Regions

## Net Sales Growth by Region<sup>(1)</sup>



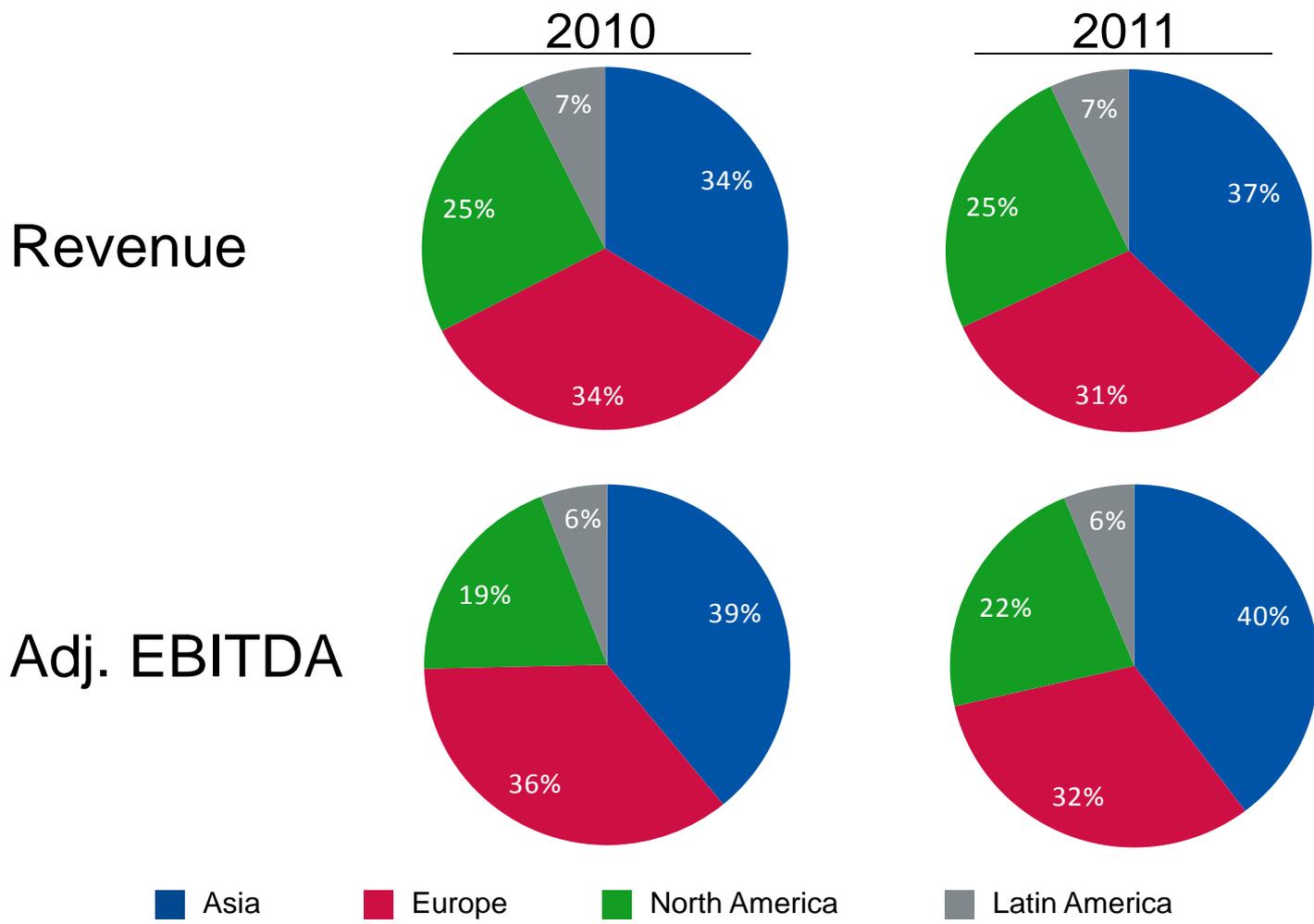
- ⚙ Growth in Asia driven by increased sales, especially of *American Tourister*, through existing and new POS
- ⚙ Europe's growth led by France, Germany, Italy and Spain.
- ⚙ North America growth driven by 26% retail comps and 28% increase in wholesale shipments
- ⚙ Growth in Latin America driven by strong sales in Mexico and Chile with good progress in Brazil, which increased by 67%

<sup>(1)</sup> Excludes Lacoste and Timberland due to termination of licensing agreements as of December 31, 2010.



# Net Sales and EBITDA - Regional Breakdown

Asia our fastest growing and most profitable region

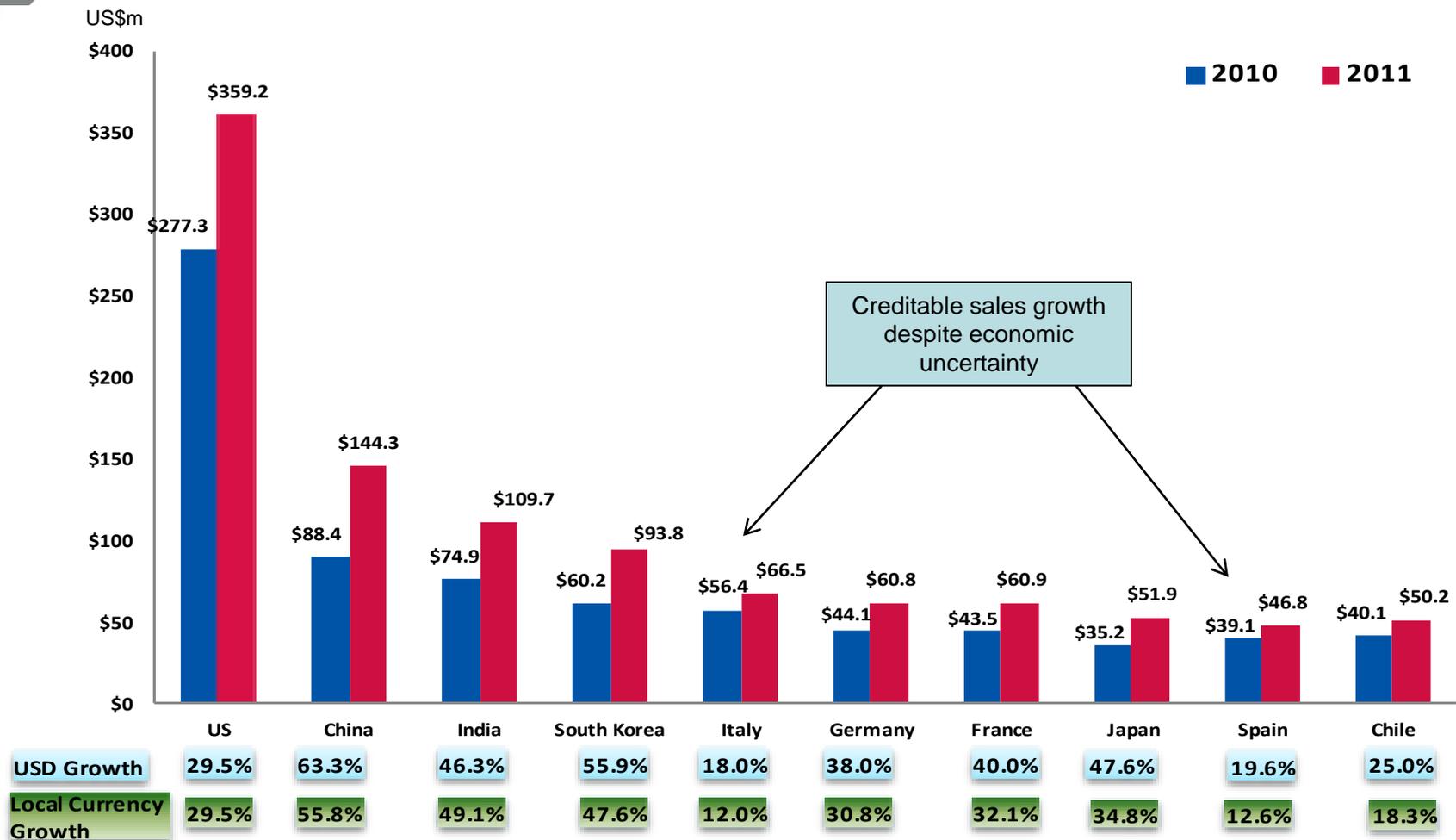


Region total excludes Corporate external licensing revenues, which constitutes about 1% of total net sales



# Sales in Key Markets<sup>(1)</sup>

Strong double-digit growth in key markets in all regions

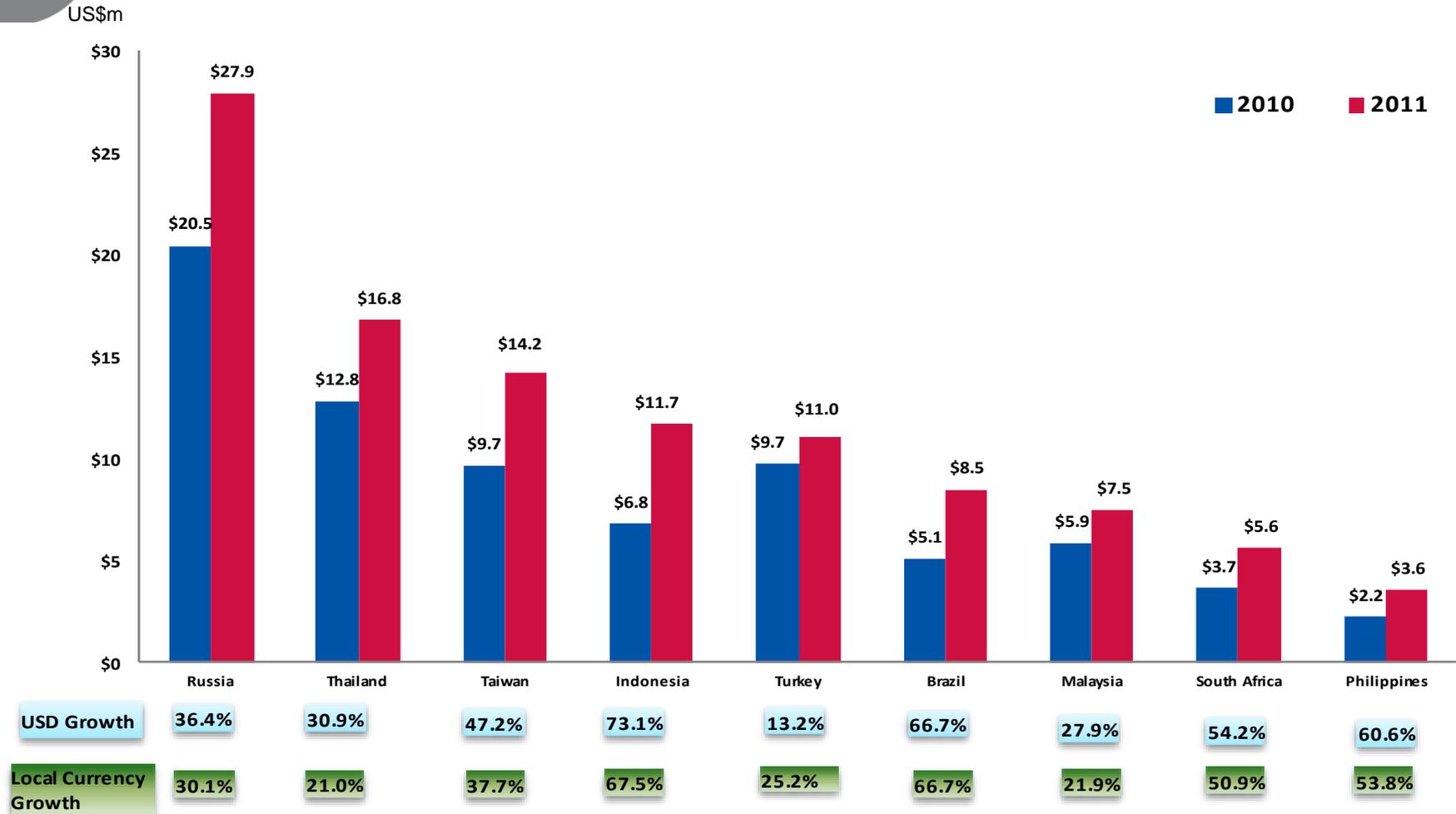


<sup>(1)</sup> Excludes Lacoste and Timberland due to termination of licensing agreements as of December 31, 2010.



# Sales in Emerging Markets<sup>(1)</sup>

Continued brand penetration driving growth in emerging markets

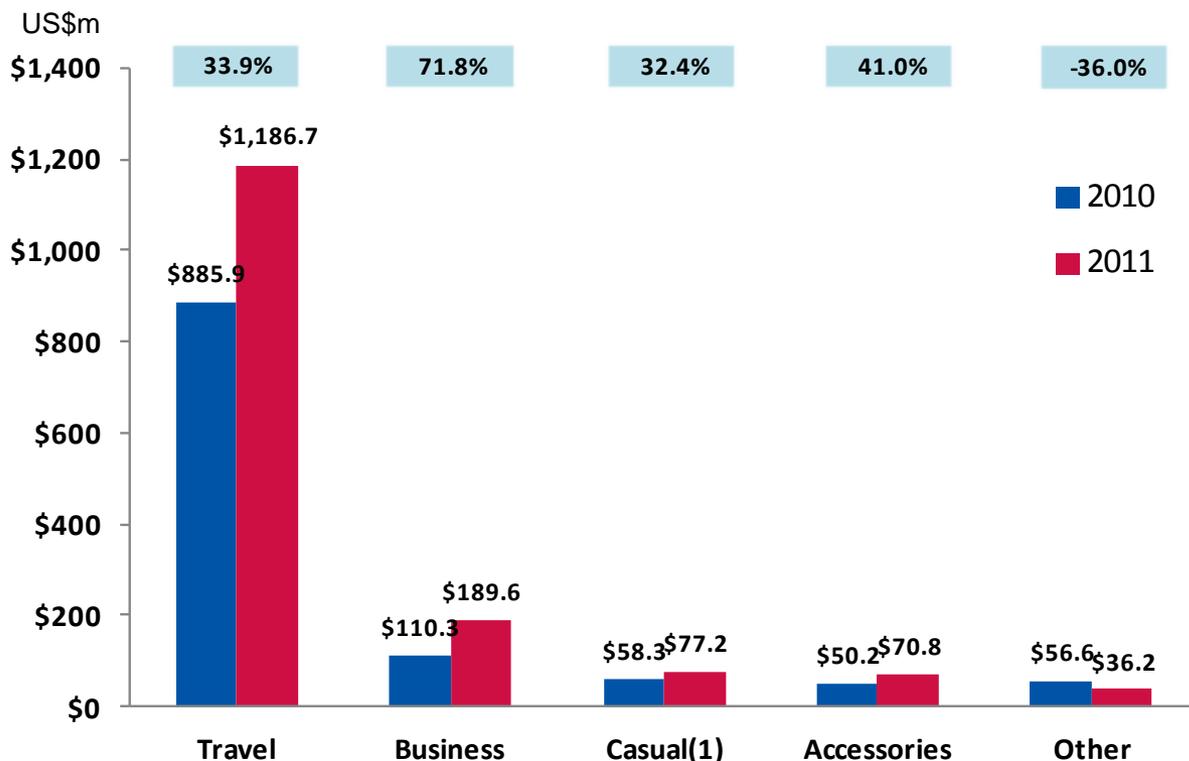


<sup>(1)</sup> Excludes Lacoste and Timberland due to termination of licensing agreements as of December 31, 2010.



# Strong Sales Growth in all Product Categories

## Net Sales Growth by Product Category



(1) Adjusted for the termination of the Lacoste and Timberland licensing agreements

- Travel remains our largest product category and traditional strength
  - Accounts for 75.8% of net sales at US\$1,186.7 million, up US\$300.8 million or 33.9%
  - Increase driven by all regions, with Asia leading at 54.9% growth
  - New products launched within Curv and B-Lite ranges and new Hybrid concept
- Net sales in Business category increased by 71.8% to US\$189.6 million – driven by growth of 102.8% in Asia and 76.2% in North America
- Casual category net sales rose 32.4%<sup>(1)</sup> driven by growth of 201.2% in Europe and 36.3% in Latin America<sup>(1)</sup>
- Accessories category net sales at US\$70.8 million, up 41.0%



# Casual, Business & Accessory Categories Gaining Traction

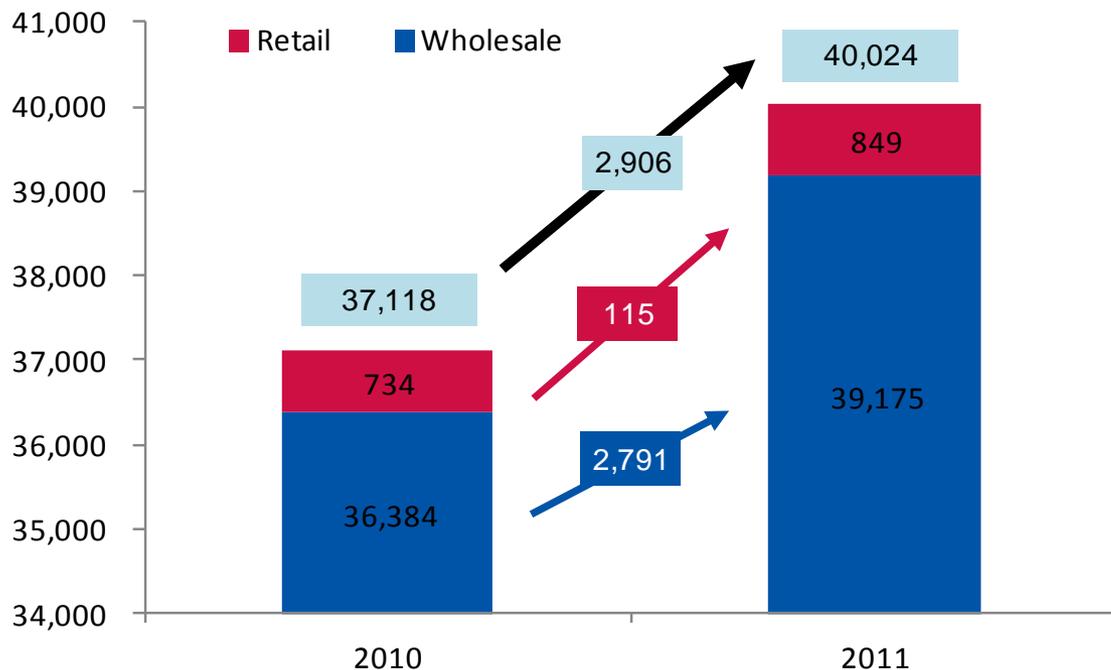
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# Significant Expansion in Points of Sale

## Total Points of Sale



Note: POS increases are net of POS closures

- POS in North America up by 2,350
  - New JC Penney and Target openings in 2H 2011
  - Opened 4 new company-owned retail stores
- POS in Asia up by 413 POS
  - +378 in India (332 wholesale, 46 retail)
  - +82 in China (63 wholesale, 19 retail)
  - Total POS at 5,600
- Europe opened 11 new retail stores in Turkey, Russia, Hungary and Ireland
  - Closures of specialty stores carrying *Lacoste* and *Timberland*
- POS in Latin America up by 532, primarily in Brazil and Mexico

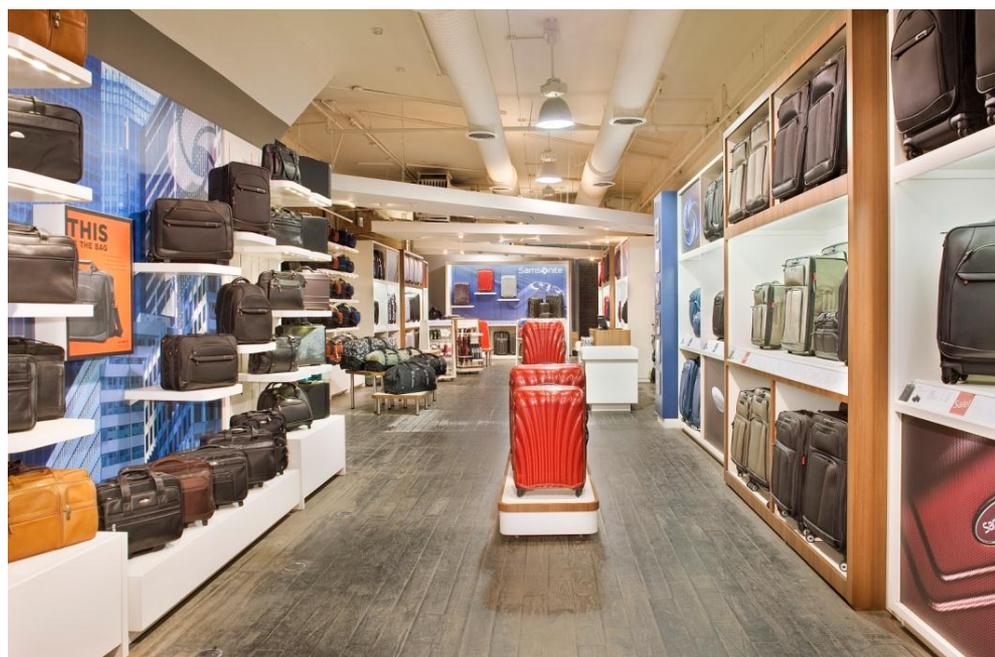


# Selection of New Stores Opened in 2011

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**Samsonite – Singapore**



**Samsonite – NYC Soho**



# Selection of New Stores Opened in 2011

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**American Tourister – Beijing**

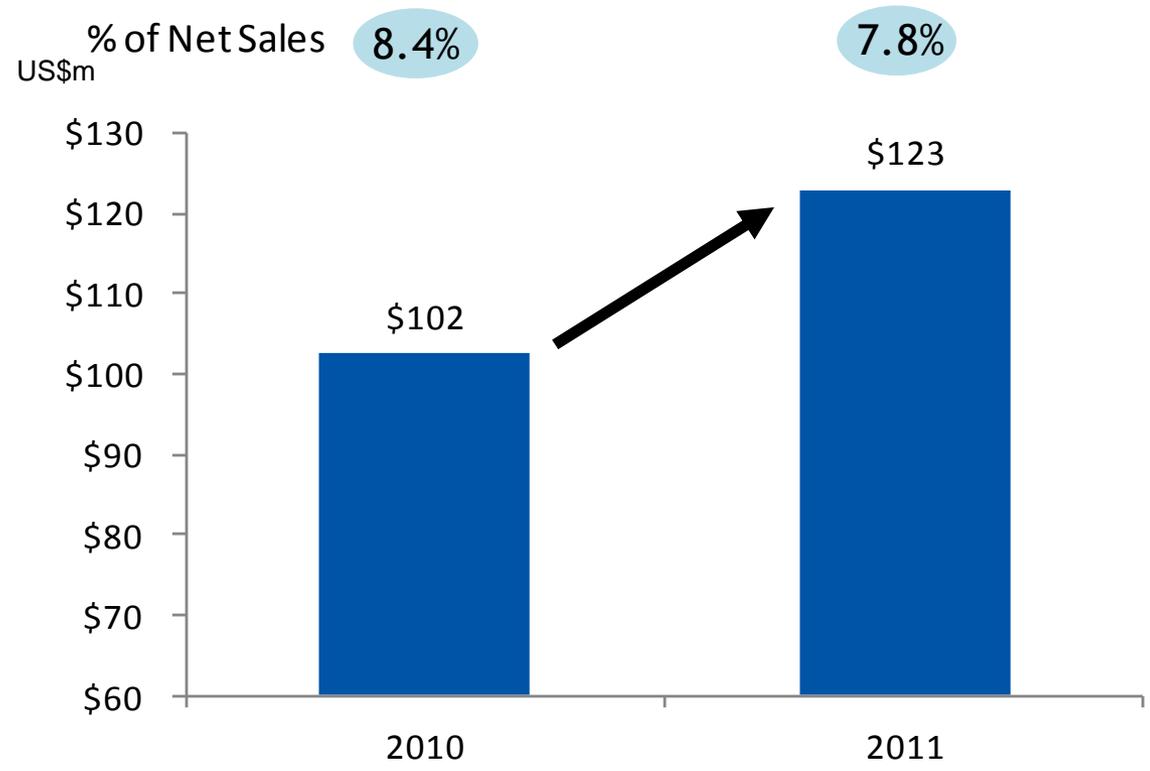


**Samsonite Red – Korea**



# Marketing spend increased in line with revenue growth

## Advertising Spend



- Increased advertising and promotions spend helping to drive sales growth ahead of the overall market
- Total marketing spend increased by 19.9% to US\$122.8 million, and currently at 7.8% of net sales



# Targeted Advertising Across Regions...



“Penn Station Domination” – Samsonite North America



“Hybrid Campaign” – Samsonite Europe



# Targeted Advertising Across Regions...



“Curv Campaign” – Samsonite Europe





# ...And Across Product Categories





# ...And Across Product Categories

**TRAVEL TESTED.  
GORILLA TOUGH.**

Take the luggage that can handle anything that you can throw at it.  
Available at Kohl's, Sears, Best Buy, Bed Bath and Beyond, americantourister.com, eBags.com, and other specialty department stores and e-tailers.

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# Agenda

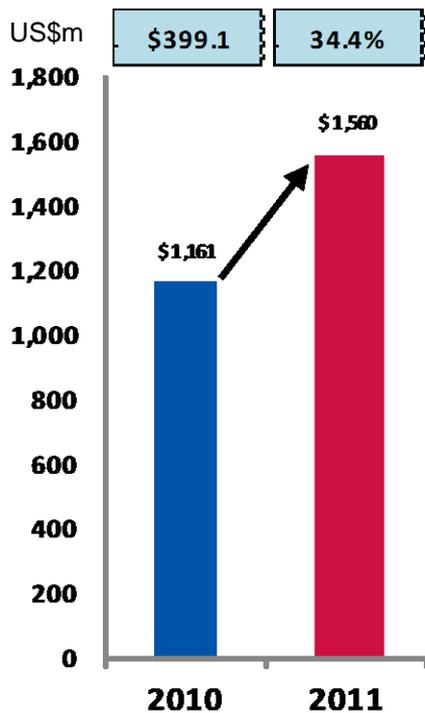
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- Results Highlights
- Business Overview
- **Financial Highlights**
- Outlook and Strategy for 2012
- Q&A

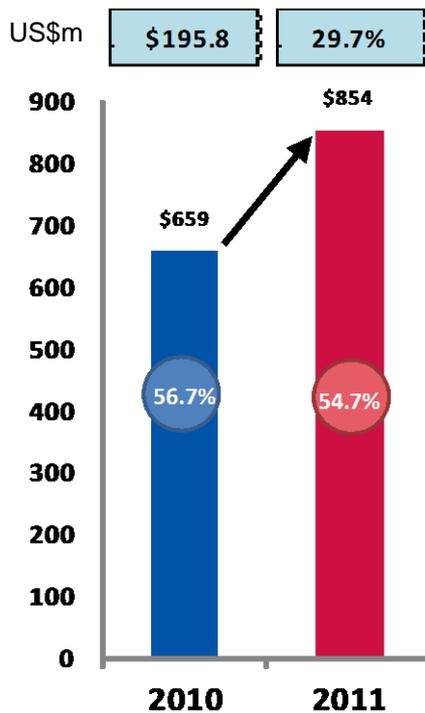


# Financial Highlights

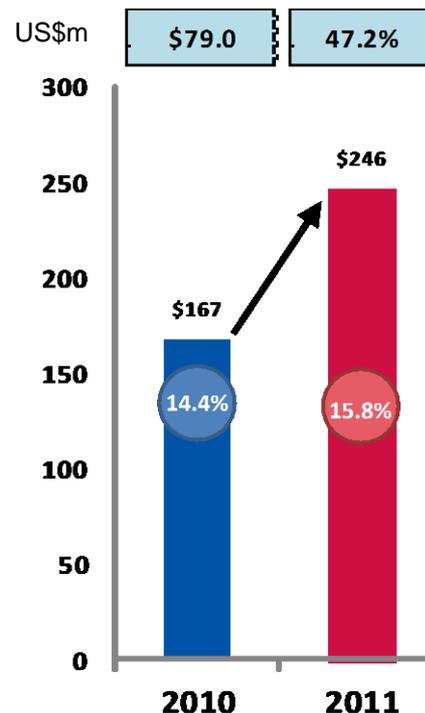
## Net Sales\*



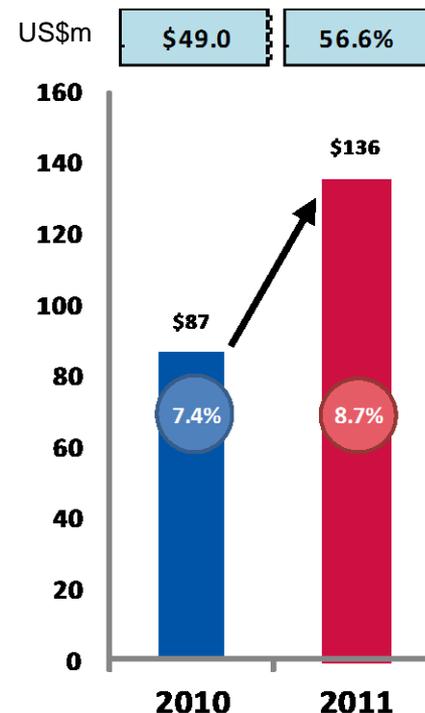
## Gross Margin\*



## Adj. EBITDA\*



## Adj. Net Income\*



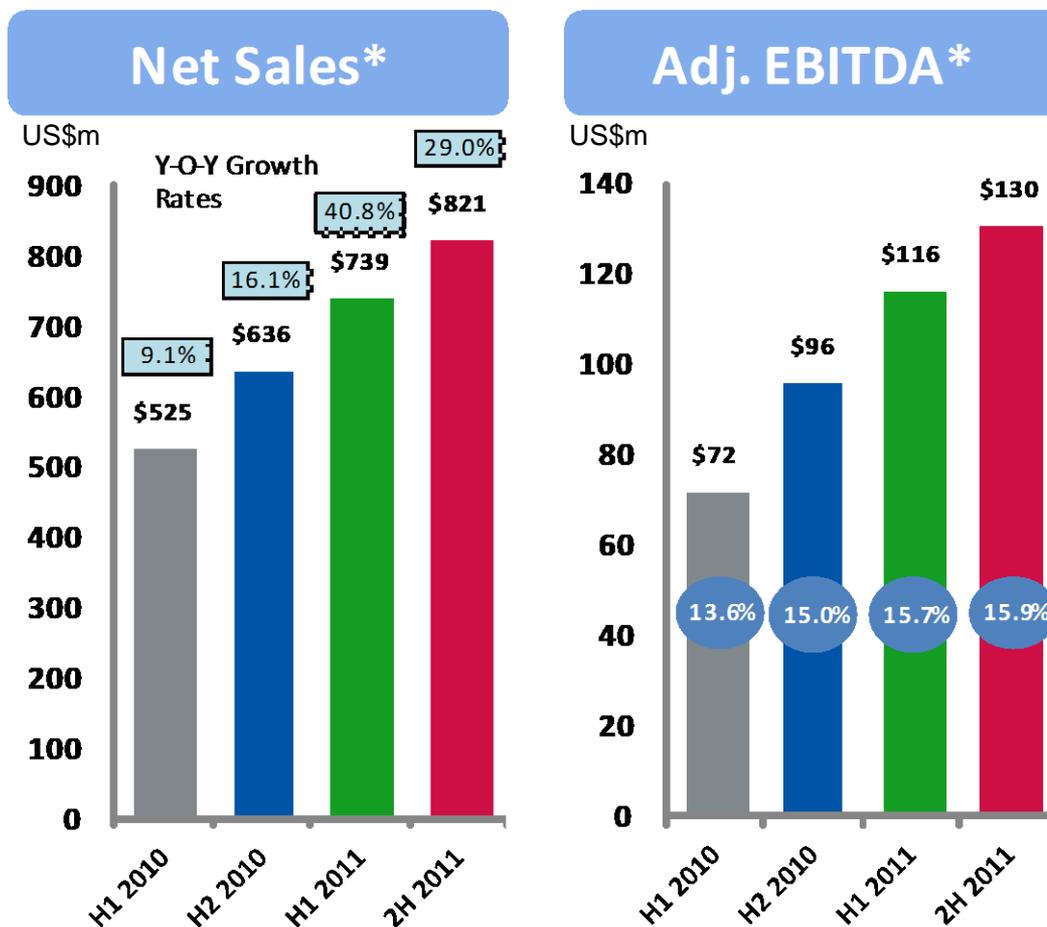
\* Excludes Lacoste and Timberland due to termination of licensing agreements as of December 31, 2010.

● Indicates % of sales



# Financial Trends

## Strong Growth Continues into 2<sup>nd</sup> Half 2011



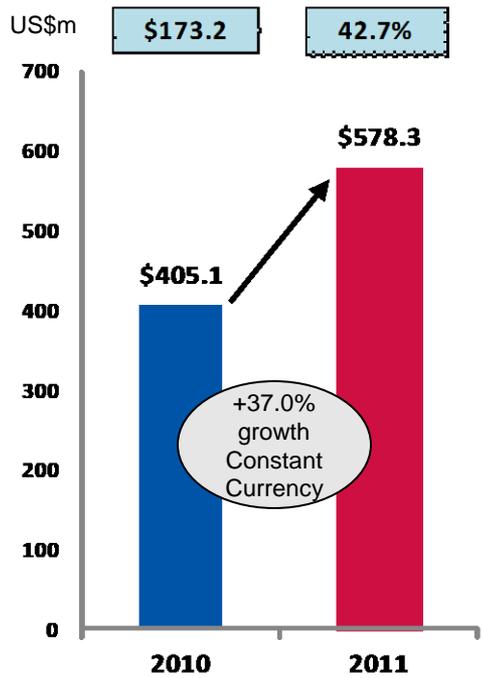
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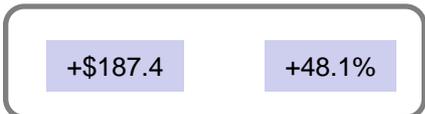


# Asia – our largest, fastest growing and most profitable region

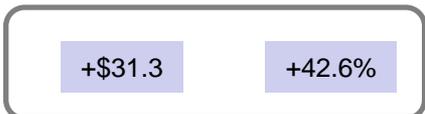
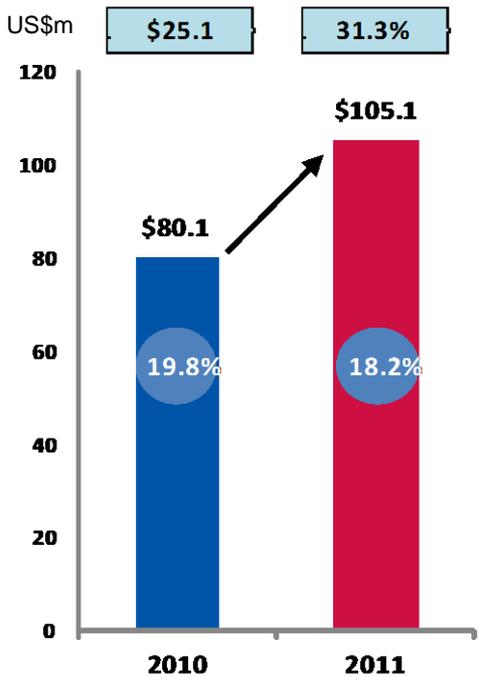
## Net Sales



Growth excluding Lacoste & Timberland



## Adjusted EBITDA



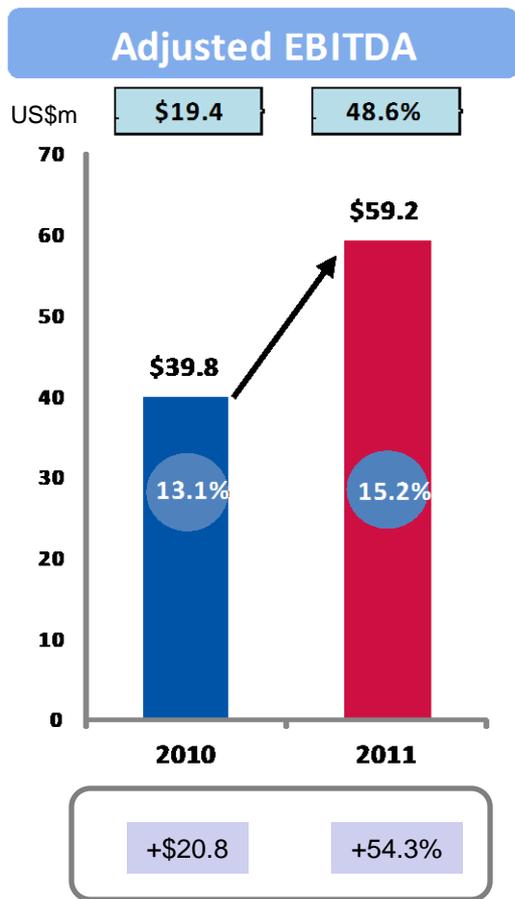
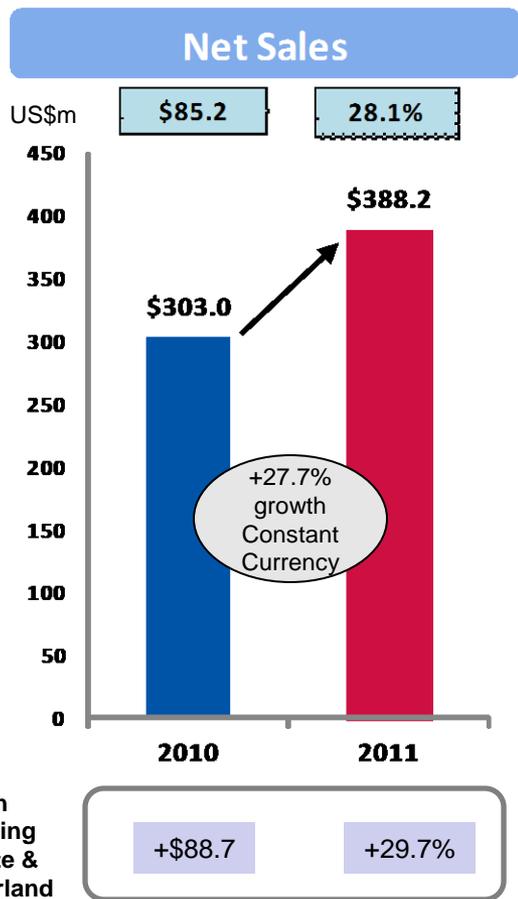
● Indicates % of sales

- Asia net sales up 48.1% <sup>(1)</sup>, fuelled by:
  - Samsonite and American Tourister sales up 42.1% and 77.1%, respectively
  - Wholesale channel up 44.3%, Retail channel up 37.4%
  - Highest percentage growth in Business category: doubled from US\$49.7 million in 2010 to US\$100.8 million in 2011
  - Travel category increased 54.9% from US\$277.9 million to US\$430.3 million
- Adjusted EBITDA margin down due primarily to increased advertising spend
  - Ad spend up from 8.8% of Asia sales in 2010 to 10.1% of sales in 2011

<sup>(1)</sup> Excludes Lacoste and Timberland due to termination of licensing agreements as of December 31, 2010.



# North America – capitalizing on steady economic recovery



- Net sales grew 29.7% <sup>(1)</sup> despite a highly competitive market
- Sales growth driven by retail same store sales growth of 25.4%, selective retail expansion and a 28.1% increase in wholesale shipments
- Samsonite* – sales up 35.8%
- American Tourister* – sales up 11.6%
- Travel category growth remained strong at 26.7%
- Focus on growing the Business category resulted in 76.2% increase
- Higher Adjusted EBITDA and Adjusted EBITDA margin the result of effectively managing a fixed cost base with higher sales

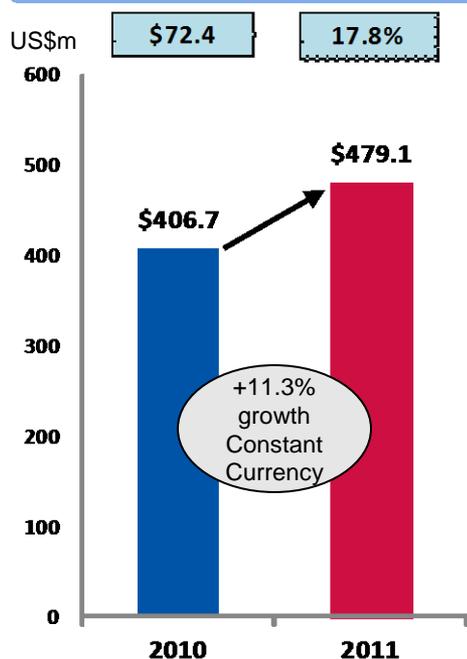
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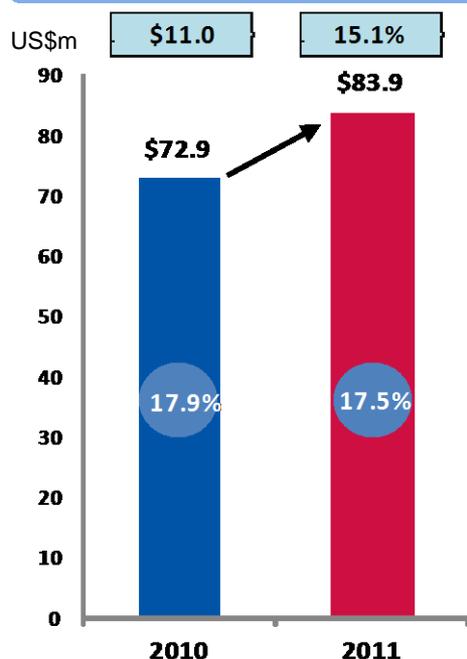


# Europe – strong growth in key markets

## Net Sales



## Adjusted EBITDA



- Strong sales growth of 27.6% <sup>(1)</sup>, underscoring resilience of our brands
- Growth led by Germany (+30.9%), France (+26.6%), Italy (+17.8, %)<sup>(1)</sup> and Spain (+14.8%)
- Eurozone crisis impacting sales in Portugal and Greece where we have limited sales presence, and Italy and Spain to lesser extent. These markets represent less than a quarter of Europe's sales.
- 24.0% growth in Travel category led by success of Cosmolite, Cubelite and B-Lite product lines and new product introductions
- 32.8% growth in Business category
- Casual category tripled from 2010 level <sup>(1)</sup>
- EBITDA margin increased from 15.1% <sup>(1)</sup> in 2010 to 17.2% <sup>(1)</sup> in 2011

Growth excluding Lacoste & Timberland



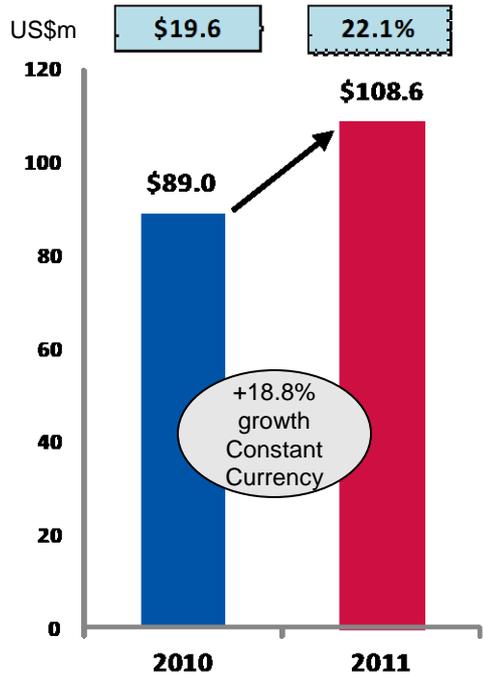
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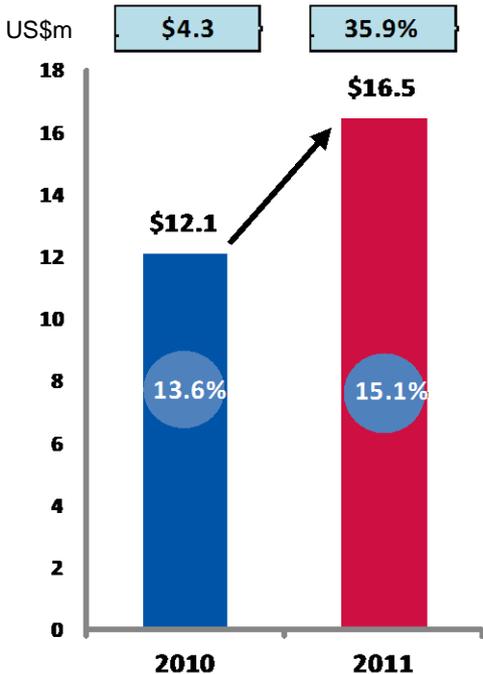


# Latin America – double-digit growth in key markets

## Net Sales



## Adjusted EBITDA



- Solid sales growth of 23.5% <sup>(1)</sup> driven by Chile (+25.0%) and Mexico (+19.3%), with Brazil up 66.7% from a lower base
- Focus on expanding Business and Casual categories led to growth of 41.9% and 36.3%<sup>(1)</sup>, respectively
- Travel category up 13.4%
- Adjusted EBITDA grew 35.9% and EBITDA margin improved by 150bp

<sup>(1)</sup> Excludes Lacoste and Timberland due to termination of licensing agreements as of December 31, 2010.

● Indicates % of sales



# Strong balance sheet provides solid platform for future growth

US\$m	December 31, 2010	December 31, 2011	Change
Cash and cash equivalents	285.8	141.3	(144.5)
Trade and other receivables, net	146.1	171.6	25.4
Inventories, net	222.7	237.0	14.3
Other current assets	67.9	61.6	(6.3)
Non-current assets	942.4	933.1	(9.3)
<b>Total Assets</b>	<b>1,665.0</b>	<b>1,544.5</b>	<b>(120.4)</b>
Current liabilities (excluding debt)	404.8	371.8	(33.0)
Non-current liabilities (excluding debt)	238.8	215.9	(22.9)
Total borrowings	258.6	11.7	(246.9)
Total equity	762.8	945.2	182.4
<b>Total Liabilities and Equity</b>	<b>1,665.0</b>	<b>1,544.5</b>	<b>(120.4)</b>
<b>Total Net Cash (Debt)<sup>(1)</sup></b>	<b>27.2</b>	<b>126.2</b>	<b>99.0</b>

(1) Total Net Cash (Debt) excludes deferred financing costs, which are included in total borrowings

- Gross IPO proceeds of US\$225.3 million plus existing cash on-hand used to repay loan notes, former senior credit facility, former term loan facility and IPO expenses
- Net cash position of \$126.2 million as of December 31, 2011 is an increase of \$99 million from December 31, 2010
- Strong working capital efficiency of 12.5%, better than targeted level of approximately 14%



# Working Capital

US\$m	December 31, 2010	December 31, 2011	\$ Chg 2010-2011	% Chg 2010-2011
<b>Working Capital Items</b>				
Inventories	\$ 222.7	\$ 237.0	\$ 14.3	6.4%
Trade and Other Receivables	\$ 146.1	\$ 171.6	\$ 25.4	17.4%
Trade Payables	\$ 225.9	\$ 213.0	\$ (13.0)	-5.7%
<b>Net Working Capital</b>	<b>\$ 142.9</b>	<b>\$ 195.5</b>	<b>\$ 52.6</b>	<b>36.8%</b>
% of Net Sales	11.8%	12.5%		
<b>Turnover Days</b>				
Inventory Days	155	122		
Trade and Other Receivables Days	44	40		
Trade Payables Days	157	110		
<b>Net Working Capital Days</b>	<b>42</b>	<b>52</b>		

- Net working capital targeted at efficient level of approximately 14% of net sales
- Accounts receivable growth in line with sales growth
- Inventory turnover improved from 155 days as of December 31, 2010 to 122 days as of December 31, 2011, which is close to target of 120 days
- Payables as of December 31, 2010 were unusually high, resulting in payables turnover reduction of 47 days

Inventory turnover days calculated as ending inventory balance divided by full year cost of sales and multiplied by 365 days

Trade and other receivables turnover days calculated as ending trade and other receivables balance divided by full year sales and multiplied by 365 days

Trade payables turnover days calculated as ending trade payables balance divided by full year cost of sales and multiplied by 365 days



# Capital Expenditure

## Capital Expenditure by Project Type

(US\$m)	2010	2011
Retail	9.5	16.0
Product Development / R&D/ Supply	9.2	12.9
Information Services and Facilities	8.5	6.2
Other	2.3	2.0
<b>Total Capital Expenditures</b>	<b>\$29.6</b>	<b>\$37.2</b>

- ⚙ Increase in capex on Product development / R&D / Supply due to expansion of CURV production facility, doubling capacity of Hungary plant
- ⚙ Increase in capex on Retail due to new store openings and remodelling of existing stores in Asia (US\$7.6 million) and Europe (US\$4.0 million)
- ⚙ Expect a sustainable level of around US\$40 million in annual capex in the future
- ⚙ 2012 capex budget of approximately US\$43 million



# Shareholder Information

## Shareholder Information as of February 27, 2012

Shares outstanding	1,407,137,004
Price high/low (HK\$)	9.12 / 16.88

### Amounts below stated in US\$

EPS (US\$)	\$0.06
Adjusted EPS (US\$)	\$0.10
Recommended distribution to shareholders (US\$)	\$30,000,000
Payout ratio	34.6%
Distribution per share (US\$)	\$0.02
Distribution yield*	1.18%

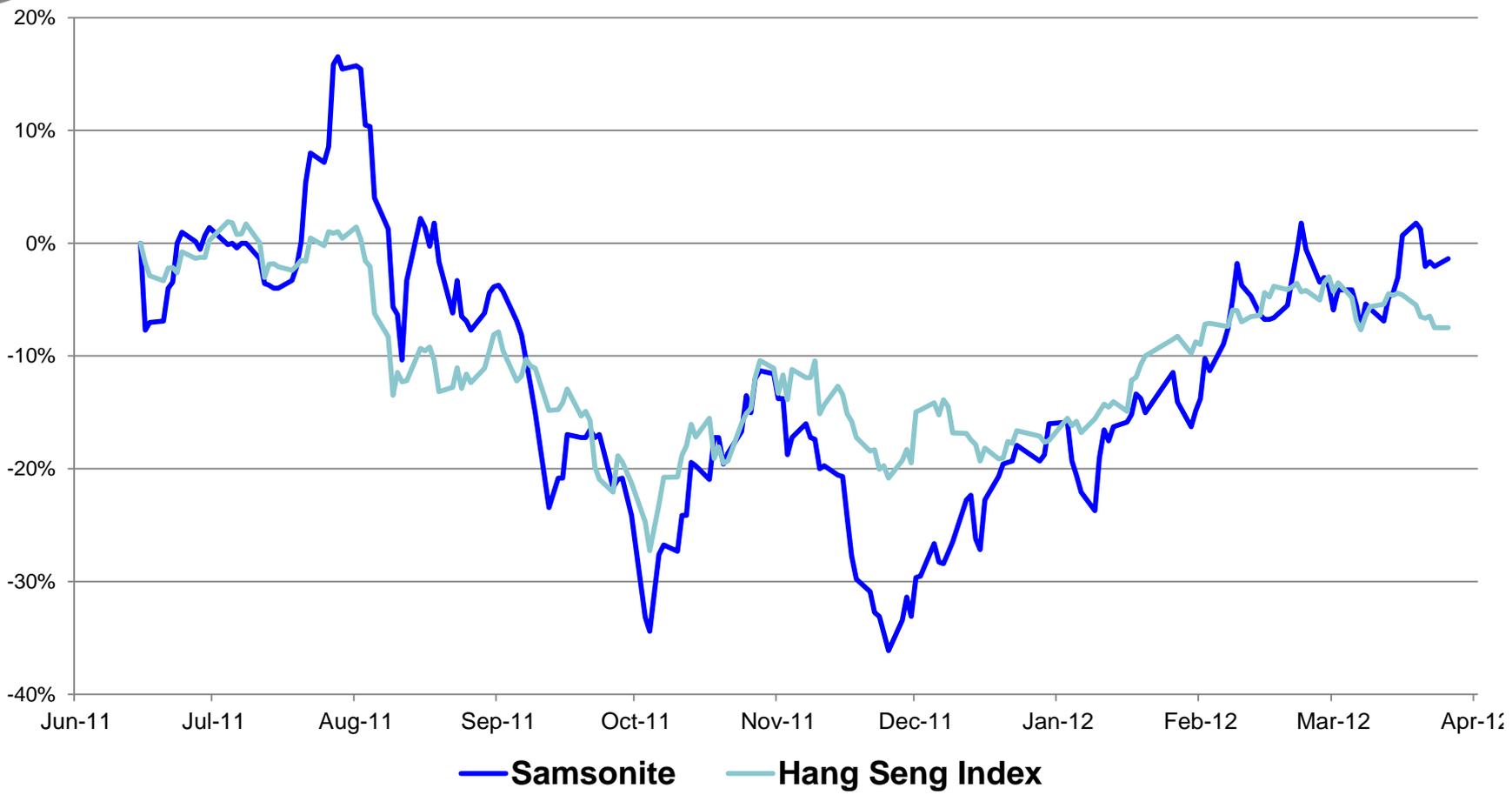
\*Assumes stock price of HK\$13.98 at an exchange rate of 7.756HKD/USD

- CVC and RBS own 28.66% and 15.84% of the shares, respectively
- Cash distribution payout date expected to be July 6, 2012
- Cash distribution payout expected to be made to shareholders of record on June 15, 2012. Ex-date for the distribution is expected to be June 12, 2012. The transfer register will be closed on June 14 and 15, 2012.



# Samsonite

## Share Price Performance from IPO Price





# Agenda

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- Results Highlights
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- Outlook and Strategy for 2012
- Q&A



# Outlook & Strategy for 2012

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- Leverage strength of *Samsonite* and *American Tourister* brands to achieve continued growth in all regions
  - Expect to continue strong double-digit sales growth with slightly higher Adjusted EBITDA and Adjusted Net Income margins
  - Growth forecasts supported by positive outlook for global travel - international tourist arrivals expected to grow at 3-4% to reach 1 billion in 2012<sup>(1)</sup>
- Tailor products to meet local requirements across regions, while staying true to our core values of lightness, strength and innovation
- Expand and improve efficiency of supply chain and global distribution network
  - Continue to add new retail points of sale in 2012, primarily in high-growth markets of China and India, while also broadening wholesale networks
- Continue marketing and R&D investment in line with world wide sales growth
- Focus on growing business and casual product categories which have high potential and reduce dependence on global travel industry
- Focus on organic growth while considering compelling acquisition opportunities as they arise

<sup>(1)</sup> Source: UNWTO World Tourism Barometer



# New Product Launches in 2012 – Asia

**Samsonite Aerial**



**American Tourister MV+**



**American Tourister Astrono - Lite**



**Samsonite Black Label  
Monttel Leather Business Bag**



# New Product Launches in 2012 – Asia

American Tourister Prismo



Samsonite Herios



Samsonite Black Label  
Baron Luggage



Samsonite Fomma



# New Product Launches in 2012 – Europe



Samsonite Firelite



Samsonite B-Lite DLX

Samsonite Paradiver



Samsonite Litesphere





# New Product Launches in 2012 – Europe

Samsonite S'Cure



Samsonite Essensis



Samsonite Inova



Samsonite Avior



# New Product Launches in 2012 – North America



**Samsonite Winfield 2**



**Samsonite Ripstop Rolling Duffel**



**Samsonite EZ Carts**



**Samsonite Leather Business**

**American Tourister Atmosfera**





# New Product Launches in 2012 – North America

**Samsonite  
Hyperspace**



**Samsonite VizAir**



**Samsonite Aspire  
Sport**



**American Tourister  
iLite Supreme**



# Agenda

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- Results Highlights
- Business Overview
- Financial Highlights
- Outlook and Strategy for 2012

• Q&A