



WE CARRY THE WORLD

2018 THIRD QUARTER RESULTS
NOVEMBER 13, 2018



TUMI
Mariella Collection

Samsonite International S.A.
Stock Code 1910

Samsonite LITE-BOX



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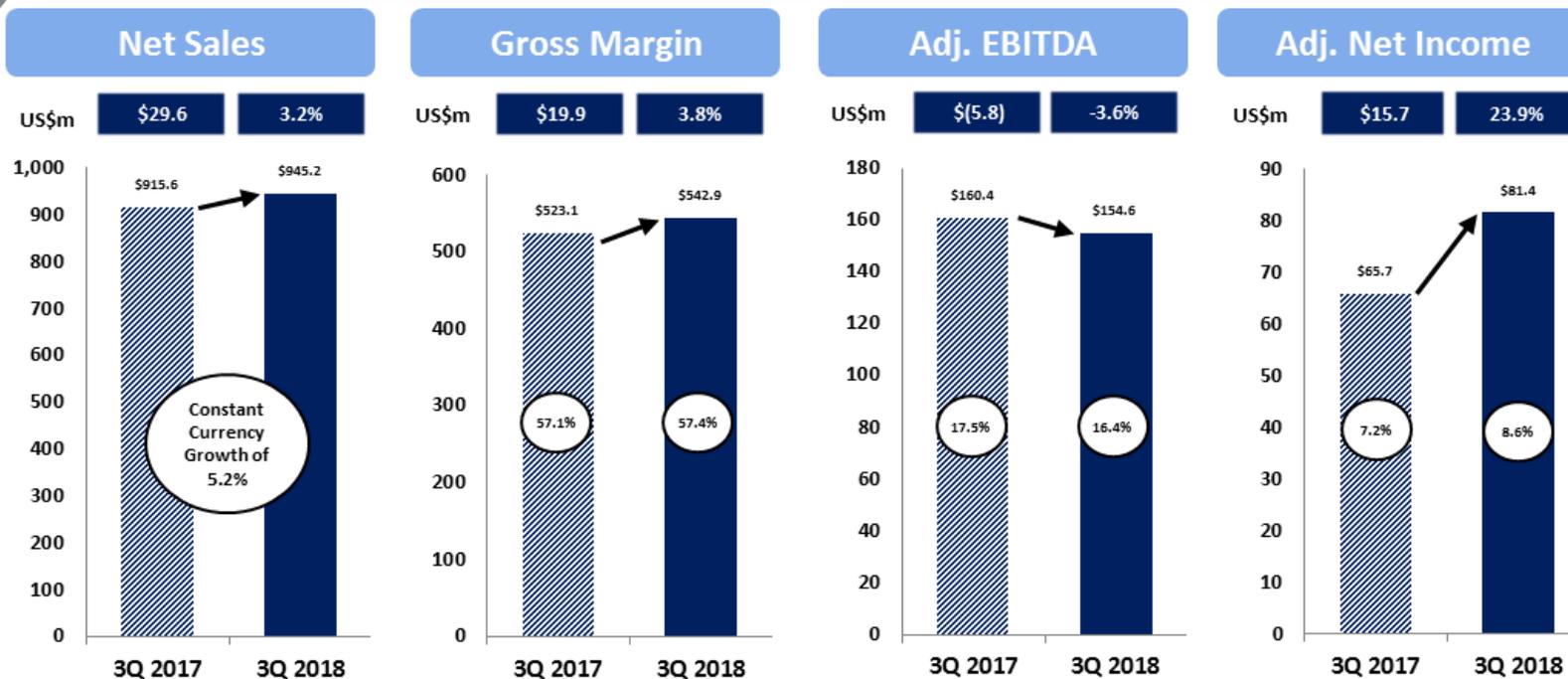
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3rd Quarter 2018 Results



3rd Quarter 2018 Results Highlights



Net sales growth of 5.2%⁽¹⁾ with net sales growth in *Tumi* brand of 10.3%⁽¹⁾ and net sales growth excluding *Tumi* brand of 4.0%⁽¹⁾. Net sales growth in the third quarter was tempered by slower growth in the US and challenging market conditions in China and South Korea.

Gross margin was up 30bp from 3Q 2017 largely due to a higher proportion of net sales coming from direct-to-consumer channels, particularly for the *Tumi* brand in Asia and Europe (Worldwide *Tumi* gross margin increased by over 400bp), partially offset by brand mix due to high net sales growth of *American Tourister*.

Adjusted EBITDA margin decreased by 110bp due largely to increased distribution expenses as a percentage of net sales related to targeted retail expansion and 10bp increase in advertising as a percentage of sales, partially offset by higher gross margin.

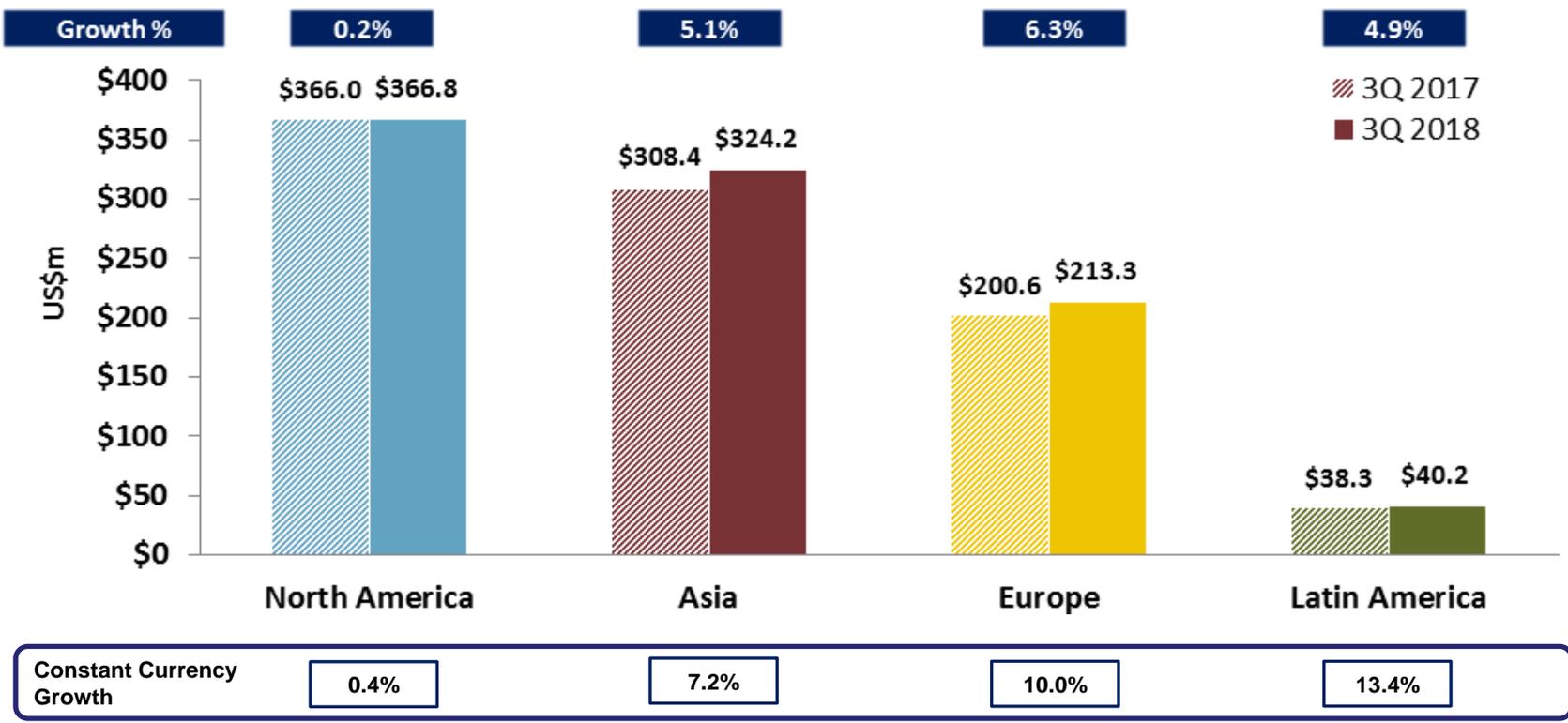
Adjusted Net Income increased by US\$15.7 million, or 23.9%, due mainly to lower stock compensation expense, interest expense and reduced effective tax rate.

(1) Stated on a constant currency basis.

○ Indicates % of net sales

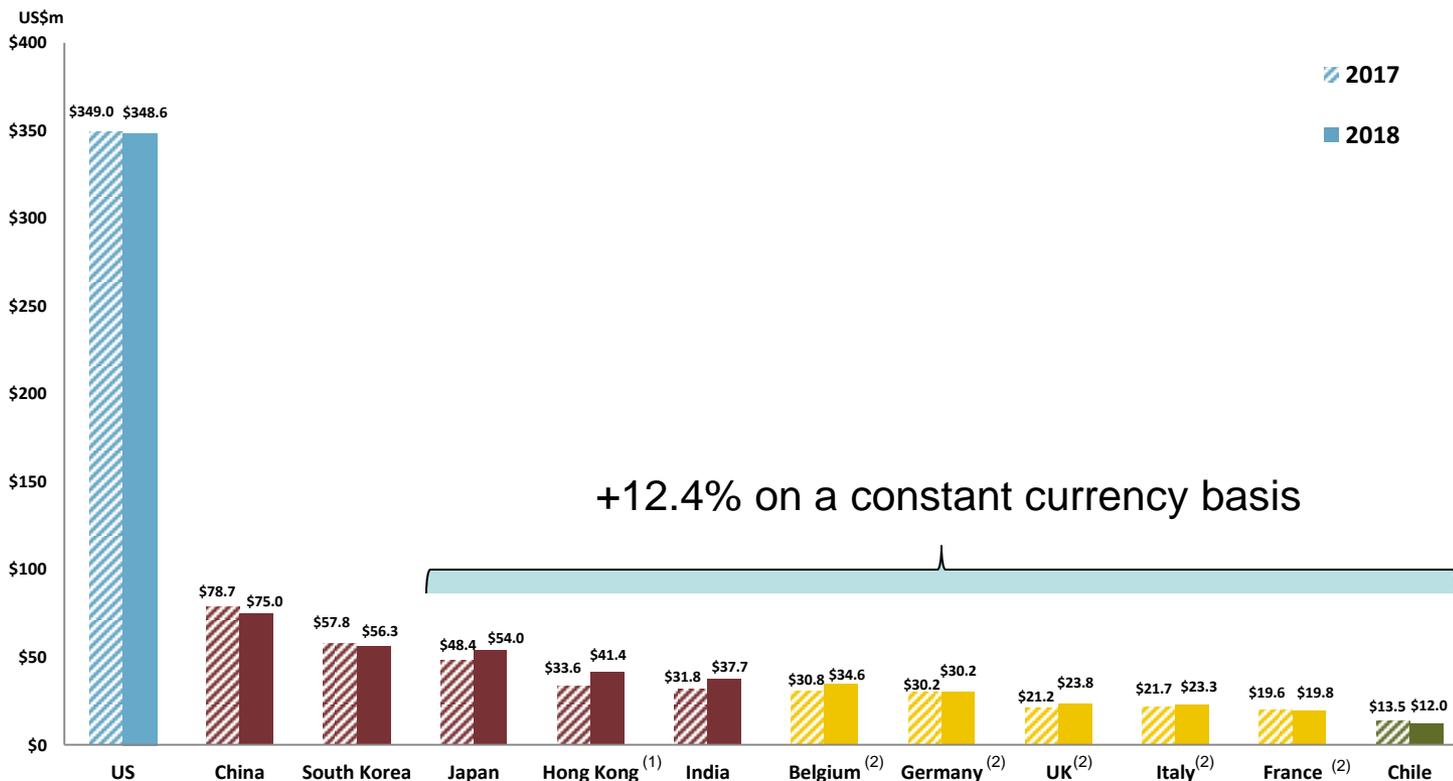


3rd Quarter Net Sales by Region





3rd Quarter Net Sales by Key Market⁽³⁾



+12.4% on a constant currency basis

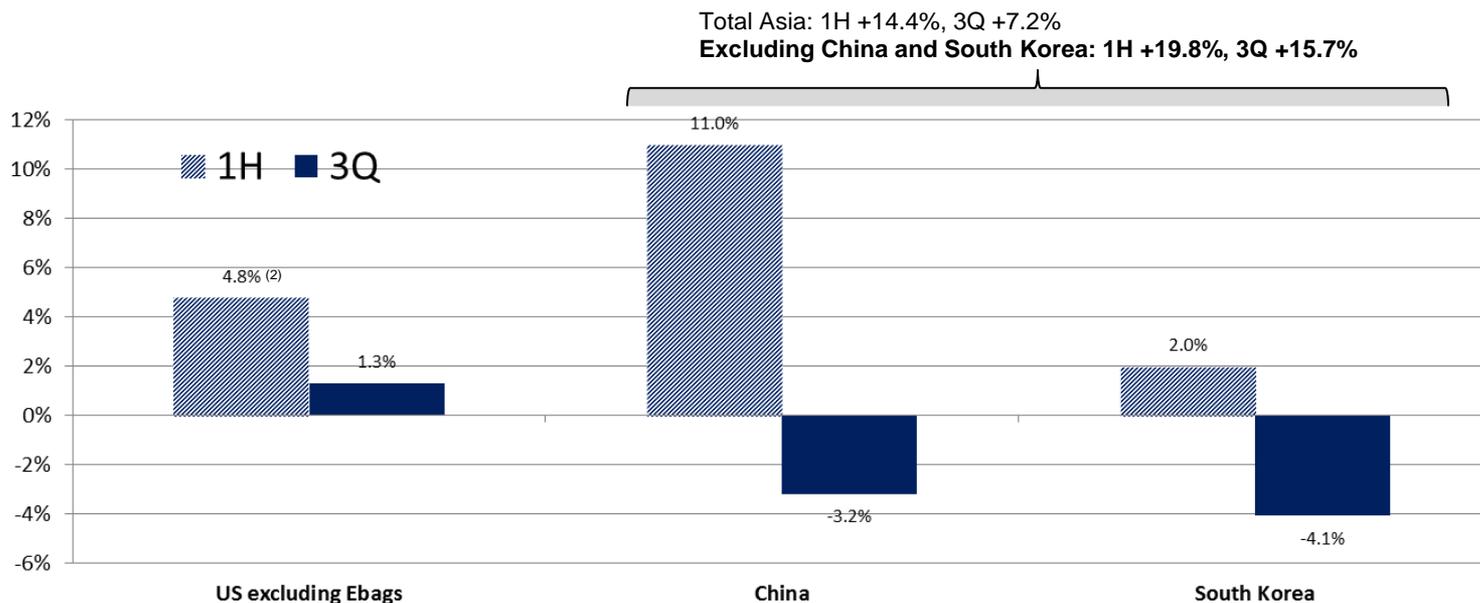
USD Growth	-0.1%	-4.8%	-2.7%	11.7%	23.2%	18.3%	12.2%	0.1%	12.2%	7.1%	0.8%	-10.7%
Constant Currency Growth	-0.1%	-3.2%	-4.1%	12.5%	23.5%	28.6%	13.3%	1.3%	12.6%	8.2%	1.7%	-9.0%

(1) Hong Kong includes net sales made in Macau and net sales to *Tumi* distributors in certain other Asian markets.
 (2) In integrating the *Tumi* business into the pre-existing European business, there have been changes made to the legal entity in which sales are being recorded, which has caused country growth rates to not be comparable, most notably in Germany and Belgium. From January 2017 through April 2017, net sales in Germany included all wholesale and e-commerce net sales of the *Tumi* brand for the European region. From May 2017 through December 2017, *Tumi* brand net sales through the wholesale channel in Europe were no longer accounted for in Germany but in Belgium. Beginning in January 2018 these sales were accounted for in the respective country of the customer. Unrelated to the *Tumi* integration, during 2018 non-*Tumi* European e-commerce sales are being transitioned to be recorded in Belgium on a country by country basis.
 (3) 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 consumers were actually located.



Net sales growth of 5.2%⁽¹⁾ in Q3 2018 despite a few challenged markets

3Q 2018 vs. 1H 2018 Net Sales Growth Rates⁽¹⁾



Excluding these three markets, net sales growth was 12.2%⁽¹⁾ for 3Q 2018.

US excluding eBags: This is partly due to a decrease in *Tumi* brand wholesale sales reflecting our decision to discontinue sales to customers identified as trans-shippers. In addition, brick-and-mortar retail sales for both the *Tumi* and *Samsonite* brands have been affected by lower tourist arrivals causing reduced spending in certain US gateway markets.

China: The slowdown in 3Q relates to weak consumer sentiment amid concerns about trade relations and a decrease in business-to-business orders. Excluding business-to-business orders for both periods, net sales in China increased by 4.1%⁽¹⁾ during the 3Q 2018 compared to the same period in the previous year.

South Korea: The retail environment continues to be challenged due to lower Chinese tourism and weak consumer sentiment.



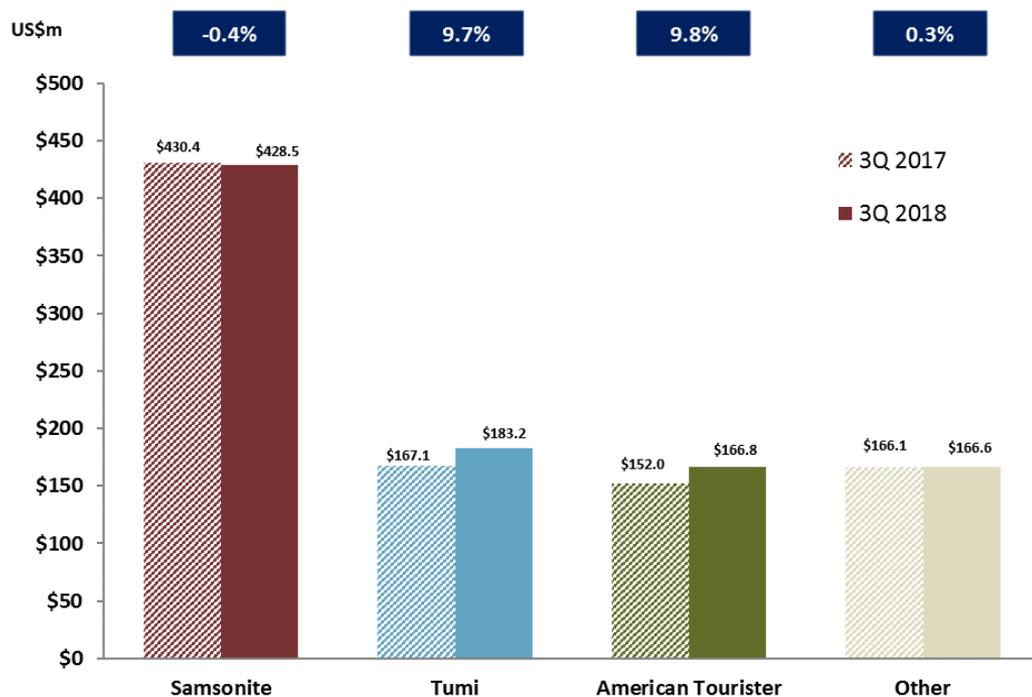
(1) Stated on a constant currency basis.

(2) 1H 2017 US excluding eBags adjusted to exclude wholesale sales to eBags prior to the acquisition.



3rd Quarter Net Sales by Brand

Net Sales Growth by Brand



Constant
Currency
Growth

1.8%

10.3%

13.2%

1.3%

- ⚙ *Samsonite* net sales up 1.8%⁽¹⁾, which is down from 5.0%⁽¹⁾ in the 1st half of 2018 due largely to the slowdown in China, South Korea and the US.
- ⚙ *Tumi* net sales growth of 10.3%⁽¹⁾ with strong growth in Asia +27.7%⁽¹⁾ and Europe +14.2%⁽¹⁾, while the brand's growth in North America of 0.5%⁽¹⁾ reflects successful efforts to identify and discontinue sales to customers identified as trans-shippers. Excluding sales to trans-shippers, *Tumi* brand net sales in North America increased by 3.7%⁽¹⁾.
- ⚙ *American Tourister* net sales up 13.2%⁽¹⁾ driven by all regions, with especially strong growth in Europe +42.3%⁽¹⁾.
- ⚙ *Other* brand net sales increased by 1.3%⁽¹⁾ comprised of:
 - ⚙ *Speck* +10.3%⁽¹⁾;
 - ⚙ *Kamiliant* +32.4%⁽¹⁾;
 - ⚙ *High Sierra* +5.3%⁽¹⁾;
 - ⚙ *Lipault* +4.7%⁽¹⁾;
 - ⚙ *Gregory* -1.7%⁽¹⁾;
 - ⚙ *Saxoline* (Chile-only brand) -16.2%⁽¹⁾.

(1) Stated on a constant currency basis.



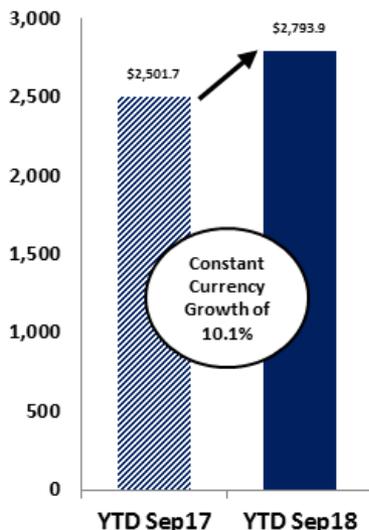
YTD September 2018 Results



YTD September 2018 Results Highlights

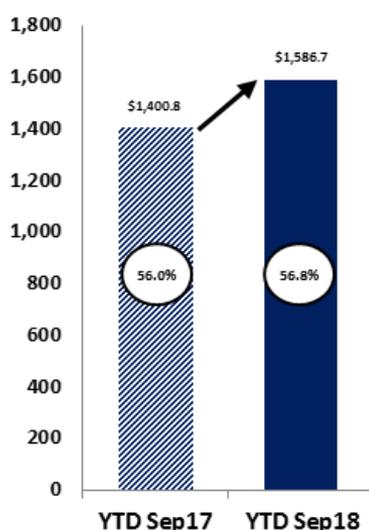
Net Sales

US\$m **\$292.2** **11.7%**



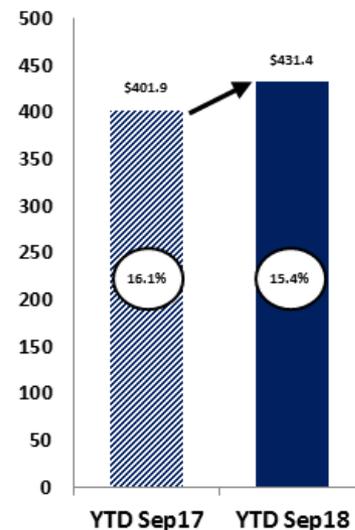
Gross Margin

US\$m **\$185.9** **13.3%**



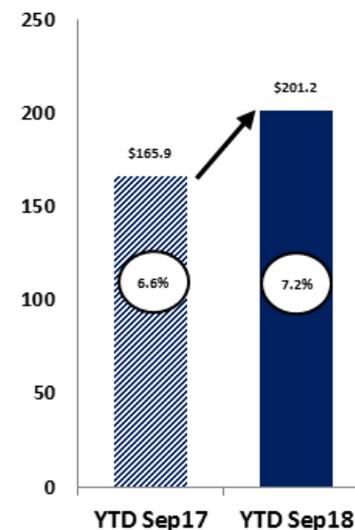
Adj. EBITDA

US\$m **\$29.5** **7.4%**



Adj. Net Income

US\$m **\$35.3** **21.3%**



Constant currency net sales growth of 10.1% was driven partly by four additional months of eBags net sales of US\$46.8 million (acquired in May 2017). Excluding the contribution from eBags, constant currency net sales growth was 8.5%.

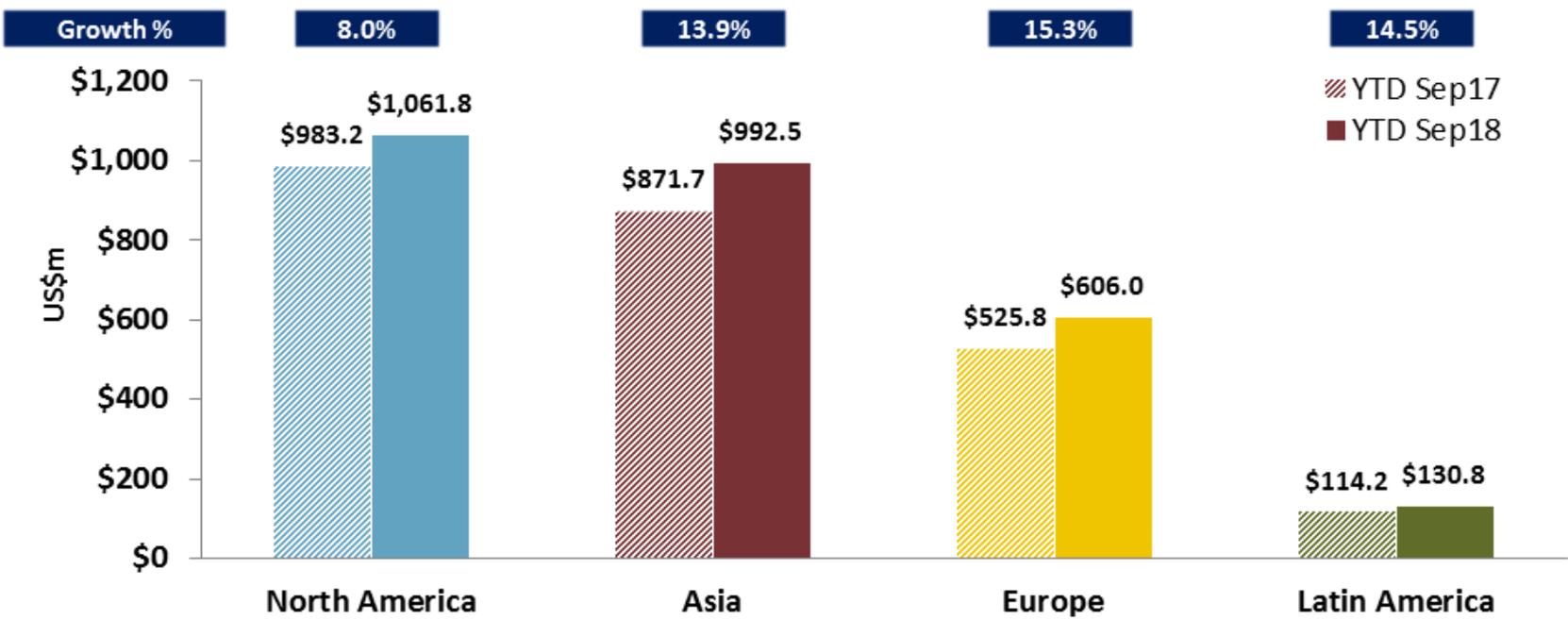
Gross margin was up 80bp from prior year reflecting an increase in *Tumi* brand gross margin of over 500bp and a higher proportion of net sales coming from the direct-to-consumer channel, partially offset by a shift in brand mix due to strong growth of *American Tourister*.

Adjusted EBITDA increased by US\$29.5 million. Adjusted EBITDA margin decreased by 70bp due partly to dilutive impact of eBags as well as higher distribution expenses as a percentage of net sales associated with targeted retail expansion, partly offset by higher gross margins.

Adjusted Net Income increased by US\$35.3 million due to higher Adjusted EBITDA as well as lower stock compensation expense, lower interest expense (excluding US\$53.3 million write-off of remaining deferred financing costs on the original senior credit facilities) and lower taxes.



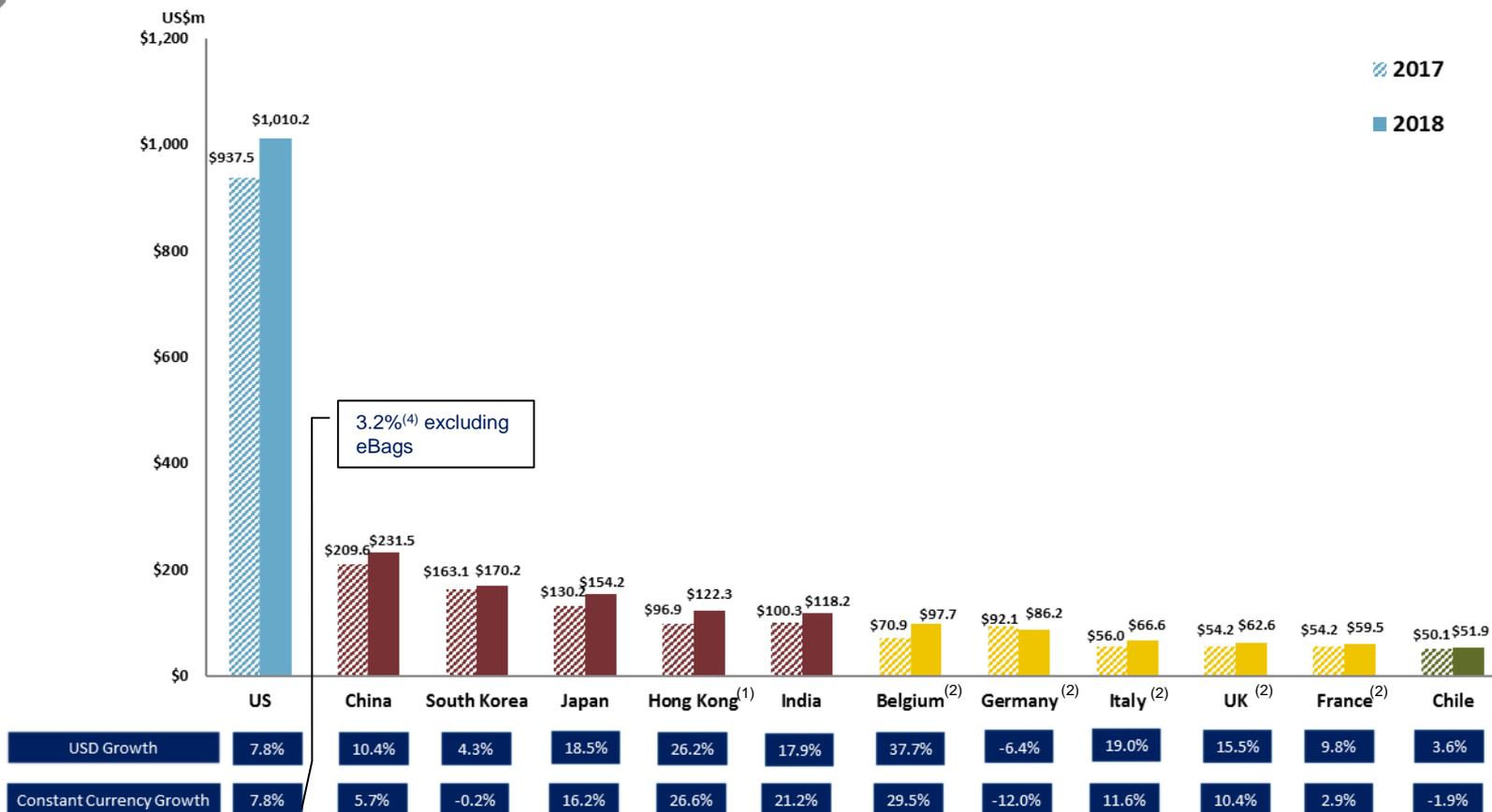
YTD September Net Sales by Region



3.6% excluding contribution from eBags



YTD September Net Sales by Key Market⁽³⁾

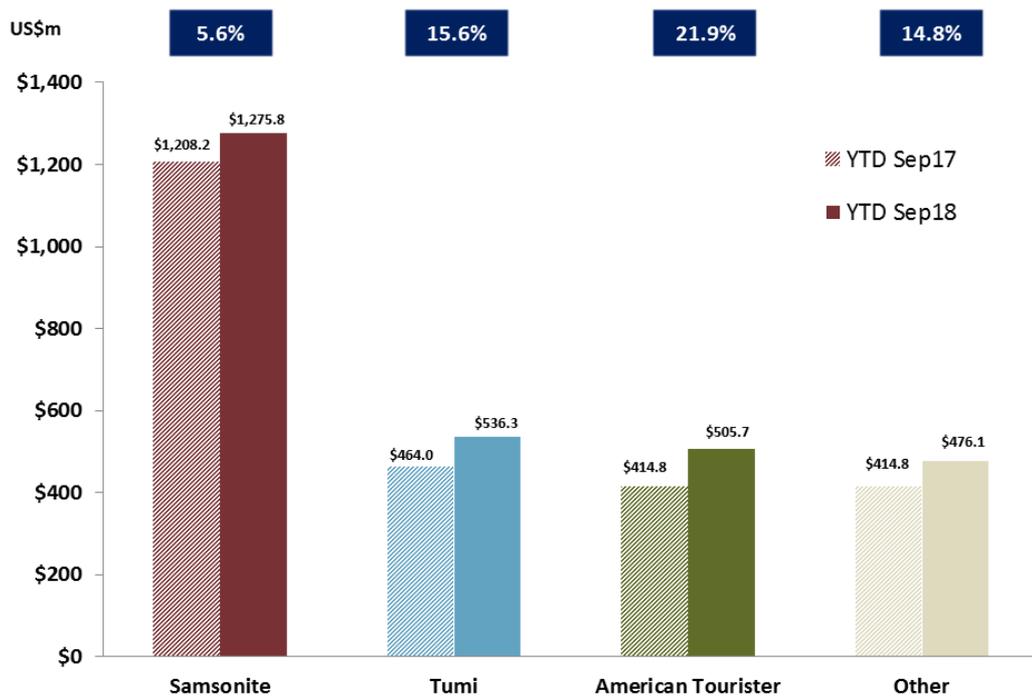


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- (3) The geographic location of the Group's net sales generally reflects the country/territory from which its products were sold and does not necessarily indicate the country/territory in which its end consumers were actually located.
- (4) YTD Sep 2017 adjusted to exclude wholesale sales to eBags prior to the acquisition.



YTD September Net Sales by Brand

Net Sales Growth by Brand



- Samsonite net sales growth of 3.8%⁽¹⁾ with Europe +4.8%⁽¹⁾, Asia +3.1%⁽¹⁾, North America +2.3%⁽¹⁾ and Latin America +16.1%⁽¹⁾.
- Tumi net sales growth of 14.3%⁽¹⁾ was driven by expansion in Asia +35.1%⁽¹⁾ and Europe +11.2%⁽¹⁾ as well as 5.5%⁽¹⁾ growth in North America.
- American Tourister net sales up 20.1%⁽¹⁾ with strong growth in Europe +46.8%⁽¹⁾, Asia +12.6%⁽¹⁾, North America +12.6%⁽¹⁾ and Latin America +68.8%⁽¹⁾.
- Other brand net sales increased by 13.4%⁽¹⁾ mainly comprised of:
 - Speck +6.7%⁽¹⁾;
 - Gregory +3.7%⁽¹⁾;
 - High Sierra +2.7%⁽¹⁾;
 - Kamiliant +48.6%⁽¹⁾.

Constant
Currency
Growth

3.8%

14.3%

20.1%

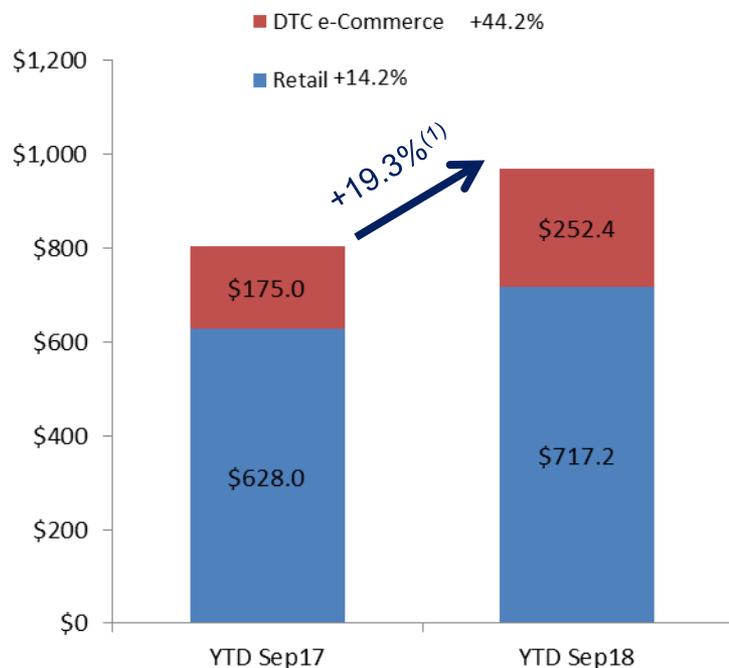
13.4%

(1) Stated on a constant currency basis.



Continued progress in driving direct-to-consumer (“DTC”) sales growth

DTC Net Sales



- Strong DTC net sales growth of 19.3%⁽¹⁾ (14.9%⁽¹⁾ excluding eBags). 34.7% of total Company net sales came from DTC channels in YTD September 2018 compared to 32.1% in YTD September 2017.
- Retail net sales growth of 12.8%⁽¹⁾ drove retail’s proportion of total Company net sales from 25.1% in YTD September 2017 to 25.7% in YTD September 2018.
- DTC e-commerce, with net sales growth of 42.6%⁽¹⁾ (26.7%⁽¹⁾ excluding eBags), represented 9.0% of total Company net sales in YTD September 2018, up 200bp from 7.0% in YTD September 2017.
- Total e-commerce⁽²⁾ net sales represented 14.5% of total Company net sales for the YTD September 2018 period, compared to 12.1% for the same period in 2017.

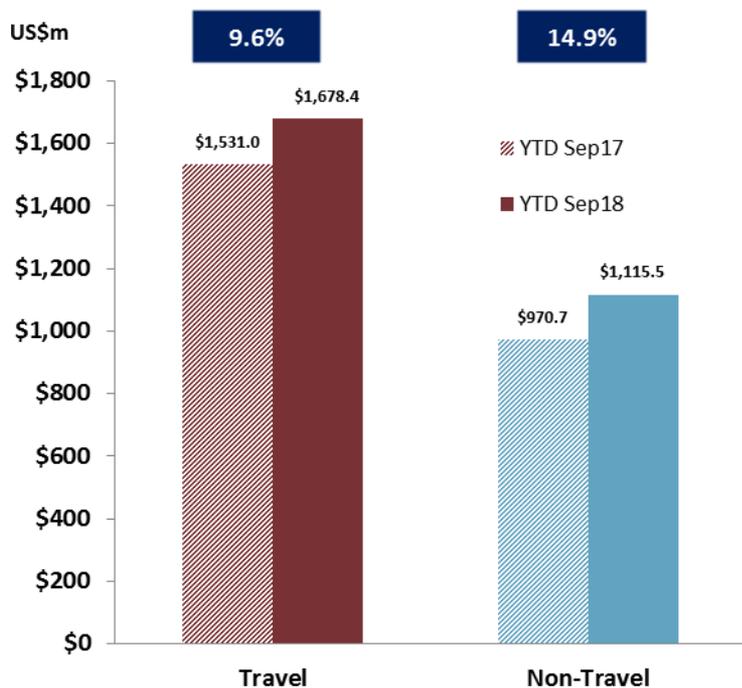
(1) Stated on a constant currency basis.

(2) Total e-commerce consists of DTC e-commerce, which is included in the DTC channel, and e-retailers, which is included in the wholesale channel.



Continued progress in driving sales growth in non-travel categories

Net Sales by Category



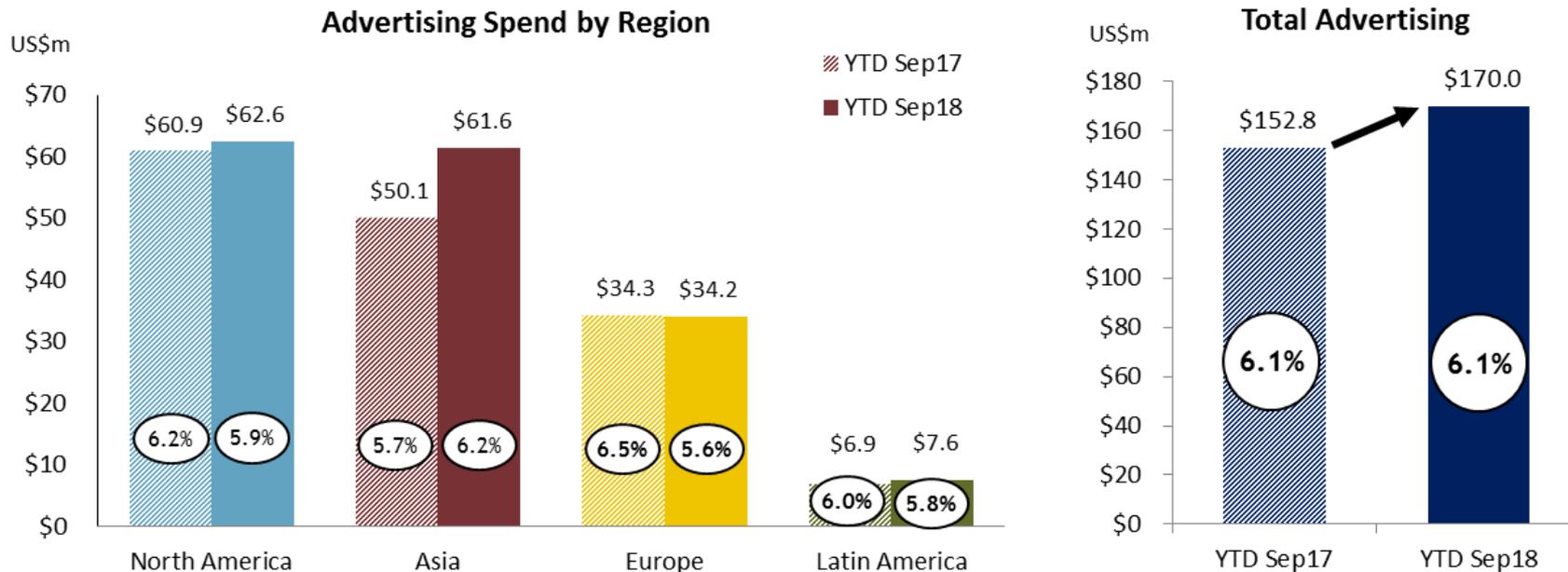
- Non-travel category net sales growth of 13.2%⁽¹⁾ outpaced travel category net sales growth of 8.1%⁽¹⁾.
- Non-travel net sales represented 39.9% of total YTD September 2018 net sales, up 110bp from 38.8% of total YTD September 2017 net sales.

Constant Currency Growth	Travel	Non-Travel
	8.1%	13.2%

(1) Stated on a constant currency basis.



YTD September Advertising by Region



⦿ In addition to the regional advertising expenses, Corporate also had advertising expense of US\$4.1 million related to the global *American Tourister* advertising campaign.



Balance Sheet

US\$m	September 30, 2017	December 31, 2017	September 30, 2018	\$ Chg Sep-18 vs. Sep-17	% Chg Sep-18 vs. Sep-17
Cash and cash equivalents	307.2	344.5	341.4	34.2	11.1%
Trade and other receivables, net	381.1	411.5	403.8	22.7	6.0%
Inventories, net	563.0	583.0	652.3	89.2	15.8%
Other current assets	174.4	156.5	174.8	0.4	0.2%
Non-current assets	3,563.8	3,575.0	3,561.6	(2.2)	-0.1%
Total Assets	4,989.6	5,070.4	5,134.0	144.4	2.9%
Current liabilities (excluding debt)	895.9	929.8	848.8	(47.1)	-5.3%
Non-current liabilities (excluding debt)	554.2	411.3	426.1	(128.2)	-23.1%
Total borrowings	1,930.1	1,897.0	1,953.3	23.2	1.2%
Total equity	1,609.3	1,832.4	1,905.7	296.4	18.4%
Total Liabilities and Equity	4,989.6	5,070.4	5,134.0	144.4	2.9%
Total Net Cash (Debt)⁽¹⁾	(1,682.7)	(1,609.1)	(1,629.0)	53.7	-3.2%

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

(2) The sum of the line items in the table may not equal the total due to rounding.

(3) Per the terms of the debt agreement, net leverage ratio is calculated as (total loans and borrowings – total unrestricted cash)/LTM Adj. EBITDA.

- Cash flows from operations for the first nine months of 2018 were US\$147.0 million, largely offset by outflows for capital expenditures of US\$64.5 million and a US\$110.0 million distribution to shareholders.
- Operating cash flow for the three months ended September 30, 2018 of US\$90.9 million was up 22.4% compared to US\$74.2 million for the three months ended September 30, 2017.
- Working capital as of September 30, 2018 was 14.7% of net sales, which is slightly above target of 14%, mainly due to lower payable days and slightly higher inventory days when compared to September 30, 2017.
- Proforma total net leverage ratio⁽¹⁾ of 2.67:1.00 at September 30, 2018 is down from 2.94:1.00 at September 30, 2017, with US\$603.8 million of revolver availability at September 30, 2018.



Working Capital

US\$m	September 30, 2017		September 30, 2018		\$ Chg Sep-18 vs. Sep-17	% Chg Sep-18 vs. Sep-17
Working Capital Items						
Inventories	\$	563.0	\$	652.3	\$ 89.2	15.8%
Trade and Other Receivables	\$	381.1	\$	403.8	\$ 22.7	6.0%
Trade Payables	\$	527.0	\$	506.4	\$ (20.7)	-3.9%
Net Working Capital	\$	417.1	\$	549.7	\$ 132.6	31.8%
% of Net Sales		12.5%		14.7%		
Turnover Days						
Inventory Days		140		148		
Trade and Other Receivables Days		42		39		
Trade Payables Days		131		115		
Net Working Capital Days		51		72		

- Net working capital as of September 30, 2018 was 14.7% of net sales, which was slightly above targeted 14% level.
- Inventory turnover of 148 days was up 8 days from September 30, 2017. This reflects an improvement from the half year where inventory days were 16 days higher than the prior year.
- Trade and other receivables turnover of 39 days was 3 days lower than prior year due to a higher proportion of sales through direct-to-consumer channels.
- Trade payables turnover of 115 days as of September 30, 2018 was 16 days lower than prior year due to reduction in inventory purchases as the business continues to manage down its stock levels.

- Inventory turnover days calculated as ending inventory balance divided by cost of sales for the period and multiplied by the number of days in the period.
- Trade and other receivables turnover days calculated as ending trade and other receivables balance divided by net sales for the period and multiplied by the number of days in the period.
- Trade payables turnover days calculated as ending trade payables balance divided by cost of sales for the period and multiplied by the number of days in the period.
- Net working capital efficiency (% of net sales) is calculated as net working capital divided by annualized net sales.