



## Samsonite International S.A. Announces Results for the Three and Nine Month Periods Ended September 30, 2022

**Comparable consolidated net sales<sup>1, 2, 3</sup> recovered to pre-COVID level  
during the third quarter of 2022 with significant improvement in profitability**

**HONG KONG, November 11, 2022** – 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 consolidated financial results for the three and nine month periods ended September 30, 2022.

In this press release, certain financial results for the three and nine months ended September 30, 2022 are compared to both the three and nine months ended September 30, 2021 and the three and nine months ended September 30, 2019. Comparisons to the three and nine months ended September 30, 2019 are provided because they are the most recently ended comparable periods during which the Company’s results were not affected by COVID-19.

### Overview

Commenting on the results, Mr. Kyle Gendreau, Chief Executive Officer, said, “We are very pleased with our performance during the three months ended September 30, 2022, when our net sales increased by US\$233.8 million, or 54.7%<sup>1</sup>, to US\$790.9 million versus the US\$557.1 million recorded for the same period in 2021. Excluding Russia<sup>2</sup> and Speck<sup>3</sup>, third quarter 2022 net sales increased by 59.5%<sup>1</sup> year-on-year, driven by growing product demand due to the continued recovery in travel. Further excluding our net sales in China<sup>4</sup>, where continued lockdowns have hampered our net sales recovery, third quarter 2022 net sales increased by 67.8%<sup>1</sup> year-on-year. We made good progress across all regions during the third quarter, with net sales rising by 36.4%<sup>1</sup> (+39.2%<sup>1</sup> excluding Speck<sup>3</sup>) in North America, 66.0%<sup>1</sup> (+104.7%<sup>1</sup> excluding China<sup>4</sup>) in Asia, 68.7%<sup>1</sup> (+85.4%<sup>1</sup> excluding Russia<sup>2</sup>) in Europe, and 56.7%<sup>1</sup> in Latin America, year-on-year. The robust year-on-year sales gains in

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

<sup>2</sup> On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine. The Group completed the disposition of its Russian operations on July 1, 2022. As such, when comparing the Group’s net sales for the three months ended September 30, 2022 with its net sales for the same periods in 2021 and 2019, net sales of the Group’s former Russian operations for the third quarters of 2021 and 2019 are excluded. When comparing the Group’s net sales results for the nine months ended September 30, 2022 with its net sales for the same periods in 2021 and 2019, net sales of the Group’s former Russian operations for the second quarter of 2022 and the second and third quarters of 2021 and 2019 are excluded.

<sup>3</sup> On July 30, 2021, a wholly-owned subsidiary of the Company sold Speculative Product Design, LLC (“Speck”), including the Speck brand. As such, when comparing the Group’s net sales for the three months ended September 30, 2022 with its net sales for the same periods in 2021 and 2019, net sales of Speck for July 2021 and the third quarter of 2019 are excluded; and when comparing the Group’s net sales for the nine months ended September 30, 2022 with its net sales for the same periods in 2021 and 2019, net sales of Speck for January through July 2021 and January through September 2019 are excluded.

<sup>4</sup> During the second and third quarters of 2022, the Chinese government reinstated travel restrictions and social distancing measures in an effort to combat further outbreaks of COVID-19, which has slowed the Group’s net sales recovery in China. When comparing the Group’s net sales for the three months ended September 30, 2022 with its net sales for the same periods in 2021 and 2019, net sales of the Group’s operations in China for the third quarters of 2022, 2021 and 2019 are excluded. When comparing the Group’s net sales results for the nine months ended September 30, 2022 with its net sales for the same periods in 2021 and 2019, net sales of the Group’s operations in China for the second and third quarters of 2022, 2021 and 2019 are excluded.

Asia outside China clearly demonstrate strong consumer demand as travel and other restrictions are lifted, driving sustained improvement in our performance.”

“More importantly, our constant currency<sup>1</sup> net sales returned to pre-COVID levels during the third quarter of 2022, improving to 0.6%<sup>1</sup> above the same period in 2019 on a comparable basis when excluding Russia<sup>2</sup> and Speck<sup>3</sup>. This represents considerable progress compared to the second and first quarters of 2022, when net sales were lower than the corresponding periods in 2019 by 16.1%<sup>1</sup> (excluding Russia<sup>2</sup> and Speck<sup>3</sup>) and 25.2%<sup>1</sup> (excluding Speck<sup>3</sup>), respectively. Further excluding our net sales in China<sup>4</sup>, third quarter 2022 net sales increased by 4.2%<sup>1</sup> when compared to the same period in 2019. This underscores not only consumers’ enduring enthusiasm for travel but also the potential upside for the business as the world continues to reopen.”

“Samsonite’s gross margin was 55.0% for the three months ended September 30, 2022, about in line with the 55.5% gross margin during the same period in 2021 and the 55.7% gross margin for the third quarter of 2019. We increased investment in marketing to drive net sales growth, while remaining vigilant in managing our fixed selling, general and administrative (“SG&A”) expenses. Marketing expenses comprised 5.7% of net sales in the third quarter of 2022, 180 basis points higher than the 3.9% during the same period in 2021 and 80 basis points higher than the 4.9% during the third quarter of 2019. Meanwhile, fixed SG&A expenses as a percentage of net sales were 22.6% for the third quarter of 2022 compared to 28.6% and 27.3% for the third quarters of 2021 and 2019, respectively.”

“As a result, for the three months ended September 30, 2022, the Group’s Adjusted EBITDA<sup>5</sup> grew to US\$134.1 million from US\$72.2 million for the third quarter of 2021, an increase of US\$61.8 million year-on-year, and slightly above the US\$133.9 million recorded in the third quarter of 2019. Our Adjusted EBITDA margin<sup>6</sup> expanded to 17.0% during the third quarter of 2022, an increase of 400 basis points from the 13.0% recorded in the same period in 2021, and 250 basis points higher than the 14.5% recorded during the third quarter of 2019, despite the increase in marketing expenses as a percentage of net sales compared to the same periods in 2021 and 2019. During the three months ended September 30, 2022, the Group recorded Adjusted Net Income<sup>7</sup> of US\$64.9 million, up by US\$56.2 million from US\$8.7 million for the same period in 2021, and US\$2.9 million higher than the US\$62.0 million in the third quarter of 2019.”

Overall, for the nine months ended September 30, 2022, Samsonite recorded net sales of US\$2,061.1 million, an increase of 68.7%<sup>1</sup> year-on-year when excluding the net sales of Russia<sup>2</sup> and Speck<sup>3</sup>, or 61.9%<sup>1</sup> year-on-year when such sales are included. Further excluding the Group’s net sales in China<sup>4</sup>, consolidated net sales for the nine months ended September 30, 2022 increased by 78.5%<sup>1</sup> compared to the same period in 2021. Compared to the same period in 2019, the Group’s net sales for the first nine months of 2022 decreased by 13.3%<sup>1</sup> when excluding the net sales of Russia<sup>2</sup> and Speck<sup>3</sup>, or 17.5%<sup>1</sup> when such sales are included. Further excluding the Group’s net sales in China<sup>4</sup>, consolidated net sales for the nine months ended September 30, 2022 decreased by 11.0%<sup>1</sup> compared to the same period in 2019.

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<sup>5</sup> Adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. 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.

<sup>6</sup> Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.

<sup>7</sup> Adjusted Net Income (Loss), 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 (loss) attributable to the equity holders, which the Group believes helps to give securities analysts, investors and other interested parties a better understanding of the Group’s underlying financial performance.

During the nine months ended September 30, 2022, the Group's net sales registered year-on-year gains of 45.4%<sup>1</sup> (+54.9%<sup>1</sup> when excluding Speck<sup>3</sup>) in North America, 45.6%<sup>1</sup> (+69.8%<sup>1</sup> when excluding China<sup>4</sup>) in Asia, 112.7%<sup>1</sup> (+131.6%<sup>1</sup> when excluding Russia<sup>2</sup>) in Europe, and 109.7%<sup>1</sup> in Latin America. Compared to the same period in 2019, net sales for the first nine months of 2022 decreased by 21.4%<sup>1</sup> (-13.1%<sup>1</sup> when excluding Speck<sup>3</sup>) in North America, 28.8%<sup>1</sup> (-25.1%<sup>1</sup> when excluding China<sup>4</sup>) in Asia and 2.7%<sup>1</sup> (+3.6%<sup>1</sup> when excluding Russia<sup>2</sup>) in Europe. Net sales in Latin America for the first nine months of 2022 increased by 33.4%<sup>1</sup> when compared to the same period in 2019.

The Group's gross margin expanded by 270 basis points year-on-year to 55.4% for the first nine months of 2022 from 52.7% for the same period in 2021, and about in line with the 55.9% recorded for the same period in 2019. Driven by increased net sales and gross profit, along with the benefits from the actions taken in 2020 and the first half of 2021 to reduce our fixed and variable cost structure, the Group recorded Adjusted EBITDA<sup>5</sup> of US\$329.7 million for the nine months ended September 30, 2022, an increase of US\$274.5 million from the US\$55.3 million recorded for the same period in 2021, and just US\$17.7 million lower than the US\$347.4 million recorded for the same period in 2019. Consequently, Samsonite's Adjusted EBITDA margin<sup>6</sup> expanded to 16.0% for the nine months ended September 30, 2022, a significant improvement not only compared to Adjusted EBITDA margin<sup>6</sup> of 4.1% for the same period in 2021, but also 300 basis points higher than the 13.0% recorded for the first nine months of 2019. Adjusted Net Income<sup>7</sup> was US\$148.2 million for the nine months ended September 30, 2022, an improvement of US\$243.2 million from the Adjusted Net Loss<sup>7</sup> of US\$95.0 million for the first nine months of 2021, and just US\$10.8 million lower than the US\$159.0 million recorded for the same period in 2019.

Mr. Gendreau continued, "We continued to invest in working capital, primarily inventories, to support net sales growth driven by increased consumer demand from the recovery in travel. As of September 30, 2022, inventories were US\$556.7 million, an increase of US\$224.0 million compared to US\$332.6 million as of September 30, 2021. Nevertheless, the sustained improvement in Adjusted EBITDA<sup>5</sup>, along with our consistent attention to cash flow management, enabled Samsonite to generate total cash<sup>8</sup> of US\$63.9 million during the three months ended September 30, 2022, a considerable improvement compared to total cash generation<sup>8</sup> of US\$31.9 million in the second quarter of 2022."

"We remain focused on reducing our debt, repaying an additional US\$314.2 million of outstanding borrowings under Samsonite's senior credit facilities during the third quarter following debt repayments totalling US\$220.8 million during the first half of 2022, bringing total debt repayments to US\$535.0 million for the first nine months of 2022. As a result, we had net debt of US\$1,397.9 million<sup>9</sup> as of September 30, 2022, just US\$92.5 million higher than at the end of 2019 pre-COVID."

"All our regions and business units are focused on driving profitable net sales growth as travel and demand for our products continue to recover, leveraging our commitment to innovation and sustainability to offer new bags and luggage to customers eager to travel again. We also plan to continue investing in marketing during the fourth quarter of 2022 and into 2023 to capitalize on the continued recovery in travel and drive net sales growth. In addition, we remain focused on maintaining our gross margin through continued discipline on discounting and

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<sup>8</sup> Total cash generation (burn) is calculated as the total increase (decrease) in cash and cash equivalents per the consolidated statements of cash flows less total cash flow attributable to (i) total loans and borrowings, (ii) deferred financing costs and (iii) foreign exchange conversion impacts.

<sup>9</sup> As of September 30, 2022, the Group had cash and cash equivalents of US\$801.0 million and outstanding financial debt of US\$2,198.8 million (excluding deferred financing costs of US\$8.9 million), resulting in a net debt position of US\$1,397.9 million. As of December 31, 2021, the Group had cash and cash equivalents of US\$1,324.8 million and outstanding financial debt of US\$2,802.0 million (excluding deferred financing costs of US\$12.6 million), resulting in a net debt position of US\$1,477.2 million. As of December 31, 2019, the Group had cash and cash equivalents of US\$462.6 million and outstanding financial debt of US\$1,768.0 million (excluding deferred financing costs of US\$12.8 million), resulting in a net debt position of US\$1,305.3 million.

promotional activity; price increases to mitigate elevated product costs, duties, and freight; and close coordination with our suppliers to manage rising costs. We also will continue to maintain discipline in controlling expenses to deliver positive operating leverage and enhanced profitability.”

“Our positive momentum has continued, with Samsonite’s net sales for October 2022 increasing by 2.3%<sup>1</sup> compared to October 2019 when excluding the net sales of Russia<sup>2</sup> and Speck<sup>3</sup>, and by 6.5%<sup>1</sup> when further excluding the Group’s net sales in China<sup>4</sup>.”

Mr. Gendreau concluded, “While concerns about inflation and economic slowdowns may impact consumer sentiment in the near term, we expect consumers’ enthusiasm for travel coming out of the pandemic to continue to drive the recovery in travel, and we believe long-term growth prospects for travel remain strong. While recovery in China will likely remain gradual given the country’s strict zero-COVID policy, our net sales performance in China has improved from the lows experienced in the second quarter of 2022, and the pace of recovery in rest of Asia has accelerated as more governments relaxed travel and other restrictions. With approximately US\$1.4 billion in liquidity<sup>10</sup> as of September 30, 2022, we are confident that we have the capacity to navigate the business through these challenges while continuing to grow our net sales at a fundamentally higher margin profile as we demonstrated during the first nine months of 2022.”

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<sup>10</sup> Total liquidity is calculated as the sum of cash and cash equivalents per the consolidated statements of financial position plus available capacity under the Group’s revolving credit facility. As of September 30, 2022, the Group had total liquidity of US\$1,443.8 million, comprising cash and cash equivalents of US\$801.0 million and US\$642.9 million available to be borrowed on the Group’s revolving credit facility. In comparison, as of December 31, 2021, the Group had total liquidity of US\$1,501.4 million, comprising cash and cash equivalents of US\$1,324.8 million and US\$176.7 million available to be borrowed on the Group’s revolving credit facility, and as of December 31, 2019, the Group had total liquidity of US\$1,109.7 million, comprising cash and cash equivalents of US\$462.6 million and US\$647.0 million available to be borrowed on the Group’s revolving credit facility.

**Table 1: Key Financial Highlights for the Three Months Ended September 30, 2022**

US\$ millions, except per share data	Three months ended September 30, 2022	Three months ended September 30, 2021	Percentage increase (decrease) 2022 vs. 2021	Percentage increase (decrease) 2022 vs. 2021 excl. foreign currency effects <sup>1</sup>
Net sales	790.9	557.1	42.0%	54.7%
Operating profit	121.8	50.7	140.0%	165.4%
Profit (loss) attributable to the equity holders	58.2	(5.2)	<i>nm</i>	<i>nm</i>
Adjusted Net Income <sup>7</sup>	64.9	8.7	646.5%	797.1%
Adjusted EBITDA <sup>5</sup>	134.1	72.2	85.6%	106.3%
Adjusted EBITDA Margin <sup>6</sup>	17.0%	13.0%		
Basic and diluted earnings (loss) per share – US\$ per share	0.040	(0.004)	<i>nm</i>	<i>nm</i>
Adjusted basic and diluted earnings per share <sup>11</sup> – US\$ per share	0.045	0.006	644.2%	794.3%

**Table 2: Key Financial Highlights for the Nine Months Ended September 30, 2022**

US\$ millions, except per share data	Nine months ended September 30, 2022	Nine months ended September 30, 2021	Percentage increase (decrease) 2022 vs. 2021	Percentage increase (decrease) 2022 vs. 2021 excl. foreign currency effects <sup>1</sup>
Net sales	2,061.1	1,356.6	51.9%	61.9%
Operating profit (loss)	281.7	(35.7)	<i>nm</i>	<i>nm</i>
Profit (loss) attributable to the equity holders	114.5	(147.7)	<i>nm</i>	<i>nm</i>
Adjusted Net Income (Loss) <sup>7</sup>	148.2	(95.0)	<i>nm</i>	<i>nm</i>
Adjusted EBITDA <sup>5</sup>	329.7	55.3	496.6%	546.7%
Adjusted EBITDA Margin <sup>6</sup>	16.0%	4.1%		
Basic and diluted earnings (loss) per share – US\$ per share	0.080	(0.103)	<i>nm</i>	<i>nm</i>
Adjusted basic and diluted earnings (loss) per share <sup>11</sup> – US\$ per share	0.103	(0.066)	<i>nm</i>	<i>nm</i>

*nm* – Not meaningful.

<sup>11</sup> Adjusted basic and diluted earnings (loss) per share, both non-IFRS measures, are calculated by dividing Adjusted Net Income (Loss) by the weighted average number of shares used in the basic and diluted earnings (loss) per share calculations, respectively.

The Group's performance for the three months ended September 30, 2022 is discussed in greater detail below.

### **For the Three Months Ended September 30, 2022**

#### **Net Sales**

Samsonite's net sales continued to improve during the third quarter of 2022 as the effects of the COVID-19 pandemic on demand for the Group's products moderated in most countries due to the continued rollout and effectiveness of vaccines leading governments in many countries to further loosen social-distancing, travel and other restrictions, which has led to the continuing recovery in travel. For the three months ended September 30, 2022, the Group recorded net sales of US\$790.9 million, an increase of 54.7%<sup>1</sup> compared to the US\$557.1 million recorded in the third quarter of 2021. When excluding the net sales of Russia<sup>2</sup> and Speck<sup>3</sup>, the Group's third quarter 2022 net sales increased by 59.5%<sup>1</sup> year-on-year. Further excluding the Group's net sales in China<sup>4</sup>, where recovery has been slowed by continued lockdowns, Samsonite's third quarter 2022 net sales increased by 67.8%<sup>1</sup> compared to the same period in the previous year.

For the three months ended September 30, 2022, Samsonite recorded a net sales decline of 6.1%<sup>1</sup> when compared to the third quarter of 2019. Excluding the net sales of Russia<sup>2</sup> and Speck<sup>3</sup>, the Group's net sales increased by 0.6%<sup>1</sup> compared to the same period in 2019. This represents a sequential improvement from the second quarter of 2022, when the Group's net sales decline compared to the second quarter of 2019 was 16.1%<sup>1</sup> when excluding the net sales of Russia<sup>2</sup> and Speck<sup>3</sup>, as well as the first quarter of 2022, when the Group's net sales decline compared to the first quarter of 2019 was 25.2%<sup>1</sup> when excluding the net sales of Speck<sup>3</sup>. Further excluding the Group's net sales in China<sup>4</sup>, Samsonite's third quarter 2022 net sales increased by 4.2%<sup>1</sup> when compared to the same period in 2019.

Samsonite's positive net sales trend continued, with the Group's net sales for October 2022 increasing by 2.3%<sup>1</sup> compared to October 2019 when excluding the net sales of Russia<sup>2</sup> and Speck<sup>3</sup>, and by 6.5%<sup>1</sup> when further excluding the Group's net sales in China<sup>4</sup>.

#### **Net Sales Performance by Region**

##### **North America**

For the three months ended September 30, 2022, the Group recorded net sales of US\$292.3 million in North America, an increase of 36.4%<sup>1</sup> (+39.2%<sup>1</sup> when excluding Speck<sup>3</sup>) year-on-year. The Group's net sales in the United States increased by 33.9% (+36.7% when excluding Speck<sup>3</sup>) year-on-year. The Group's net sales in Canada increased by 87.7%<sup>1</sup> year-on-year.

Compared to the corresponding periods in 2019 and excluding the net sales of Speck<sup>3</sup>, net sales in North America for the three months ended September 30, 2022 decreased by 0.8%<sup>1</sup>, a significant improvement versus reductions of 17.0%<sup>1</sup> and 21.6%<sup>1</sup> during the second and first quarters of 2022, respectively.

The Group's net sales in North America for October 2022 decreased by 1.8%<sup>1</sup> when compared to October 2019 and excluding the net sales of Speck<sup>3</sup>.

##### **Asia**

For the three months ended September 30, 2022, the Group recorded net sales of US\$264.4 million in Asia, an increase of 66.0%<sup>1</sup> compared to the same period in 2021, driven by year-on-year net sales increases of 84.7%<sup>1</sup> in India, 413.2%<sup>1</sup> in Australia, 87.3%<sup>1</sup> in South Korea, 57.5%<sup>1</sup> in Japan and 15.4%<sup>1</sup> in Hong Kong<sup>12</sup>, partially offset by

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<sup>12</sup> 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 where the Group does not have a direct presence.

a year-on-year net sales reduction of 5.4%<sup>1</sup> in China due to renewed lockdowns and continued restrictions on travel. Excluding the Group's net sales in China<sup>4</sup>, net sales in Asia increased by 104.7%<sup>1</sup> year-on-year.

Compared to the third quarter of 2019, the Group's net sales in Asia for the three months ended September 30, 2022 decreased by 13.9%<sup>1</sup> (-7.5%<sup>1</sup> when excluding the Group's net sales in China<sup>4</sup>). Compared to the second quarter of 2019, second quarter 2022 net sales decreased by 34.5%<sup>1</sup> (-26.2%<sup>1</sup> when excluding the Group's net sales in China<sup>4</sup>). In comparison, net sales for the first quarter of 2022 compared to the same period in 2019 decreased by 38.6%<sup>1</sup> in Asia.

The Group's positive net sales trend in Asia continued, with the region's net sales for October 2022 compared to October 2019 decreasing by 3.9%<sup>1</sup>, and increasing by 8.5%<sup>1</sup> when excluding the Group's net sales in China<sup>4</sup>.

### **Europe**

For the three months ended September 30, 2022, the Group recorded net sales of US\$193.2 million in Europe, an increase of 68.7%<sup>1</sup> (+85.4%<sup>1</sup> when excluding Russia<sup>2</sup>) compared to the same period in 2021, driven by year-on-year net sales increases of 172.1%<sup>1</sup> in the United Kingdom<sup>13</sup>, 67.7%<sup>1</sup> in Italy, 53.0%<sup>1</sup> in France, 40.4%<sup>1</sup> in Germany and 56.3%<sup>1</sup> in Spain.

The Group's net sales in Europe for the three months ended September 30, 2022 increased by 10.7%<sup>1</sup> (+20.6%<sup>1</sup> when excluding Russia<sup>2</sup>) when compared to the same period of 2019. This is a noticeable improvement from the net sales reduction of 0.5%<sup>1</sup> (+9.9%<sup>1</sup> when excluding Russia<sup>2</sup>) in the second quarter of 2022 when compared to the second quarter of 2019, and the 21.5%<sup>1</sup> decline in the first quarter of 2021 when compared to the first quarter of 2019.

The Group's net sales in Europe for October 2022 increased by 13.3%<sup>1</sup> when compared to October 2019 and excluding Russia<sup>2</sup>.

### **Latin America**

For the three months ended September 30, 2022, the Group recorded net sales of US\$40.6 million in Latin America, an increase of 56.7%<sup>1</sup> compared to the same period in 2021, driven by year-on-year net sales increases of 5.5%<sup>1</sup> in Chile, 77.7%<sup>1</sup> in Mexico, and 116.2%<sup>1</sup> in Brazil.

Samsonite's net sales in Latin America for the third quarter of 2022 increased by 38.0%<sup>1</sup> compared to the third quarter of 2019. This is a further improvement from the 34.6%<sup>1</sup> increase in the second quarter of 2022 and the 28.7%<sup>1</sup> increase recorded in the first quarter of 2022 when compared to the corresponding periods in 2019.

The Group's net sales in Latin America for October 2022 increased by 26.9%<sup>1</sup> when compared to October 2019.

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<sup>13</sup> Net sales reported for the United Kingdom include net sales made in Ireland.

**Table 3: Net Sales by Region**

Region <sup>14</sup>	Three months ended September 30, 2022 US\$ millions	Three months ended September 30, 2021 US\$ millions	Percentage increase (decrease) 2022 vs. 2021	Percentage increase (decrease) 2022 vs. 2021 excl. foreign currency effects <sup>1</sup>
North America <sup>15</sup>	292.3	214.9	36.0%	36.4%
Asia	264.4	174.0	52.0%	66.0%
Europe <sup>16</sup>	193.2	139.5	38.5%	68.7%
Latin America	40.6	28.2	43.9%	56.7%

**Net Sales Performance by Brand and Product Category**

The Group's core brands *Samsonite*, *Tumi* and *American Tourister* registered strong year-on-year net sales gains across all regions.

For the three months ended September 30, 2022, net sales of the *Samsonite* brand increased by US\$155.2 million, or 75.5%<sup>1</sup>, year-on-year, mainly driven by North America (up by US\$72.2 million, or 85.2%<sup>1</sup>) and Asia (up by US\$41.3 million, or 72.8%<sup>1</sup>), with Europe (up by US\$32.2 million, or 65.5%<sup>1</sup>) and Latin America (up by US\$9.5 million, or 102.7%<sup>1</sup>) also experiencing strong recoveries.

Net sales of the *Tumi* brand increased by US\$30.4 million, or 29.9%<sup>1</sup>, year-on-year, during the third quarter of 2022, driven by strong year-on-year net sales gains in all the Group's regions: North America (up by US\$12.0 million, or 14.7%<sup>1</sup>), Asia (up by US\$9.9 million, or 39.6%<sup>1</sup>), Europe (up by US\$8.3 million, or 98.9%<sup>1</sup>), and Latin America (up by US\$0.3 million, or 19.9%<sup>1</sup>).

Net sales of the *American Tourister* brand increased by US\$45.4 million, or 58.6%<sup>1</sup>, year-on-year, during the three months ended September 30, 2022, mainly driven by Asia (up by US\$30.6 million, or 80.4%<sup>1</sup>) and Europe (up by US\$12.1 million, or 76.8%<sup>1</sup>), followed by Latin America (up by US\$2.3 million, or 59.6%<sup>1</sup>) and North America (up by US\$0.4 million, or 1.8%<sup>1</sup>).

As travel continued to recover, net sales in the travel product category increased by US\$205.2 million, or 75.0%<sup>1</sup>, year-on-year, accounting for 68.1% of total net sales in the third quarter of 2022, up from 59.9% of total net sales in the third quarter of 2021. Total non-travel<sup>17</sup> category net sales increased by US\$28.6 million, or 24.5%<sup>1</sup>, year-on-year, to account for 31.9% of total net sales in the third quarter of 2022, compared to 40.1% of total net sales during the same period in 2021. Excluding the non-travel net sales of Speck<sup>3</sup> for July 2021, non-travel net sales increased by 26.9%<sup>1</sup> year-on-year during the third quarter of 2022.

<sup>14</sup> 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.

<sup>15</sup> On July 30, 2021, the Group completed the sale of the Speck business. When excluding the net sales of Speck for July 2021, net sales in North America increased by 38.8% (+39.2%<sup>1</sup>) for the three months ended September 30, 2022 compared to the same period in the previous year.

<sup>16</sup> On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine. The Group completed the disposition of its Russian operations on July 1, 2022. When excluding the third quarter 2021 net sales for Russia, net sales in Europe increased by 52.1% (+85.4%<sup>1</sup>) for the three months ended September 30, 2022 compared to the same period in the previous year.

<sup>17</sup> The non-travel category includes business, casual, accessories and other products.

**Table 4: Net Sales by Brand**

<b>Brand</b>	<b>Three months ended September 30, 2022 US\$ millions</b>	Three months ended September 30, 2021 US\$ millions	Percentage increase (decrease) 2022 vs. 2021	Percentage increase (decrease) 2022 vs. 2021 excl. foreign currency effects <sup>1</sup>
<i>Samsonite</i>	<b>414.8</b>	259.6	59.8%	75.5%
<i>Tumi</i>	<b>165.3</b>	134.9	22.5%	29.9%
<i>American Tourister</i>	<b>145.6</b>	100.3	45.2%	58.6%
<i>Gregory</i>	<b>14.2</b>	16.6	(14.4)%	(2.7)%
<i>Speck</i> <sup>3</sup>	—	4.3	(100.0)%	(100.0)%
<i>Other</i> <sup>18</sup>	<b>51.0</b>	41.5	22.8%	34.8%

**Table 5: Net Sales by Product Category**

<b>Product Category</b>	<b>Three months ended September 30, 2022 US\$ millions</b>	Three months ended September 30, 2021 US\$ millions	Percentage increase (decrease) 2022 vs. 2021	Percentage increase (decrease) 2022 vs. 2021 excl. foreign currency effects <sup>1</sup>
<b>Travel</b>	<b>538.6</b>	333.5	61.5%	75.0%
<b>Non-travel</b> <sup>17</sup>	<b>252.3</b>	223.7	12.8%	24.5%

**Performance by Distribution Channel**

The Group's wholesale net sales increased by 61.6%<sup>1</sup> to US\$506.6 million (representing 64.0% of net sales) for the three months ended September 30, 2022 from US\$340.7 million (representing 61.1% of net sales) during the same period in 2021. Net sales to e-retailers, which are included in the Group's wholesale channel, increased by 24.5%<sup>1</sup> during the third quarter of 2022 compared to the same period in 2021.

During the three months ended September 30, 2022, the Group's net sales in the direct-to-consumer ("DTC") channel, which includes company-operated retail stores and DTC e-commerce, increased by 44.0%<sup>1</sup> to US\$283.8 million (representing 35.9% of net sales) from US\$215.9 million (representing 38.8% of net sales) for the same period in 2021. The Group's DTC retail net sales increased by 47.2%<sup>1</sup> year-on-year to US\$210.6 million and comprised 26.6% of third quarter 2022 net sales, compared to US\$157.6 million (representing 28.3% of net sales) during the third quarter of 2021, primarily due to an increase in consumer demand and the reopening of the Group's company-operated retail stores, some of which had been temporarily closed during the same period in 2021 due to the COVID-19 pandemic. Meanwhile, DTC e-commerce net sales increased by 35.3%<sup>1</sup> to US\$73.3 million and represented 9.3% of third quarter 2022 net sales, compared to US\$58.3 million (representing 10.5% of net sales) during the third quarter of 2021.

During the three months ended September 30, 2022, the Group added 7 new company-operated retail stores. This was partially offset by the permanent closure of 5 company-operated retail stores. This resulted in a net addition of 2 company-operated retail stores during the three months ended September 30, 2022 compared to a net reduction of 11 company-operated retail stores during the three months ended September 30, 2021. The total number of company-operated retail stores was 965 as of September 30, 2022, compared to 1,016 company-operated retail stores as of September 30, 2021 and 1,285 company-operated retail stores as of September 30, 2019.

<sup>18</sup> Other includes certain other brands owned by the Group, such as *Kamiliant*, *ebags*, *Xtrem*, *Lipault*, *Hartmann*, *Saxoline* and *Secret*, as well as third party brands sold through the Rolling Luggage and Chic Accent retail stores.

**Table 6: Net Sales by Distribution Channel**

Distribution Channel	Three months ended September 30, 2022 US\$ millions	Three months ended September 30, 2021 US\$ millions	Percentage increase (decrease) 2022 vs. 2021	Percentage increase (decrease) 2022 vs. 2021 excl. foreign currency effects <sup>1</sup>
<b>Wholesale</b>	<b>506.6</b>	340.7	48.7%	61.6%
<b>DTC</b>				
<b>Retail</b>	<b>210.6</b>	157.6	33.6%	47.2%
<b>DTC e-commerce</b>	<b>73.3</b>	58.3	25.6%	35.3%
<b>Total DTC</b>	<b>283.8</b>	215.9	31.4%	44.0%

**Gross Profit**

The Group's gross profit increased by US\$126.2 million, or 40.8%, to US\$435.2 million for the three months ended September 30, 2022 from US\$309.0 million for the third quarter of 2021. At 55.0%, the Group's third quarter 2022 gross profit margin was 50 basis points below the 55.5% for the same period in 2021, mostly driven by changes in brand, country and channel sales mix. This was partially offset by lower promotional activity and price increases on the Group's products in order to mitigate increased product, freight and duty costs. The devaluation of many currencies to the US Dollar also had a negative impact on gross profit margin.

The Group's third quarter 2022 gross profit margin was only 70 basis points below the 55.7% recorded for the same period in 2019, despite the effects of fixed manufacturing costs on lower net sales during the third quarter of 2022 compared to the third quarter of 2019, higher freight and raw material costs, increased duties related to the non-renewal of the Generalized System of Preferences program in the United States, and variations in the sales mix in Asia, partially offset by lower promotional activity and price increases on the Group's products in order to mitigate increased product, freight and duty costs.

**Operating Profit**

The Group spent US\$44.8 million on marketing during the three months ended September 30, 2022, an increase of US\$23.3 million compared to the US\$21.5 million for the third quarter of 2021, and roughly in line with the US\$45.4 million for the third quarter of 2019. Marketing expenses made up 5.7% of net sales for the third quarter of 2022, 180 basis points higher than the 3.9% of net sales for the third quarter of 2021, and 80 basis points above the 4.9% for the third quarter of 2019. The Group has selectively increased marketing spend in markets where travel is recovering more quickly and plans to continue investing in marketing during the fourth quarter of 2022 and into 2023 to drive net sales growth and capitalize on the continued recovery in travel.

The Group's fixed SG&A expenses amounted to US\$178.7 million for the three months ended September 30, 2022, an increase of US\$19.5 million compared to US\$159.2 million for the third quarter of 2021 due to temporary cost savings expiring, but a reduction of US\$72.5 million compared to US\$251.1 million for the third quarter of 2019. This is a result of the approximately US\$200 million in annualized run-rate fixed cost savings from the Group's comprehensive cost reduction program implemented in 2020 and 2021, along with its ongoing focus on controlling expenses. Fixed SG&A expenses comprised 22.6% of net sales for the third quarter of 2022, compared to 28.6% and 27.3% for the same periods in 2021 and 2019, respectively, reflecting management's sustained focus on controlling expenses while sales continued to improve.

The Group reported an operating profit of US\$121.8 million for the three months ended September 30, 2022, an increase of US\$71.0 million compared to an operating profit of US\$50.7 million for the same period in 2021. The

improvement in operating profit for the third quarter of 2022 compared to the same period in the previous year was primarily due to improved net sales and the positive impacts of management's actions to reduce the fixed cost structure of the business.

#### **Net Finance Costs and Income Tax Expense**

Net finance costs increased by US\$5.5 million, or 18.5%, to US\$35.6 million for the three months ended September 30, 2022 from US\$30.0 million for the third quarter of 2021. This increase was primarily attributable to an increase in foreign exchange losses of US\$9.1 million, an increase in interest expense on loans and borrowings of US\$1.7 million due to rising interest rates, which was partially offset by a decrease in other finance costs of US\$2.8 million, and an increase in interest income of US\$1.9 million.

The Group recorded income tax expense of US\$20.8 million for the three months ended September 30, 2022 compared to income tax expense of US\$23.2 million for the same period in 2021.

#### **Profit (Loss) Attributable to Equity Holders**

For the three months ended September 30, 2022, the Group recorded profit attributable to the equity holders of US\$58.2 million, an improvement of US\$63.4 million compared to a loss attributable to the equity holders of US\$5.2 million for the same period in the previous year, and US\$5.2 million above the US\$53.0 million in profit attributable to the equity holders during the same period in 2019.

#### **Adjusted EBITDA and Adjusted Net Income**

For the three months ended September 30, 2022, the Group's Adjusted EBITDA<sup>5</sup> improved by US\$61.8 million to US\$134.1 million compared to US\$72.2 million for the same period in 2021. Adjusted EBITDA margin<sup>6</sup> was 17.0% for the third quarter of 2022 compared to 13.0% for same period in 2021 due primarily to continued sales improvement, together with the positive impacts of management's actions to reduce the fixed cost structure of the business. Third quarter 2022 Adjusted EBITDA<sup>5</sup> was roughly in line with the US\$133.9 million for the same period in 2019, while Adjusted EBITDA margin<sup>6</sup> was 250 basis points higher than the 14.5% for the third quarter of 2019.

The Group recorded an Adjusted Net Income<sup>7</sup> of US\$64.9 million for the three months ended September 30, 2022, an increase of US\$56.2 million compared to Adjusted Net Income<sup>7</sup> of US\$8.7 million for the three months ended September 30, 2021, and slightly better than the Adjusted Net Income<sup>7</sup> of US\$62.0 million in the third quarter of 2019.

#### **Balance Sheet and Cash Flows**

The Group increased its investment in working capital, primarily inventories, to support net sales growth driven by increased consumer demand from the recovery in travel. As a result, inventories amounted to US\$556.7 million as of September 30, 2022, an increase of US\$224.0 million compared to US\$332.6 million as of September 30, 2021. Net working capital was US\$334.2 million as of September 30, 2022, an increase of US\$68.0 million from US\$266.2 million as of September 30, 2021.

Total cash generation<sup>8</sup> was US\$63.9 million during the three months ended September 30, 2022 compared to total cash generation<sup>8</sup> of US\$116.1 million during the same period in 2021, with the year-on-year variation reflecting the Group's increased investment in working capital, primarily inventories, during the third quarter of 2022 to meet improving consumer demand and support net sales growth. Total cash generation<sup>8</sup> was US\$37.3 million for the nine months ended September 30, 2022 compared to total cash generation<sup>8</sup> of US\$24.2 million during the same period in 2021.

The Group spent US\$17.3 million<sup>19</sup> on capital expenditures and software purchases during the third quarter of 2022, an increase of US\$15.5 million compared to the US\$1.8 million<sup>19</sup> spent during the same period in 2021. This brings total spending on capital expenditures and software purchases during the nine months ended September 30, 2022 to US\$33.0<sup>20</sup> million compared to the US\$7.8 million<sup>20</sup> spent during the first nine months of 2021, as the Group selectively added new retail locations, remodelled certain existing retail locations, invested in its European manufacturing plants to expand capacity and support new product innovation, and made investments in machinery and equipment. The Group intends to increase spending on capital expenditures for projects deferred during the COVID-19 pandemic and for key strategic initiatives going into 2023.

During the three months ended September 30, 2022, the Group repaid a total of US\$314.2 million of outstanding borrowings under its senior credit facilities (consisting of US\$301.3 million in voluntary prepayments and US\$12.9 million in required quarterly amortization payments). This brings total repayments of outstanding borrowings under the Group's senior credit facilities during the first nine months of 2022 to US\$535.0 million (consisting of US\$501.3 million in voluntary prepayments and US\$33.7 million in required quarterly amortization payments). In comparison, during the nine months ended September 30, 2021, the Group repaid a total of US\$388.0 million of outstanding borrowings under its senior credit facilities (consisting of US\$365.0 million in prepayments and US\$23.0 million in required quarterly amortization payments).

As a result, as of September 30, 2022, the Group had a net debt position of US\$1,397.9 million<sup>9</sup> compared to a net debt position of US\$1,477.2 million<sup>9</sup> as of December 31, 2021, and only US\$92.5 million higher than the US\$1,305.3 million<sup>9</sup> at the end of 2019 before the COVID-19 pandemic. Total liquidity<sup>10</sup> as of September 30, 2022 was US\$1,443.8 million compared to US\$1,501.4 million as of December 31, 2021, and US\$1,109.7 million as of December 31, 2019.

### **2022 Third Quarter Results – Earnings Call for Analysts and Investors:**

Date: Friday, November 11, 2022

Time: 09:00 New York / 14:00 London / 22:00 Hong Kong

Webcast Link: [http://webcast.live.wisdomir.com/samsonite\\_22q3/index\\_en.php](http://webcast.live.wisdomir.com/samsonite_22q3/index_en.php)

Dial-in Details: [https://corporate.samsonite.com/on/demandware.static/-/Sites-InvestorRelations-Library/default/dwb8f7ea59/PDF/press-release/2022/E\\_Samsonite\\_3Q2022%20Results%20Date%20&%20Conference%20Call%20\(FINAL%202022-10-14\).pdf](https://corporate.samsonite.com/on/demandware.static/-/Sites-InvestorRelations-Library/default/dwb8f7ea59/PDF/press-release/2022/E_Samsonite_3Q2022%20Results%20Date%20&%20Conference%20Call%20(FINAL%202022-10-14).pdf)

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### **About Samsonite**

With a heritage dating back more than 110 years, 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*<sup>®</sup>, *Tumi*<sup>®</sup>, *American Tourister*<sup>®</sup>, *Gregory*<sup>®</sup>, *High Sierra*<sup>®</sup>, *Kamiliant*<sup>®</sup>, *ebags*<sup>®</sup>, *Lipault*<sup>®</sup> and *Hartmann*<sup>®</sup> brand names as well as other owned and licensed brand

<sup>19</sup> The Group spent US\$15.2 million and US\$2.1 million on capital expenditures and software purchases, respectively, during the three months ended September 30, 2022. In comparison, the Group spent US\$1.2 million and US\$0.6 million on capital expenditures and software purchases, respectively, during the three months ended September 30, 2021.

<sup>20</sup> The Group spent US\$27.8 million and US\$5.2 million on capital expenditures and software purchases, respectively, during the nine months ended September 30, 2022. In comparison, the Group spent US\$5.8 million and US\$2.0 million on capital expenditures and software purchases, respectively, during the nine months ended September 30, 2021.

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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**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 financial 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 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.*

**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 margin, operating profit (loss), Adjusted Net Income (Loss), 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. These risks, uncertainties and other factors also include the effects of the COVID-19 pandemic on the Company's future financial and operational results, which could vary significantly depending on the duration and severity of the COVID-19 pandemic worldwide and the pace and extent of recovery from the effects of the COVID-19 pandemic.*

*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 length and severity of the COVID-19 pandemic; lower levels of consumer spending resulting from COVID-19; the effects of inflation; a general economic downturn or generally reduced consumer spending, including as a result of COVID-19; the pace and extent of*

*recovery following COVID-19; significant changes in consumer spending patterns or preferences; interruptions or delays in the supply of finished goods or key components; the performance of the Group's products within the prevailing retail environment; financial difficulties encountered by customers and related bankruptcy and collection issues; and risks related to the success of the Group's restructuring programs.*

*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 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.*