



# Samsonite

## A WORLD OF BRANDS

Samsonite  
American Tourister

Hartmann  
High Sierra

Gregory  
Speck

Lipault

Samsonite International S.A.

**2014** ANNUAL RESULTS

March 17, 2015



# Disclosure Statement

---

This presentation and the accompanying slides (the “Presentation”) which have been prepared by Samsonite International S.A. (“Samsonite” or the “Company”) do not constitute any offer or invitation to purchase or subscribe for any securities, and shall not form the basis for or be relied on in connection with any contract or binding commitment whatsoever. This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, on the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all-inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of or any omission from this Presentation is expressly excluded.

Certain matters discussed in this presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation, including, amongst others: whether the Company can successfully penetrate new markets and the degree to which the Company gains traction in these new markets; the sustainability of recent growth rates; the anticipation of the growth of certain market segments; the positioning of the Company’s products in those segments; the competitive environment; and general market conditions. The Company is not responsible for any forward-looking statements and projections made by third parties included in this Presentation.



# Agenda

---

## 🌀 Results Highlights

🌀 Business Overview

🌀 Financial Overview

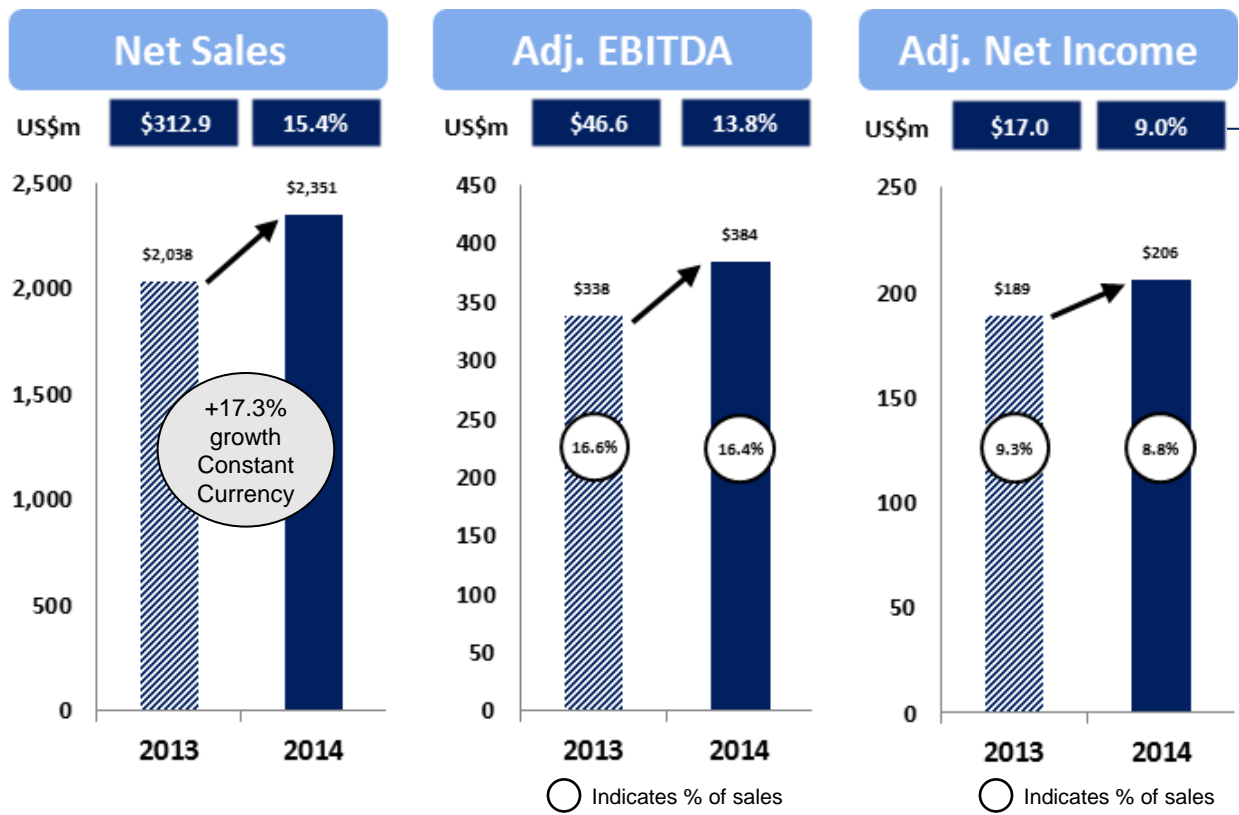
🌀 Outlook and Strategy for 2015

🌀 Q&A



# 2014 Results Highlights

Constant currency net sales growth of 17.3%



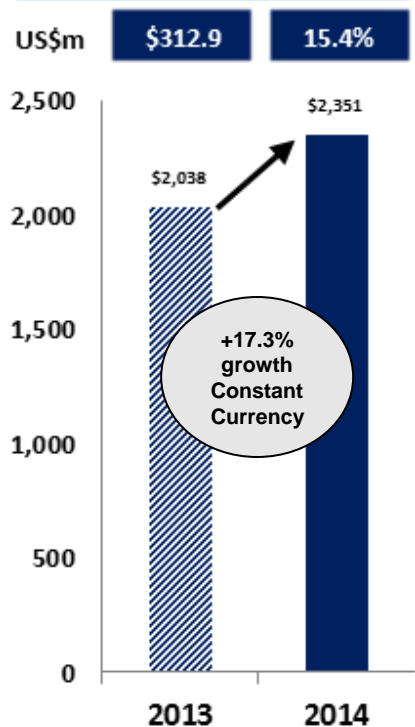
Results include net sales of US\$91.6m for Speck, US\$12.6m for Gregory and US\$5.5m for Lipault. Excluding these businesses, which were acquired during 2014, constant currency net sales increased 11.9%.

(1) FX gain/(loss) represents the realized and unrealized net loss on the balance sheet translation of amounts not denominated in local currencies

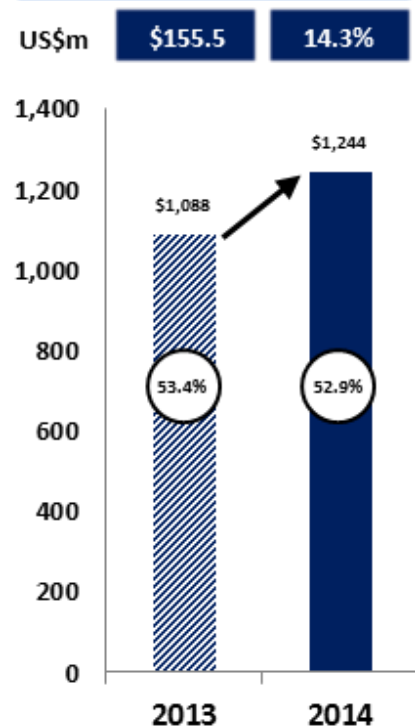


# Key Financial Highlights

## Net Sales



## Gross Margin



○ Indicates % of sales

### Net Sales:

- Net sales increased by 17.3% on a constant currency basis to a record US\$2,351 million.
- Currency fluctuation had a negative impact of approximately US\$40 million on year-over-year sales, driven mostly by the devaluation of the Chilean Peso (US\$8.7 million), Russian Ruble (US\$7.2 million), Japanese Yen (US\$7.1 million), India Rupee (US\$5.9 million) and Australian Dollar (US\$3.1 million) to the USD.
- Excluding the net sales from 2014 acquisitions of Speck (US\$91.6 million), Gregory (US\$12.6 million) and Lipault (US\$5.5 million), growth in net sales was US\$203.2 million or 10.0%, or 11.9% on a constant currency basis.

### Gross Margin:

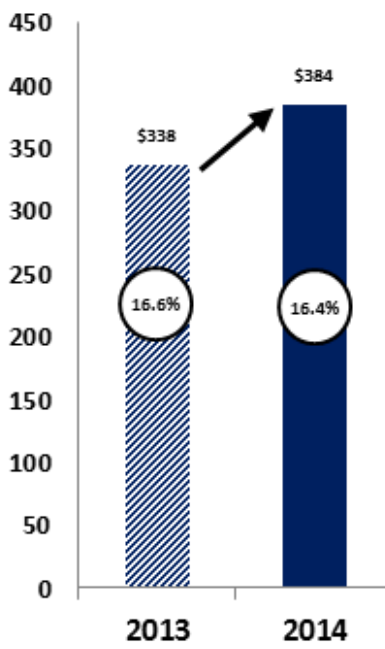
- Gross margin increased 14.3%. As a percentage of sales, gross margin decreased 50bps due largely to the impact of acquisitions, mainly Speck which has margins similar to US Wholesale business, and lower gross margin percent in Latin America as we transitioned Brazil to a direct sales model, partly offset by higher gross margin percent in Asia and Europe.
- Excluding acquisitions, gross margin as a percentage of sales increased by 30bp to 53.7%.



# Key Financial Highlights

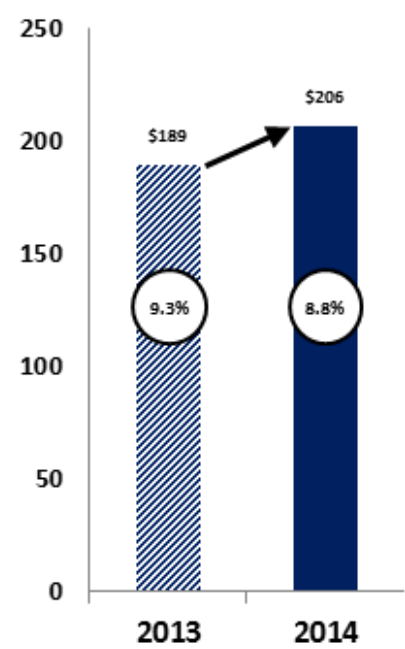
## Adj. EBITDA

US\$m **\$46.6** **13.8%**



## Adj. Net Income

US\$m **\$17.0** **9.0%**



○ Indicates % of sales

### Adjusted EBITDA:

- Adjusted EBITDA is up 13.8% driven by sales growth in all regions. Adjusted EBITDA margin decrease is due mainly to:
  - Impact of acquisitions (approximately -40bp);
  - Temporary reduction in Latin America's Adjusted EBITDA margin from reduced gross margins and ramp up of Brazil operations;
- Excluding acquisitions, Adjusted EBITDA margin increased by approximately 20bp to 16.8%.

### Adjusted Net Income:

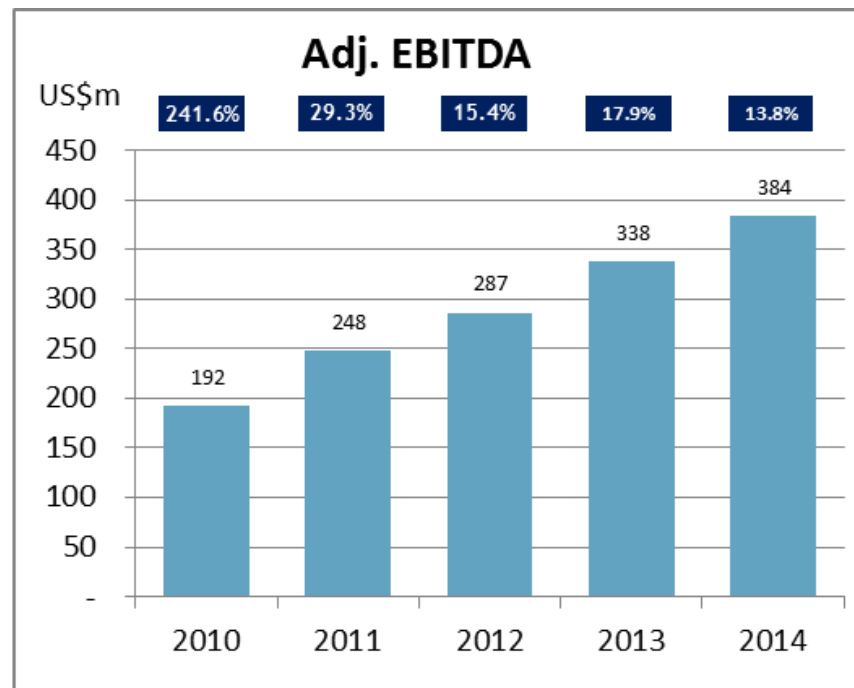
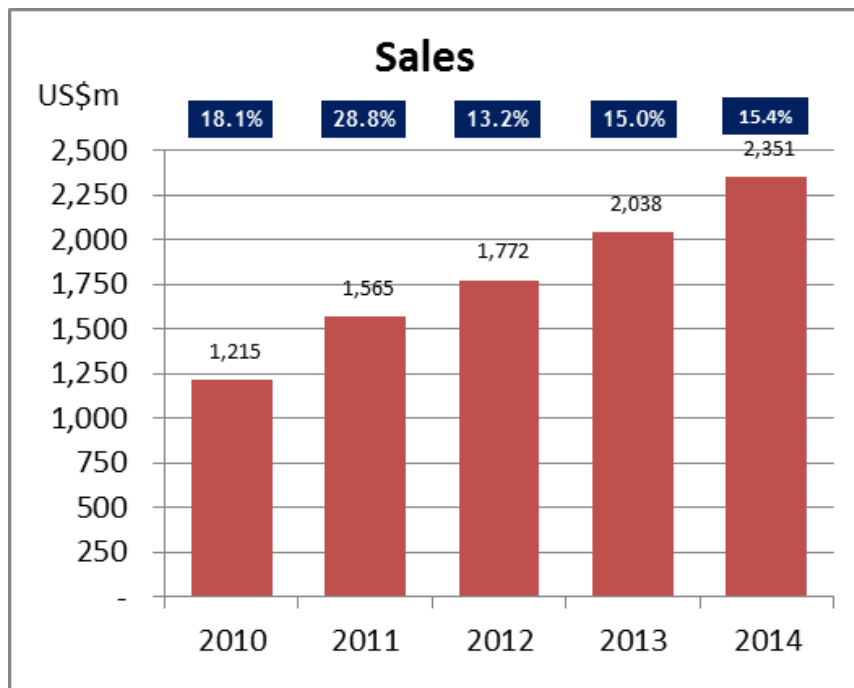
- Excluding FX loss<sup>(1)</sup> and stock compensation expense, Adjusted Net Income is up 13.9% from 2013 and, as a percentage of sales, is down 20bp from 9.7% in 2013 to 9.5% in 2014 due largely to the impact of acquisitions.
- Effective tax rate increase from 27.0% in 2013 to 27.3% in 2014.

(1) FX gain/(loss) represents the realized and unrealized net loss on the balance sheet translation of amounts not denominated in local currencies



# Sales and EBITDA Trend

2010 to 2014 Sales CAGR of 17.9% and EBITDA CAGR of 18.9%





# Agenda

---

- Results Highlights
- **Business Overview**
- Financial Overview
- Outlook and Strategy for 2015
- Q&A





# Business Highlights

---

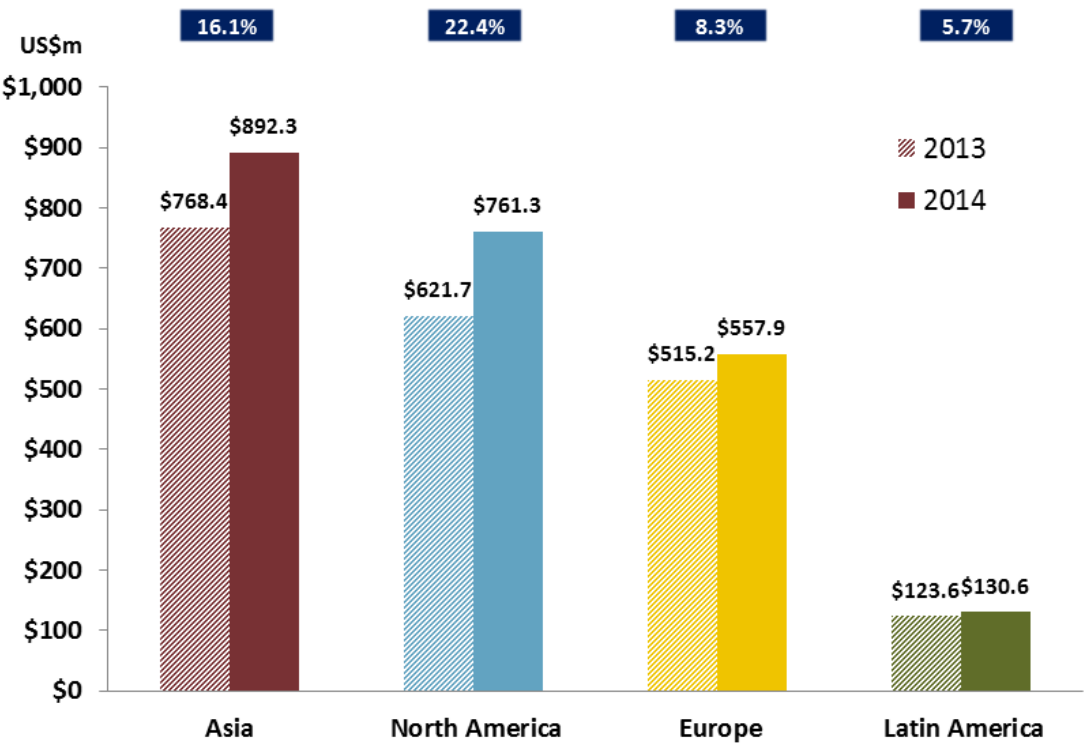
- Record net sales performance underpinned by robust growth in world travel and supported by product innovation and marketing. All regions contributing strong year-over-year growth on a constant currency basis.
- Approximately 1,138 million tourists travelled abroad in 2014, up 51 million or 4.7% from 2013.<sup>(1)</sup>
- Devaluation of many currencies to the USD has had a negative net sales impact of approximately US\$40 million and an estimated US\$6 million negative impact to Adjusted EBITDA and is likely to have a continuing impact on 2015 reported USD results.
- American Tourister* brand continues to expand with 19.0% constant currency growth in sales, while *Samsonite* brand also maintains strong constant currency sales growth of 10.2%.
- High Sierra* and *Hartmann* brands have launched into new markets with constant currency net sales growth of 24.9% and 10.3%, respectively.
- Successful acquisitions of *Lipault*, *Speck* and *Gregory* help to further diversify our product base into non-travel categories.
- Strong constant currency growth in direct-to-consumer channel sales with retail up 15.6% and direct-to-consumer e-commerce up 37.4%.
- Advertising and promotions spend of US\$145 million in 2014 continues to strengthen brand and product awareness and drive sales ahead of the industry.
- Operating cash flow of US\$229.9 million and net cash position at December 31, 2014 of US\$72.9 million provides solid platform to execute future growth plans.

(1) Source: [UNWTO World Tourism Barometer](#), Volume 13, January 2015



# Strong Sales Growth in All Regions

## Net Sales Growth by Region

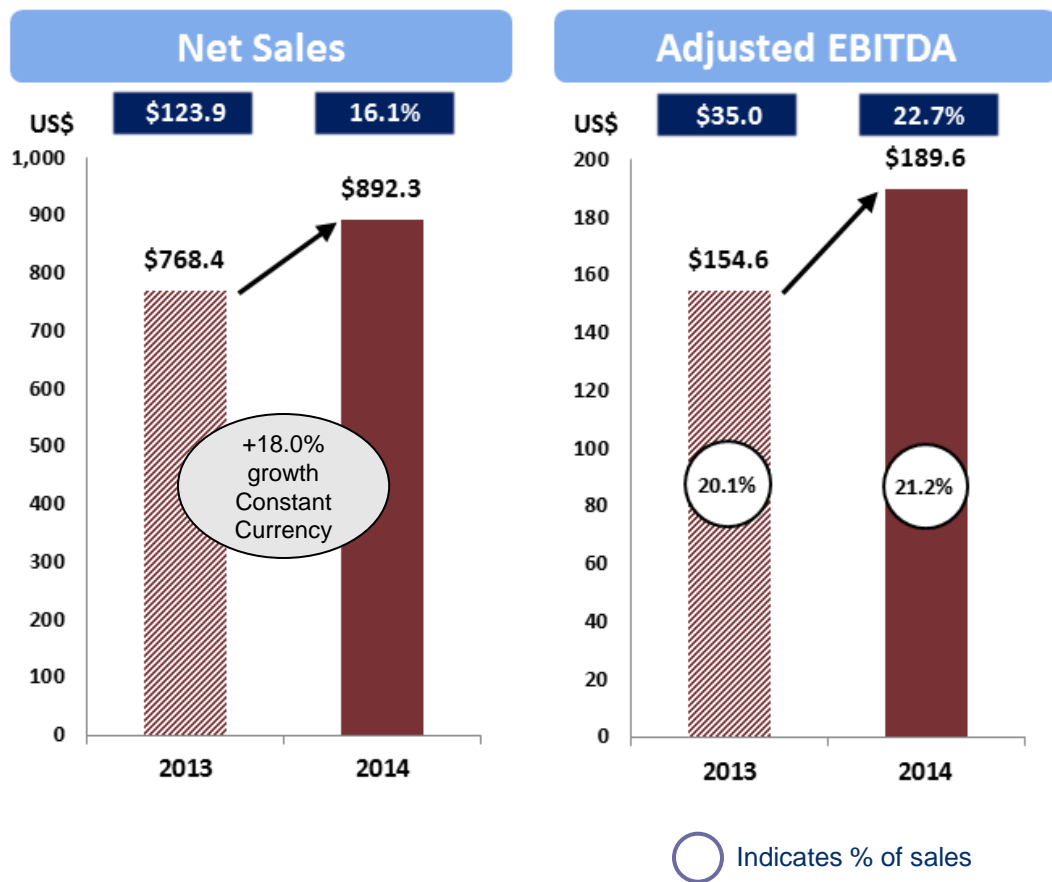


- Continued strong constant currency growth in Asia led by China +18.7%, South Korea +12.8%, India +19.9% and Japan +32.3% (24.5% excluding Gregory), driven mainly by *American Tourister*, *Samsonite Original* and *Samsonite Red*.
- Excluding acquisitions and on a constant currency basis, North America achieved healthy sales growth of 7.3% with the US +5.8% and Canada +35.0%.
- Excluding acquisitions, Europe’s constant currency sales growth of 9.3% was led by Germany, Italy, Turkey and UK. Initiative launched to expand the *American Tourister* brand has resulted in sales increase of 54.8%<sup>(1)</sup> from US\$28.1 million in 2013 to US\$41.9 million in 2014.
- Constant currency sales growth in Latin America of 15.7% was driven by strong sales in Brazil, Mexico and Chile. Excluding Argentina, where sales have decreased 60.1% on a constant currency basis due to government imposed import restrictions, Latin America sales increased by 20.0% on a constant currency basis.

<sup>(1)</sup> Stated on a constant currency basis



# Asia – Continued strong growth and profitability led by China, South Korea, India and Japan<sup>(1)</sup>

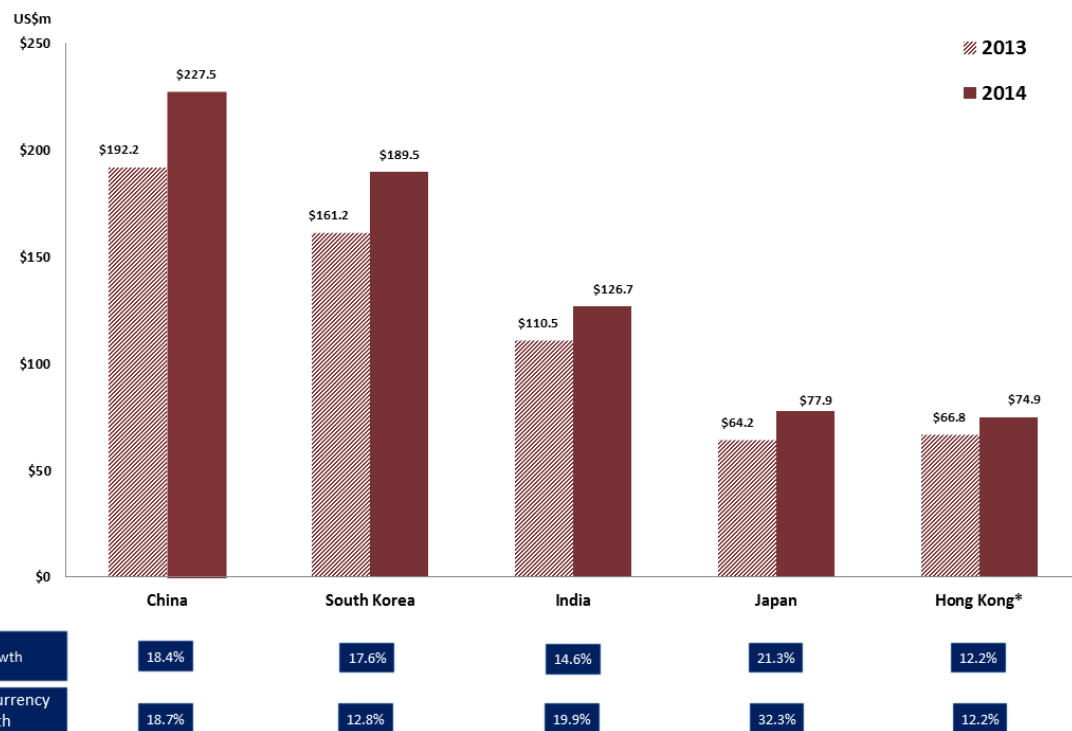


- On a constant currency basis, Asia net sales are up 18.0%. Excluding acquisitions, constant currency growth of 17.0% was driven by:
  - Strong sales growth in direct-to-consumer channels coming from +7.8%<sup>(1)</sup> same store comps, 41 net new company owned stores and 28.6%<sup>(1)</sup> growth in direct-to-consumer e-commerce.
  - American Tourister* sales growth of 17.5%<sup>(1)</sup>;
  - Samsonite* sales growth of 15.4%<sup>(1)</sup>, with *Samsonite Red* up 91.9%<sup>(1)</sup> and all other Samsonite brands up 9.6%<sup>(1)</sup> and as the brand extends into new key markets within the region;
  - Travel category increased 13.7%<sup>(1)</sup>;
  - Casual is up 52.4%<sup>(1)</sup>, driven mostly by *Samsonite Red* and *High Sierra*;
  - Business category is up 10.0%<sup>(1)</sup>.
- Adjusted EBITDA margin increase is due largely to increased gross margin, leveraging fixed costs with higher sales and slight decrease in advertising as a percentage of sales.

<sup>(1)</sup> Stated on a constant currency basis



# Key Asia Markets - Continued strong growth in all key markets<sup>(1)</sup>



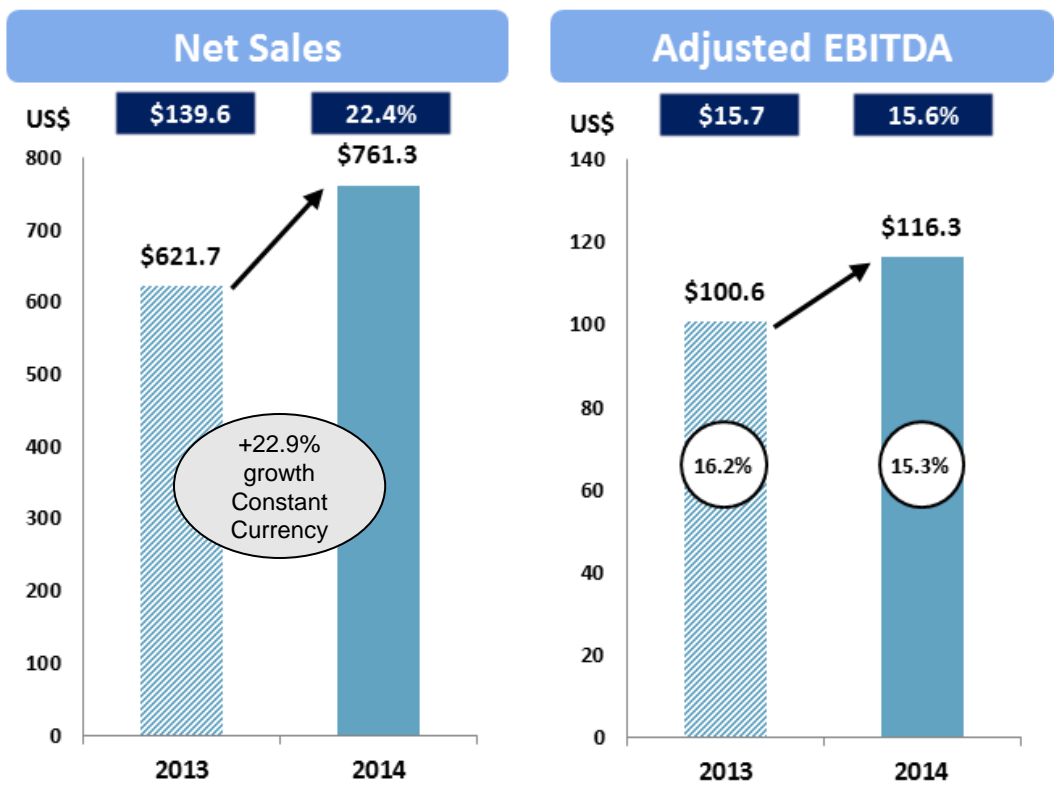
\* Includes Macau

- Strong China sales growth of 18.7%<sup>(1)</sup> driven by *American Tourister*, *Samsonite Original* and *Samsonite Red*. Solid growth in the direct-to-consumer channels is the result of 6.7%<sup>(1)</sup> retail comps, 13 net new stores and direct-to-consumer e-commerce growth of 75.7%<sup>(1)</sup>. Additionally, wholesale growth of 17.1%<sup>(1)</sup> is due largely to increases in TV home shopping and B2B.
- South Korea sales growth of 12.8%<sup>(1)</sup> is driven by the continued strong growth of the *Samsonite Red* brand, up 66.9%<sup>(1)</sup> to US\$31.2 million, as well as *Samsonite Original*, *American Tourister* and *High Sierra*.
- Sales growth in India of 19.9%<sup>(1)</sup> is driven by the continued success of *American Tourister* and the introduction of *High Sierra*, which increased from US\$0.5 million in 2013 to US\$4.6 million in 2014.
- Japan sales are up 32.3%<sup>(1)</sup>. Excluding the acquisition of Gregory, sales growth of 24.5%<sup>(1)</sup> is led by strong growth of *Samsonite* and *American Tourister*.
- Hong Kong\* sales growth of 12.2%<sup>(1)</sup> is led by growth of *Samsonite Red* and the acquisition of *Gregory*. Sales experienced a slowdown at the end of the year due to protesters.

(1) Stated on a constant currency basis



# North America – Continued strong growth in a mature and competitive market, bolstered by acquisitions



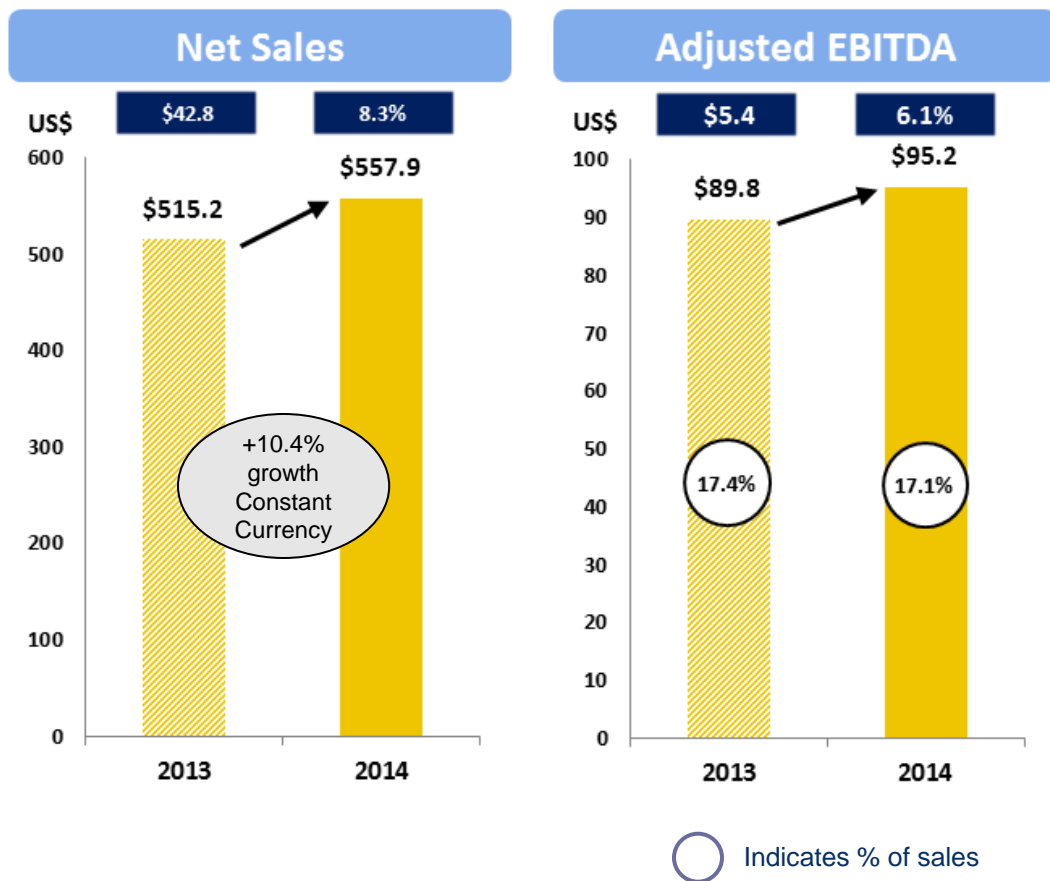
○ Indicates % of sales

- ◆ Net sales growth of 22.9%<sup>(1)</sup>. Excluding acquisitions, net sales increased 7.3%<sup>(1)</sup>.
- ◆ Sales growth, excluding acquisitions, were driven by 4.9% increase in U.S. wholesale sales due to sell-throughs outpacing the category in almost all existing accounts. The U.S. direct-to-consumer channel enjoyed strong growth of 9.3%, consisting of +6.6% same store comps, 5 net new stores in 2014 and e-commerce sales growth of 11.6%;
- ◆ Canada contributed tremendous constant currency sales growth of 35.0% due mainly to strong sales of the travel product category through the wholesale channel and the addition of 3 new stores extending outside of the Toronto area;
- ◆ *Samsonite* sales +9.0%<sup>(1)</sup>, *American Tourister* sales +7.5%<sup>(1)</sup> and *High Sierra* sales +12.2%<sup>(1)</sup>;
- ◆ Travel category growth remained strong at 9.3%<sup>(1)</sup>;
- ◆ Sales in non-travel categories are up 67.0%<sup>(1)</sup> from prior year mainly due to the acquisitions of *Speck* and *Gregory*.
- ◆ Adjusted EBITDA as a percentage of sales decreased by 90bps due mostly to the impact of acquisitions in this year as integration synergies will begin to be realized in 2015. Excluding acquisitions, Adjusted EBITDA as a percentage of sales increased by 40bp to 16.6% driven mainly by lower advertising as a percentage of sales, partly offset by lower gross margins with higher product costs in Canada due to devaluation of the CAD to USD and customer mix in US Wholesale.

(1) Stated on a constant currency basis



# Europe – Strong sales growth of 10.4% on a constant currency basis



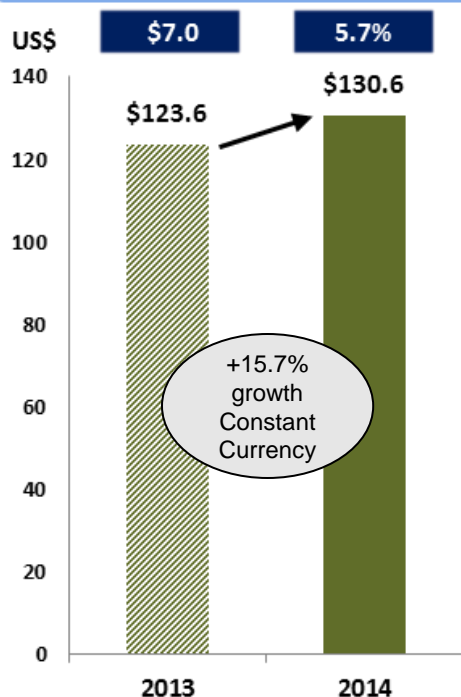
- Excluding the impact of acquisitions, constant currency sales growth was 9.3%, led by Germany (+10.6%)<sup>(1)</sup>, Italy (+12.3%)<sup>(1)</sup>, UK (+12.2%)<sup>(1)</sup>, and Turkey (+34.9%)<sup>(1)</sup>.
- Strong growth in direct-to-consumer channels with retail up 19.0%<sup>(1)</sup>, driven by +8.8%<sup>(1)</sup> same store comps and 25 net new company owned stores opened in 2014, as well as 64.4%<sup>(1)</sup> growth in direct-to-consumer e-commerce sales.
- Samsonite* sales up 6.0%<sup>(1)</sup> and *American Tourister* sales increased 54.8%<sup>(1)</sup> as a result of a strategic initiative to accelerate *American Tourister* brand penetration in the region.
- Sales for the Travel category increased 7.8%<sup>(1)</sup>.
- Business category sales increased by 34.9%<sup>(1)</sup> due to the success of new product introductions and Casual category sales increased by 6.6%<sup>(1)</sup>.
- Adjusted EBITDA margin decreased from 17.4% to 17.1% due primarily to a 90bp increase in advertising as a percentage of sales to drive *American Tourister* sales growth, largely offset by a 70bp improvement in gross margin as a percentage of sales from channel mix (higher proportion from direct-to-consumer channels) and product mix (higher proportion from hard side).

(1) Stated on a constant currency basis

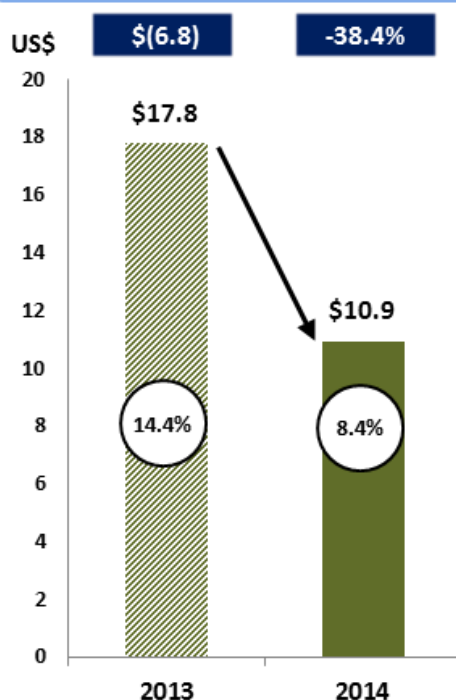


# Latin America – Strong constant currency sales growth of 15.7% with temporary decrease in profitability

## Net Sales



## Adjusted EBITDA



○ Indicates % of sales

- ◆ Sales increased 15.7%<sup>(1)</sup> on strong growth in Brazil (+105.0%)<sup>(1)</sup>, Mexico (+14.6%)<sup>(1)(2)</sup> and Chile (+8.1%)<sup>(1)</sup>.
- ◆ Excluding approximately US\$6.0 million sales of obsolete inventory related to the transition to a direct sales model, sales growth in Brazil is approximately 43.7%<sup>(1)</sup>.
- ◆ Argentina sales are down 60.1%<sup>(1)</sup> due to continued import restrictions imposed by the local government. Excluding Argentina, sales growth in Latin America is 20.0%<sup>(1)</sup>.
- ◆ Strong retail channel sales growth of 21.6%<sup>(1)</sup> with same store comps +11.7%<sup>(1)</sup> and 11 net new company owned stores opened during 2014. Solid wholesale channel sales growth of 13.2%<sup>(1)</sup>.
- ◆ Solid *Samsonite* sales growth of 17.5%<sup>(1)</sup> and significant sales growth of *American Tourister* +63.0%<sup>(1)</sup> and *High Sierra* +127.8%<sup>(1)</sup>.
- ◆ Adjusted EBITDA as a percentage of sales is down 600bp mainly driven by the transition of Brazil, Panama, Peru and Colombia to a direct sales model in the second half of 2013:
  - ◆ 520bp decrease in gross margin percentage as a result of Brazil's sales of obsolete inventory as well as higher product costing from currency devaluation of the Chilean Peso and Mexican Peso to the USD;
  - ◆ Higher operating expenses associated with the transition to a direct sales model in Brazil, Panama, Peru and Colombia;
  - ◆ Partly offset by 110bp reduction in advertising as a percent of sales.

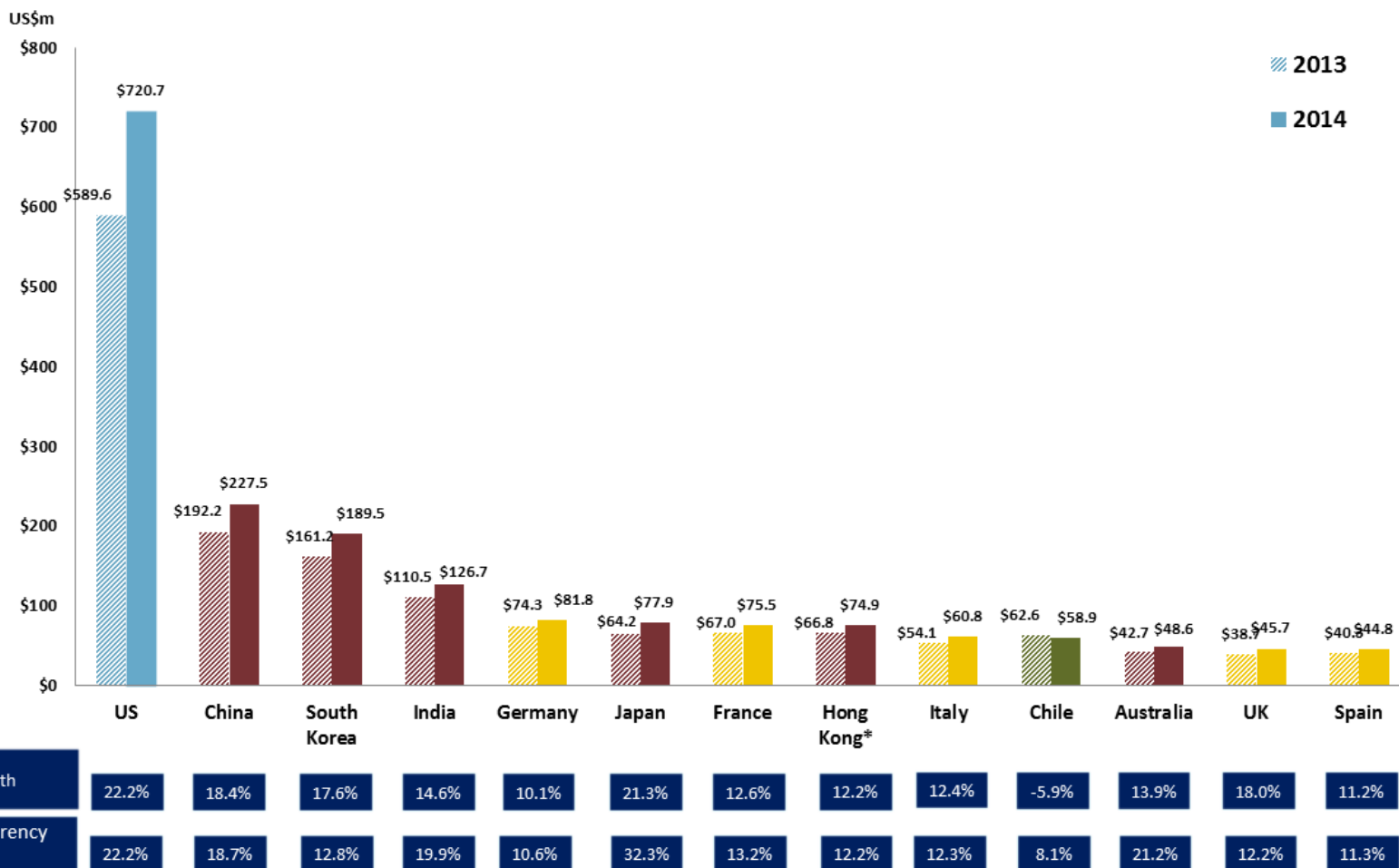
(1) Stated on a constant currency basis

(2) Mexico, excluding export sales



# Sales in Key Markets

Strong constant currency growth in all key markets



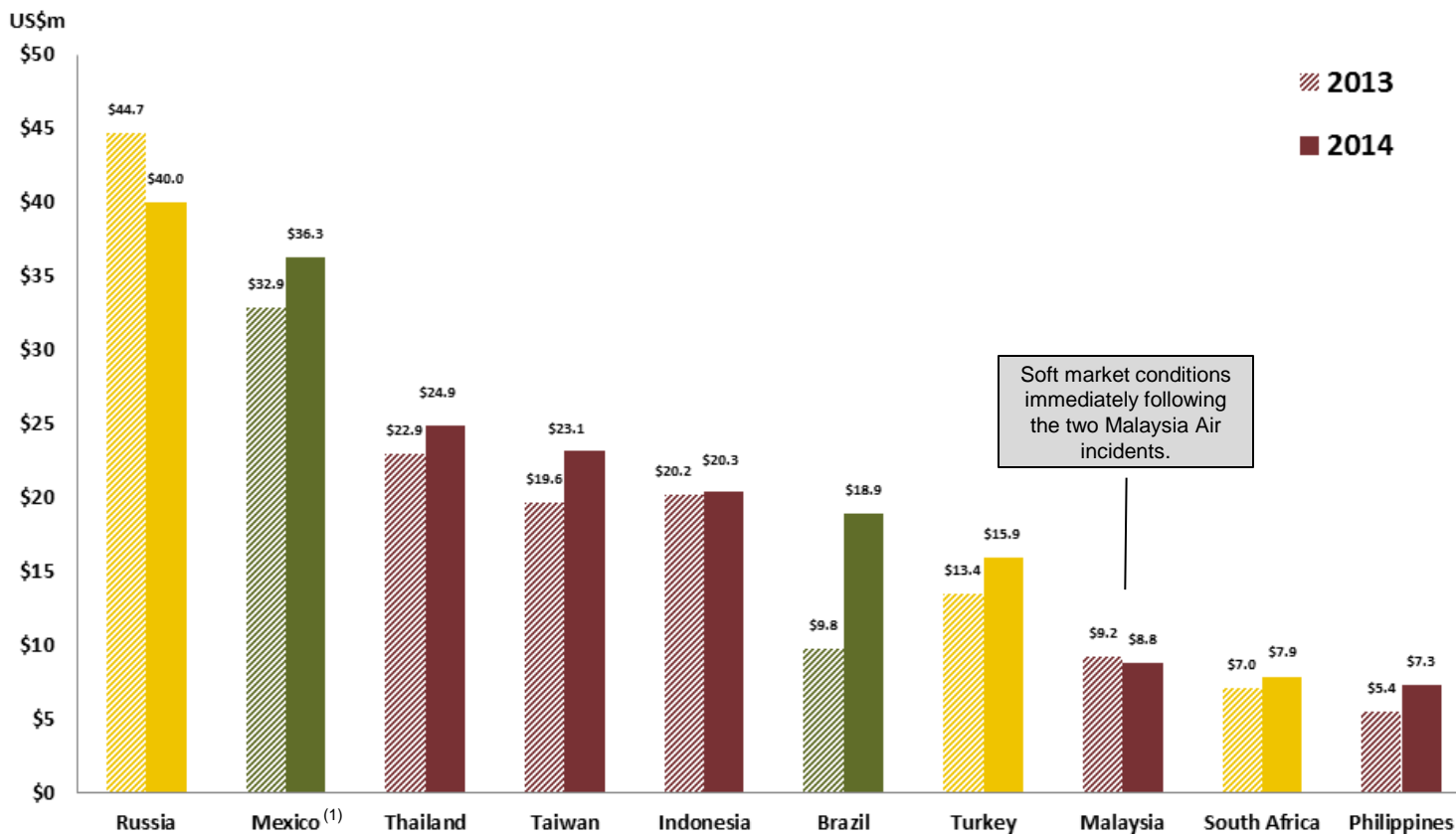
\* Includes Macau





# Sales in Emerging Markets

Continued brand penetration driving constant currency growth in all emerging markets, except Malaysia



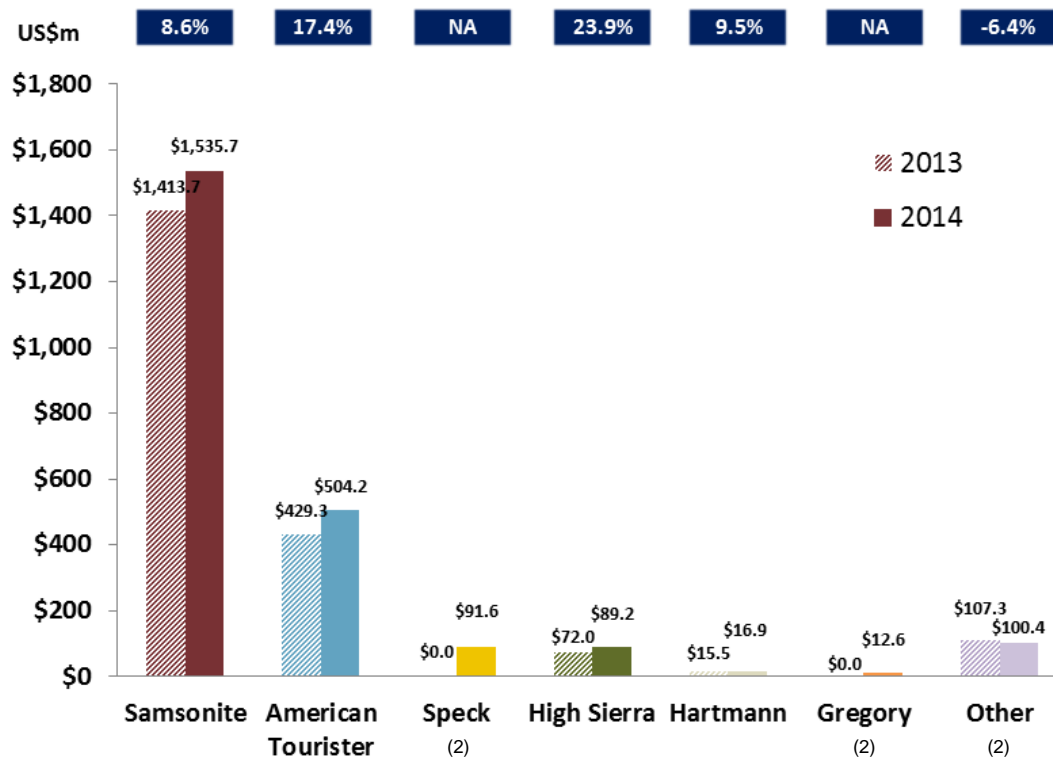
Soft market conditions immediately following the two Malaysia Air incidents.

USD Growth	-10.4%	10.3%	8.5%	18.1%	0.8%	93.9%	18.7%	-3.9%	12.0%	34.2%
Constant Currency Growth	5.7%	14.6%	14.7%	20.4%	14.5%	105.0%	34.9%	-0.5%	25.5%	39.8%

(1) Mexico, excluding export sales.

# Strong Sales Growth in Key Brands

## Net Sales Growth by Brand



Constant  
Currency  
Growth

10.2%

19.0%

NA

24.9%

10.3%

NA

2.4%

- Continued growth in *Samsonite* across all regions with net sales up 10.2% on a constant currency basis:
  - Asia +15.4%<sup>(1)</sup>, North America +9.0%<sup>(1)</sup>, Europe +6.0%<sup>(1)</sup>, and Latin America +17.5%<sup>(1)</sup>
  - Strong growth in Asia driven by deeper penetration of Samsonite Red into key markets (+US\$28.2 million or 91.9% constant currency growth)
- American Tourister* net sales up 19.0% on a constant currency basis as the brand continues to flourish in established markets while the brand further extends into new global markets:
  - Asia +17.5%<sup>(1)</sup>, North America +7.5%<sup>(1)</sup>
  - Focus on further globalizing the brand has resulted in strong growth in Europe +54.8%<sup>(1)</sup> and Latin America +63.0%<sup>(1)</sup>
- High Sierra* and *Hartmann* brands represent approximately 4.5% of total 2014 net sales as they continue to extend into more global markets.
- Constant currency growth of 2.4% in Other brands is driven mainly by the acquisition of *Lipault* and increased sales of the *Secret* and *Xtrem* brands in Latin America, partly offset by decreases in private label sales and licensing revenue in North America.

(1) Stated on a constant currency basis

(2) Speck, Gregory and Lipault brands were acquired in May 2014, July 2014 and April 2014, respectively. Lipault 2014 sales of US\$5.5 million are included in Other brands



# Samsonite – Asia Key Product Assortment



Fashionaire



Torus



Pro-DLX 4



Cosmolite



Mover



Inova



Marshmallow



Locus

Red - Newyorker

Red - Liebe



Animals



Engenero



Oval



Red - Mondo



# Samsonite – North America Key Product Assortment



Lift2



Spin Tech



Silhouette Sphere  
Hardside



Xenon2 PFT  
Briefcase



Ziplite



Ripstop  
Rolling  
Duffel



Columbian  
Leather  
Flapover  
Briefcase



Tectonic PFT  
Backpack



Andante  
Wheeled  
Duffel



Hyperspace



Fiero



# Samsonite – Europe New Product Assortment



Neopulse



Cosmolite  
2.0



Lite-Shock



Disney  
licensed  
products

Urban Arc  
Backpack



S'Cure



B-Lite



GT Supreme  
Backpack



GT Supreme  
Bailhandle



Spark



# Samsonite – Latin America Key Product Assortment

Fiero



Xenon II



Puzzle



Metropolis



Cosmolite



Torus



Jumbo



Glide



Lightcase



Firelite



Silhouette Sphere



B-Lite



I-Lite



Ember



Locus





# American Tourister – Asia Key Product Assortment

HS MV+



Citi-Pro Backpack



Cube Pop



Sky



Bon Air



Spot-lite IV



AT Speedair





# American Tourister – North America Key Product Assortment

ILite  
X'Treme



Meridian  
360 XLT



ILite  
Supreme



Disney  
Licensed  
Product



Star Wars  
Licensed  
Product



Atmosfera







# American Tourister – Europe Key Product Assortment

---

Vivotek



Lightway



San Francisco



Lock'n Roll



# 2014 Acquisitions

Lipault  
PARIS

- *Lipault* is a youthful, vibrant and chic French luggage brand known for its functional and fashionable designs.
- Acquired all of the outstanding capital stock on April 1, 2014 for approximately €20 million in cash (approximately US\$28 million).
- Extends the Company's brand portfolio to engage with a wider base of fashionable female consumers through its signature Parisian style and vibrant colors.
- Strategy is to utilize Samsonite's well-established distribution network and extensive retail presence to expand *Lipault's* respected brand in France and into additional markets in Europe (historically, over 90% of *Lipault's* sales came from France) while evaluating opportunities to expand further in Asia and the Americas.
- 2014 pro-forma full year net sales of US\$7.6 million.



Lipault  
PARIS

# Key Product Assortment



Lady Plume  
Weekend Bag



Pliable  
Upright

Plume  
Business  
Case  
Wheeled



Lady Plume  
Handbag



Lady Plume Weekend  
Bag Wheeled



Pliable  
Upright



Originale Plume Spinner



# 2014 Acquisitions



- Speck produces a diverse range of sleek, stylish, and functionally innovative products that provide superior military-grade protection for mobile devices across multiple brands and is particularly well-known for its “slim protection” designs such as the iconic CandyShell “hard-soft” material case – a technology that Speck pioneered.
- Acquired all of the outstanding capital stock on May 28, 2014 for approximately US\$85 million in cash.
- Extends the Company’s brand portfolio beyond its traditional strength in travel luggage products and provides the Company with a strong brand and product offering resulting in an immediate foothold in the market for protective cases for smartphones, tablets, laptops and other personal electronic devices. The market size for phones cases is estimated to be US\$2.3 billion.
- Strategy is to utilize Samsonite’s resources, excellence in operations and marketing and well-established distribution network to further strengthen Speck’s business in the U.S. and significantly expand the brand’s presence across Asia, Europe and Latin America.
- 2014 pro-forma full year net sales of US\$137.0 million.



# (\*) speck Key Product Assortment



CandyShell



CandyShell GRIP



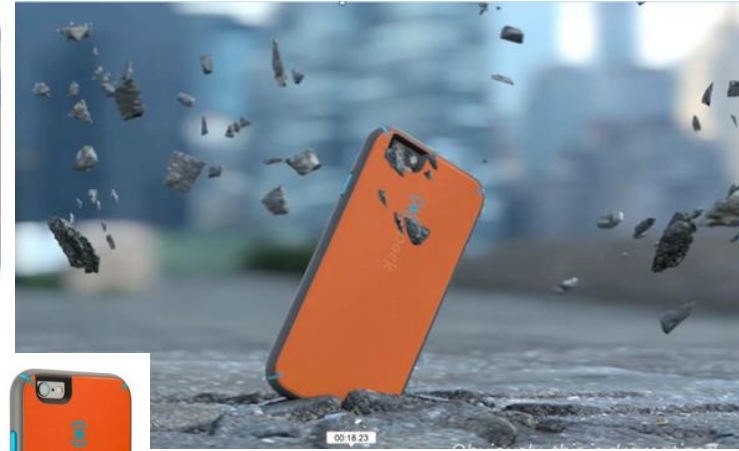
CandyShell INKED



CandyShell CARD



MightyShell



DROP-TESTED EXCEEDS MILITARY STANDARDS

CandyShell INKED for iPhone 6



CandyShell GRIP for iPhone 6 Plus



SeeThru



StyleFolio



iGuy





# 2014 Acquisitions



- Gregory Mountain Products (“Gregory”) is an iconic technical outdoor backpack brand that is known as a pioneer in its field and is well-respected by active outdoor and adventure enthusiasts. Gregory is also a popular brand for lifestyle products in Japan.
- The purchase of substantially all of the assets of Gregory was closed July 23, 2014 for approximately US\$84 million in cash.
- Extends the Company’s brand portfolio into the premium segment of the outdoor bag category as a perfect complement to *High Sierra*, which is a well-known and respected brand in the mid-market segment.
- Gregory's lifestyle products which are widely popular in Japan represents a unique opportunity to further develop and replicate the success of the premium lifestyle fashion brand in other key Asian markets.
- Strategy is to leverage Samsonite’s marketing, sourcing and well-established distribution capabilities to further expand Gregory’s business in the U.S. and significantly grow the *Gregory* brand internationally.
- 2014 pro-forma full year net sales of US\$31.2 million.



# Key Product Assortment

Baltoro



Deva

Stout



Amber

Sunrise Tote



Offshore Day



All Day



Quick Pocket



Metro Messenger



Jade Series



Z Series

Tempo 3



Pace 3

Kletter Day



Switch Sling



Sundowner Shoulder





# Progress on Hartmann

---

- All core classic collections have been redesigned to ensure product aesthetic and quality are consistent with loyal and premium consumer expectations.
- Designed and launched new, lightweight and modern travel collections in North America and Asia that appeal to a broader consumer market. New collections are receiving strong placement at premium customers and specialists.
- Global retail expansion is underway with 11 new store openings in the second half of 2014 in North America and Asia, including flagship stores on Madison Avenue in NYC and the Ginza district in Tokyo, Japan.
- Advertising spend has been increased since the acquisition to US\$7.9 million in 2014 to re-establish brand identity and support expansion into new markets.
- 2014 sales growth of US\$1.5 million, or 10.3% on a constant currency basis, over 2013.
- Key initiatives include:
  - Further retail expansion in North America and Asia;
  - Substantiate global brand identity in the premium luxury segment;
  - Extend product assortment into accessories, business and casual lifestyle products.





# 2 Flagship Hartmann Stores



Hartmann – Ginza Flagship, Tokyo, Japan





# hartmann Key Product Assortment

Intensity Belting



7R



Minimalist



Innovaire



Belting Continental Wallet

Tweed Belting



Vigor



Belting Wristlet

Heritage





# Progress on High Sierra

---

- Leveraging the brand in North America, Asia and Europe with each region developing new products consistent with the brand image to meet the needs of the consumer in each market.
- Brand has launched in Asia, where it has grown from US\$5.5 million in 2013 to US\$11.7 million in 2014 and in Europe, with 2014 sales of US\$1.9 million.
- Advertising spend has been increased to US\$9.9 million in 2014 to enhance brand awareness and support global expansion.
- 2014 sales growth of US\$17.2 million, or 24.9% on a constant currency basis, over 2013.
- Initiatives include:
  - Further expansion into Asia and Europe wholesale accounts supported with additional marketing;
  - License the brand for other outdoor products and launch apparel.



# Key Product Assortment

Rock (Asia)



Tech Hydration



Ski Boot Bag



Classic 2 Hiking Collection



Tech 2 Hiking Collection



Lifestyle Collection



BTS Collection



XBT Collection



Wheeled Duffel (Asia)



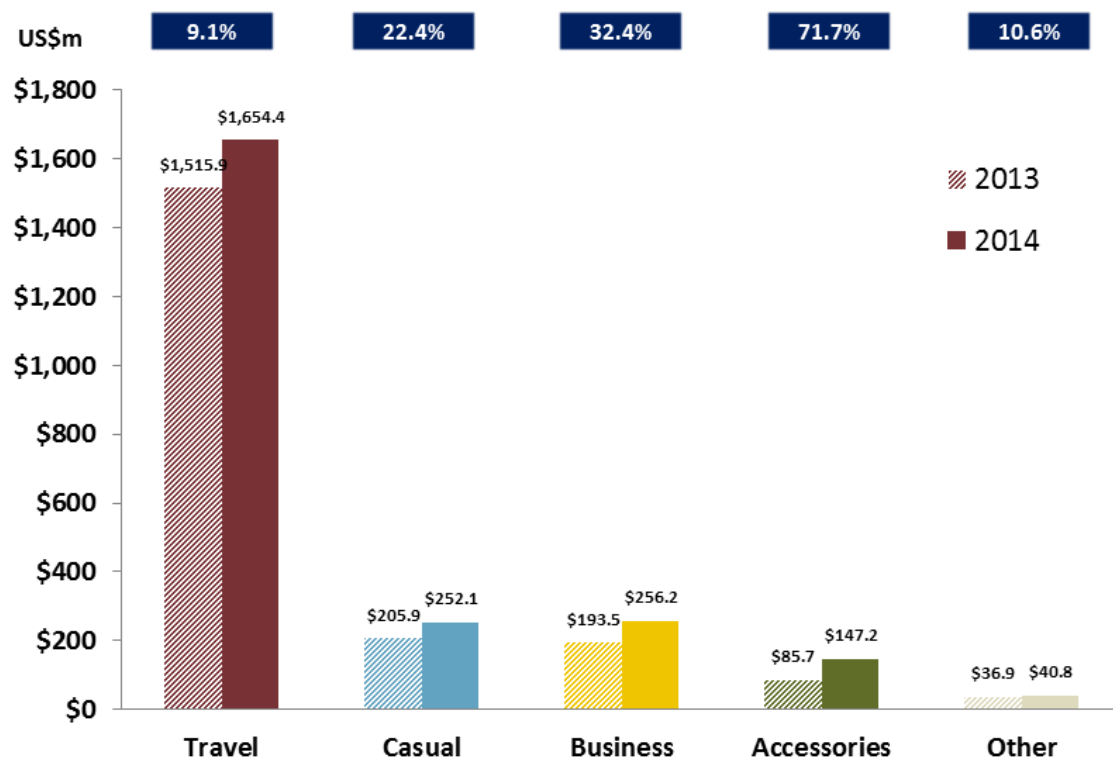
Tactic (Asia)



Ultimate Access 2.0 Wheeled Duffel

# Strong Sales Growth in Travel and Casual Product Categories

## Net Sales Growth by Product Category



Constant  
Currency  
Growth

10.9%

25.1%

34.6%

76.3%

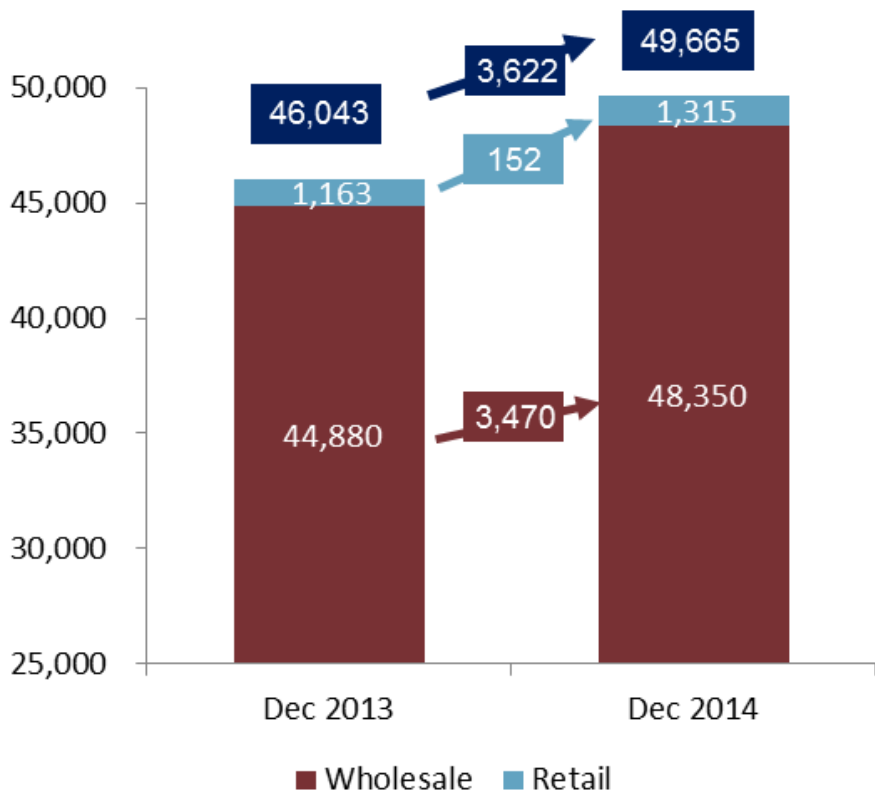
12.4%

- Travel remains our largest product category and traditional strength with all regions contributing to growth of 10.9%<sup>(1)</sup>.
- Casual category net sales rose 25.1%<sup>(1)</sup> driven by the acquisition of *Gregory* and growth of *Samsonite Red* in Asia and *High Sierra* in all regions.
- Net sales in Business category increased by 34.6%<sup>(1)</sup> (12.1%<sup>(1)</sup>, excluding *Speck*) with strong organic growth in Asia and Europe:
  - 106.6%<sup>(1)</sup> increase in North America (1.4% increase, excluding *Speck*.)
  - 34.9%<sup>(1)</sup> growth in Europe driven by successful new product introductions.
  - Increase of 10.0%<sup>(1)</sup> in Asia.
- Growth of 76.3%<sup>(1)</sup> in the Accessories category (20.4%<sup>(1)</sup>, excluding *Speck*).
- Growth in the Other category is driven largely by increased sales of kids products with Disney-licensed product beginning to ship in the second half of 2014.

(1) Stated on a constant currency basis



# Continued Expansion in Points of Sale



Note: POS increases are net of POS closures. POS unique to Speck are not included in the POS count above.

- ◆ Net new wholesale points of sale coming largely from:
  - ◆ Approximately 2,500 new POS in North America due to the inclusion of *Gregory* in 2014 as well as an increase in the number of sporting goods stores selling *High Sierra* and additional Best Buy doors selling *Samsonite*.
  - ◆ Approximately 450 new POS in Latin America due mostly to the strengthening of Brazil's direct sales model.
  - ◆ Asia added approximately 200 wholesale POS, mainly in India and Australia.
  - ◆ Europe added approximately 200 wholesale POS, mainly in Germany and Russia.
- ◆ Net new retail points of sale coming largely from:
  - ◆ Asia added approximately 120 retail locations, mainly India, China and South Korea, of which 6 are *Hartmann* company-owned stores.
  - ◆ Approximately 25 net new locations in Europe, including 4 stores as part of the *Lipault* acquisition.
  - ◆ Latin America added approximately 10 locations, mainly in Chile, Mexico and Brazil.
  - ◆ 5 net new stores in the U.S. (*Hartmann* +5, *JS Trunk & Co.* +2, *High Sierra* -2) and 3 new *Samsonite* stores in Canada.
- ◆ 6.6% of total net sales are derived from e-commerce business, comprised of direct-to-consumer e-commerce, included within our Retail channel (+37.4%<sup>(1)</sup>) and sales to e-retailers, included within our Wholesale channel (+37.6%<sup>(1)</sup>).
- ◆ Sales growth in direct-to-consumer e-commerce is driven by North America +33.9%<sup>(1)</sup>, Europe +64.4%<sup>(1)</sup> and Asia +28.6%<sup>(1)</sup>.

# 6 Hartmann Stores Opened in the 2<sup>nd</sup> Half of 2014 in Asia



Hartmann – Ginza Flagship, Japan



Hartmann – Beijing Lufthansa, China



Hartmann – Taichung Top City, Taiwan



Hartmann – Seoul Cheongdam Flagship, South Korea



# 5 Hartmann Stores Opened in the 2<sup>nd</sup> Half of 2014 in North America

---



Hartmann – Charlotte, NC



Hartmann – Madison Avenue, New York City



Hartmann – King of Prussia, PA





# Expanding Multi-Brand Store Concept

JS Trunk & Co. – Bursa Korupark Mall, Bursa, Turkey



2015 02 14

JS Trunk & Co. – Westfield, UK



House of Samsonite – Coex Mall, Seoul, South Korea



JS Trunk & Co. – Bay Plaza, New York



2015 02 14



# Lipault Acquisition Included 4 Stores



Lipault – Rennes, Paris, France



Lipault – Madeleine, Paris, France



Lipault – Mozart, Paris, France



# Retail Expansion in Latin America



Samsone - Mall Sante Fe, Medellin, Colombia



Samsone – Jardins, Sao Paulo, Brazil



Samsone - Mall Unicentro, Bogota, Colombia



Samsone - Mall Tesoro, Medellin, Colombia



Samsone - Mall Andino, Bogota, Colombia



Samsone - Mall Santa Fe, Mexico City, Mexico





# Selection of Other Retail Stores Opened in the 2<sup>nd</sup> Half of 2014



Samsonite – Grand Kawanua City, Indonesia



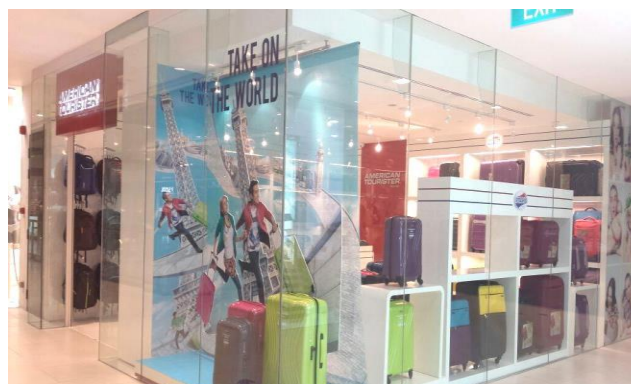
Samsonite – Capucines, France



Samsonite – Budapest Allee Mall 2, Hungary



Samsonite – Mirabel, Quebec, Canada



American Tourister – Marina Square, Singapore



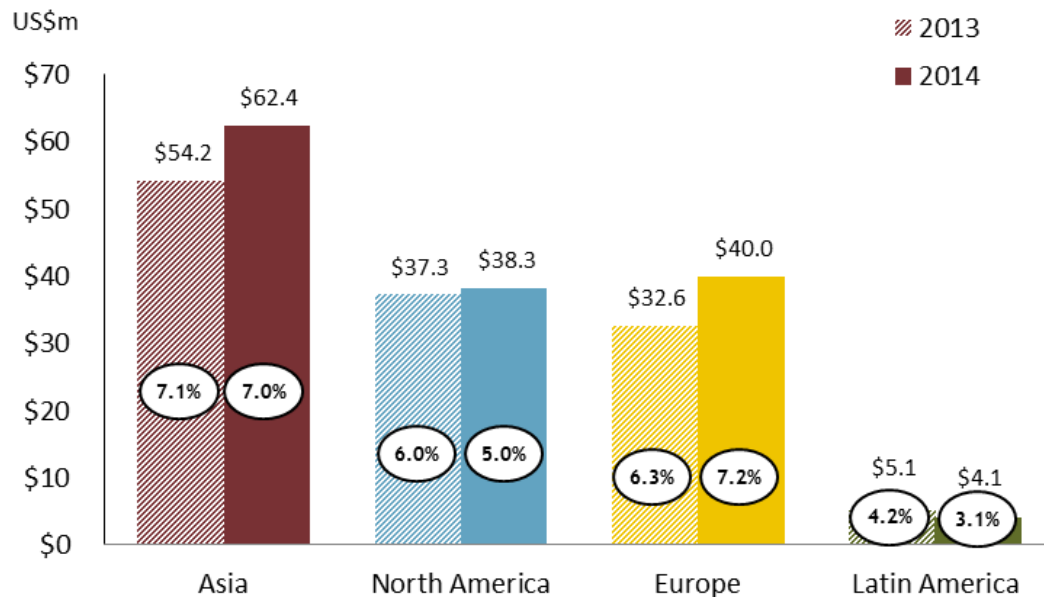
Samsonite – Gotheburg, Sweden





# 12% Increase in Advertising Spend

## Advertising Spend



- Advertising spend increased 12.0% from US\$129.2 million in 2013 to US\$144.7 million in 2014.
- Advertising spend as a percentage of sales is down slightly from 6.3% in 2013 to 6.2% in 2014 due to mainly to the impact of higher sales from acquisitions, particularly in North America. Excluding acquisitions, advertising spend as a percentage of sales is in line with prior year at 6.3%.
- Increased advertising spend as a percentage of sales in Europe is to drive sales growth of the *American Tourister* brand in European markets.

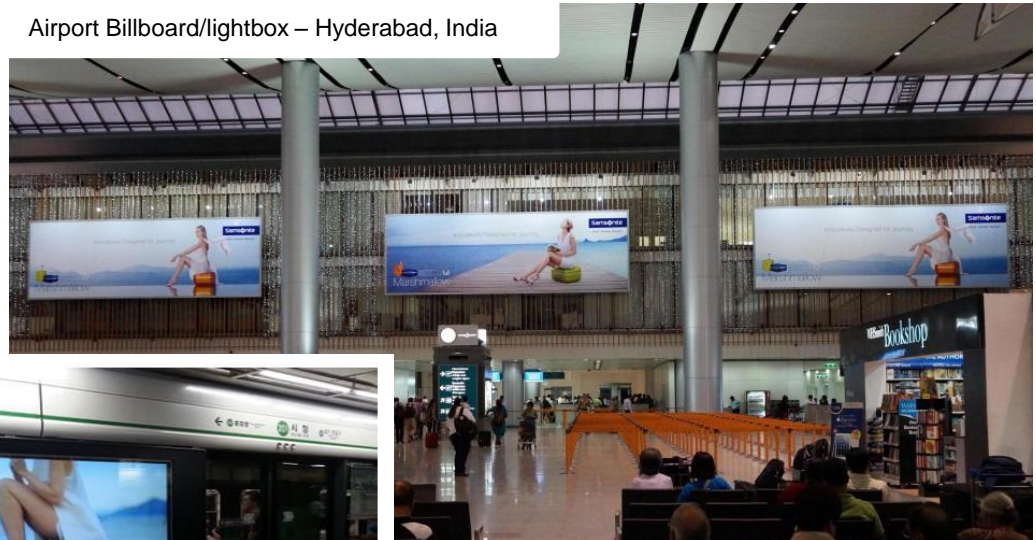


# Targeted Brand Advertising Asia - *Samsonite*



Airport Billboards – Melbourne/Sydney, Australia

Airport Billboard/lightbox – Hyderabad, India



On TV



Train Station Platform Digital Screen – Seoul, Korea



POS Displays - AnYang, Gyeonggi-do, Korea

**samsonite**



Airport Billboard/lightbox – Delhi, India



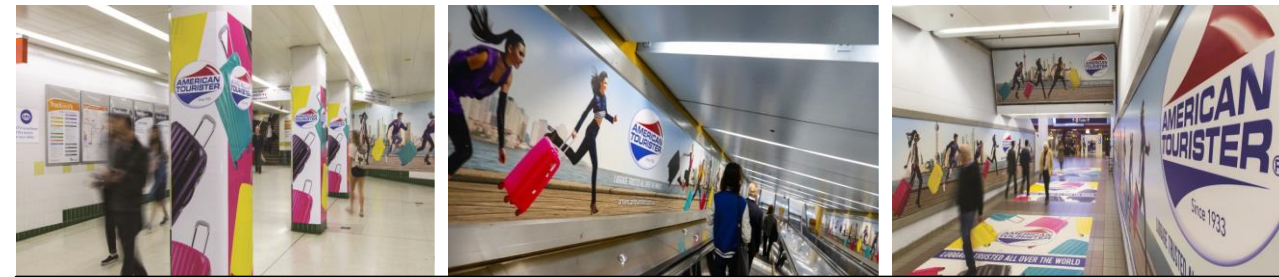
Highway Billboards – Bangalore, India



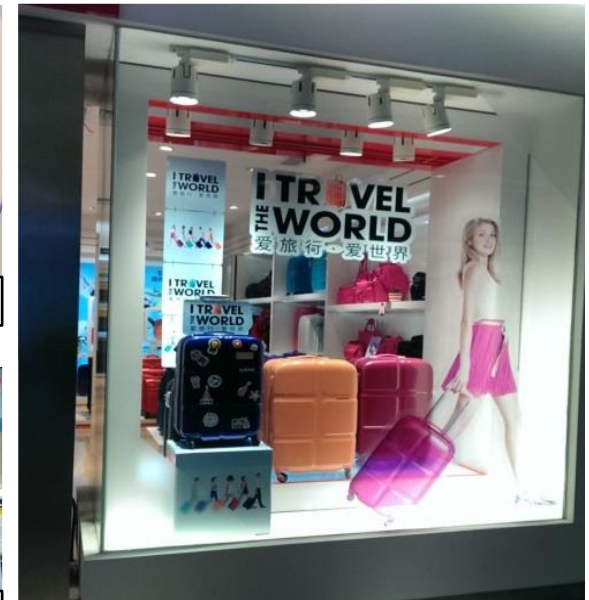
Highway Billboards – Sydney/Melbourne, Australia



# Targeted Brand Advertising Asia – *American Tourister*



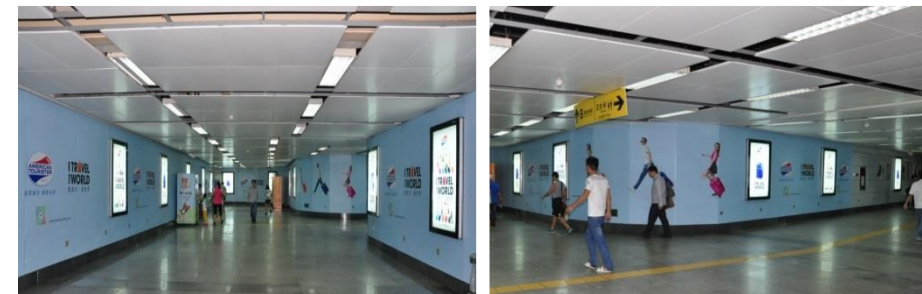
Station Domination – Sydney Metro Station, Australia – “Take on the World” campaign featuring Prismo



Window Display and POS Displays



Station Domination – Guangzhou metro station, China – “I Travel the World” campaign featuring Cube Pop



Station Domination – Shenzhen Metro Station, China – “I Travel the World” campaign featuring Cube Pop



Billboards – Manila, Philippines - “I Travel the World” campaign featuring Cube Pop with local ambassador

On TV



Samsnite



# Targeted Product Advertising North America - Samsonite

Samsonite

Airport Billboards – Chicago O’Hare, Illinois, USA



Print Media



Airport Billboards – Boston Logan, Massachusetts, USA



Train Billboards – Atlanta, Georgia, USA

Samsonite





# Targeted Brand Advertising North America – *American Tourister*



**PACK MORE FUN**

The official luggage of *Walt Disney* World, Resort & Disneyland.



**PACK MORE FUN**

The official luggage of *Walt Disney* World, Resort & Disneyland.



**PACK MORE FUN**

The official luggage of *Walt Disney* World, Resort & Disneyland.



# Targeted Product Advertising Europe - *Samsonite*



Airport Billboards – Istanbul Airport, Turkey



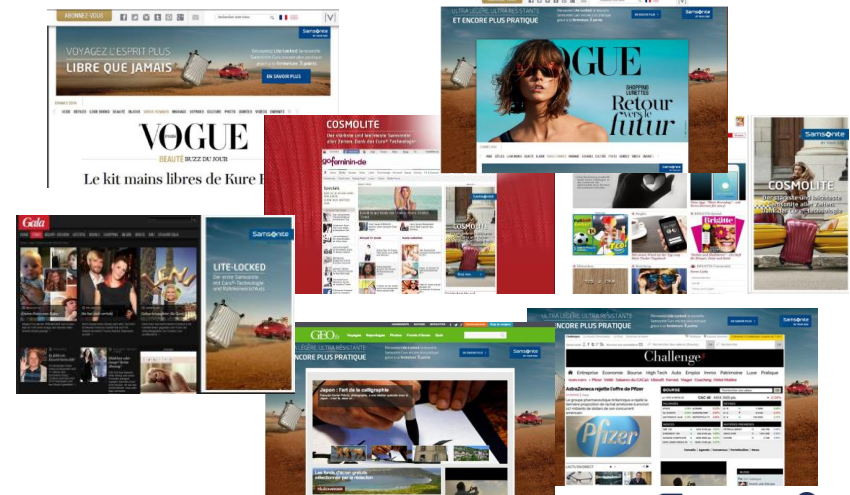
Airport Billboards – Brussels Airport, Belgium



Airport Lightbox – Brussels Airport, Belgium



POS Display (Live Windows) – Vienna, Austria



Online and Social Media



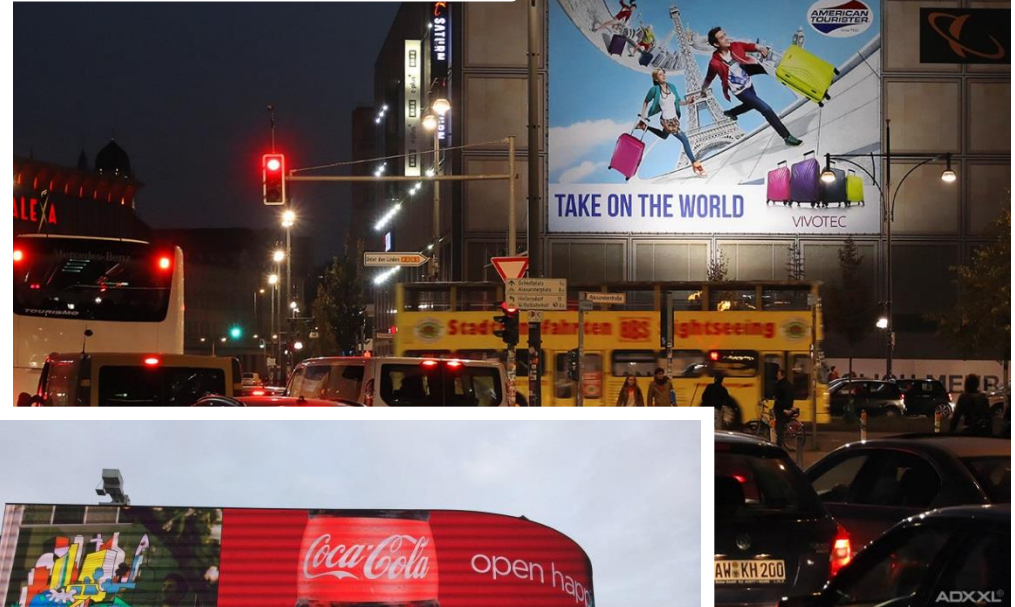


# Targeted Product Advertising Europe – *American Tourister*

Billboards - Alexanderplatz Berlin, Germany



Airport Billboards – Istanbul Airport, Turkey

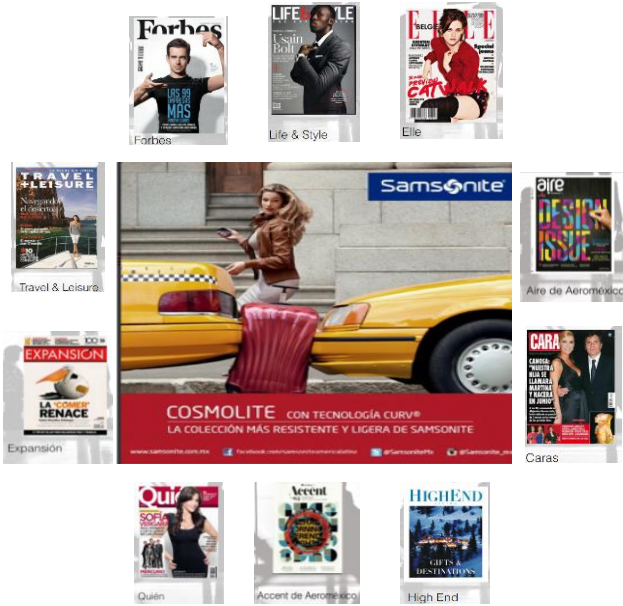


Billboards - Picadilly Circus, UK



# Targeted Product Advertising Latin America

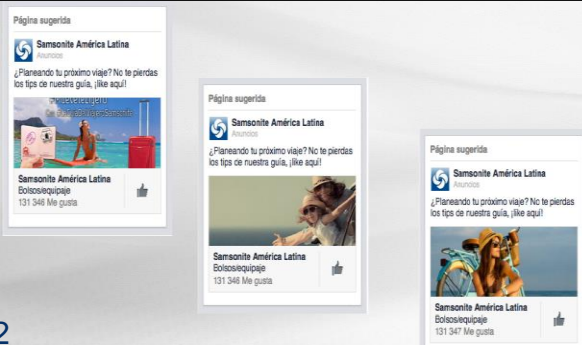
## Print Media



## Out-of-Home Placements



## Social Media



## TV Exposure





# Agenda

---

- Results Highlights
- Business Overview
- **Financial Overview**
- Outlook and Strategy for 2015
- Q&A



# Key Financial Highlights

---

- Excluding acquisitions, Adjusted EBITDA margin increased by approximately 20bp to 16.8%.
- Net cash position of US\$72.9 million with borrowing capacity on the revolving credit facility of US\$437.5 million as of December 31, 2014.
- Net working capital efficiency of 12.7% continues to run better than target level of 14%.
- Capital expenditure of US\$69.6 million in 2014 is up from US\$57.2 million in 2013, as the Company invested in expanding its warehouse and production facilities in Europe and expanded retail doors.
- Reported net income attributable to the equity holders is up 5.8%, Adjusted Net Income up 9.0%. Excluding FX loss<sup>(1)</sup> and stock compensation expense, Adjusted Net Income is up 13.9% from 2013.
- Basic earnings per share on an adjusted basis rose 9.7% from US\$0.134 in 2013 to US\$0.147 in 2014.
- The Board recommends a cash distribution of US\$88.0 million or approximately US\$0.0625 per share, up 10% from the US\$80.0 million distribution paid in 2014.

(1) FX loss represents the realized and unrealized net loss on the balance sheet translation of amounts not denominated in local currencies



# Strong Balance Sheet

US\$m	December 31, 2014	December 31, 2013	\$ Chg Dec-14 vs. Dec-13	% Chg Dec-14 vs. Dec-13
Cash and cash equivalents	140.4	225.3	(84.9)	-37.7%
Trade and other receivables, net	290.8	246.4	44.5	18.0%
Inventories, net	332.3	298.4	33.9	11.4%
Other current assets	71.7	65.3	6.5	9.9%
Non-current assets	1,296.0	1,099.5	196.5	17.9%
<b>Total Assets</b>	<b>2,131.3</b>	<b>1,934.9</b>	<b>196.4</b>	<b>10.2%</b>
Current liabilities (excluding debt)	538.4	488.1	50.3	10.3%
Non-current liabilities (excluding debt)	220.3	202.5	17.7	8.8%
Total borrowings	65.1	13.7	51.5	376.3%
Total equity	1,307.4	1,230.6	76.9	6.2%
<b>Total Liabilities and Equity</b>	<b>2,131.3</b>	<b>1,934.9</b>	<b>196.4</b>	<b>10.2%</b>
<b>Total Net Cash (Debt)<sup>(1)</sup></b>	<b>72.9</b>	<b>209.8</b>	<b>(137.0)</b>	<b>-65.3%</b>

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

- Net cash decreased by US\$137.0 million from US\$209.8 million at December 31, 2013 to US\$72.9 million at December 31, 2014 with cash flows from operations of US\$229.9 million offset by outflows for acquisitions of US\$197 million (Speck US\$85 million, Gregory US\$84 million and Lipault US\$28 million).
- Continued strong working capital efficiency of 12.7%.
- Revolving credit facility expanded from US\$300 million to US\$500 million in June 2014. At December 31, 2014, US\$437.5 million is available to be borrowed with US\$60 million of outstanding borrowings and the utilization of US\$2.5 million of the facility for outstanding letters of credit extended to certain creditors.



# Efficiently Managing Working Capital

US\$m	December 31, 2014	December 31, 2013	\$ Chg Dec-14 vs. Dec-13	% Chg Dec-14 vs. Dec-13
<b>Working Capital Items</b>				
Inventories	\$ 332.3	\$ 298.4	\$ 33.9	11.4%
Trade and Other Receivables	\$ 290.8	\$ 246.4	\$ 44.5	18.0%
Trade Payables	\$ 316.5	\$ 282.2	\$ 34.3	12.2%
<b>Net Working Capital</b>	<b>\$ 306.6</b>	<b>\$ 262.6</b>	<b>\$ 44.0</b>	<b>16.8%</b>
% of Net Sales	12.7%	12.9%		
<b>Turnover Days</b>				
Inventory Days	106	115		
Trade and Other Receivables Days	44	44		
Trade Payables Days	100	108		
<b>Net Working Capital Days</b>	<b>50</b>	<b>51</b>		

- Working capital continues to be managed efficiently at 12.7% of sales at December 31, 2014.
- Inventory turnover of 106 days is down 9 days from December 31, 2013.
- Trade and other receivables turnover of 44 days is consistent with December 31, 2013.
- Trade payables turnover of 100 days is down 8 days from December 31, 2013 due largely to the timing of inventory purchases and payments.

(1) 2014 net working capital as a percentage of sales and turnover days are adjusted for pro forma full year sales and COGS of Lipault, Speck and Gregory.

- 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 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.





# Capital Expenditure

## Capital Expenditure by Project Type

US\$m	2014	2013
Retail	27.9	20.5
Product Development / R&D/ Supply	32.4	23.5
Information Services and Facilities	7.2	11.0
Other	2.1	2.2
<b>Total Capital Expenditures</b>	<b>\$69.6</b>	<b>\$57.2</b>

- 2014 Retail Capex consists mainly of new stores and remodels in Asia of US\$12.9 million, North America of US\$7.2 million and Europe of US\$4.6 million with 85 net new company-owned stores opened in 2014.
- Capex on product development / R&D / Supply includes US\$11.6 million on manufacturing facilities and equipment, US\$7.3m on product tooling and molds and US\$7.0 million on warehousing in Europe. US\$2.8 million was spent on tooling and equipment for Speck.
- Information Services and Facilities consists largely of retail and e-commerce software and finance and business intelligence system enhancements.



# Shareholder Information and Distribution to Shareholders

## Shareholder Information as of December 31, 2014

Shares outstanding	1,408,026,456
Stock Price (HK\$)	23.09

### Amounts below stated in US\$

2014 Basic EPS (US\$)	\$0.132
2014 Adjusted EPS (US\$)	\$0.147
Recommended distribution to shareholders (US\$)	\$88,000,000
Payout ratio	47.2%
Distribution per share (US\$)	\$0.0625
Distribution yield*	2.10%

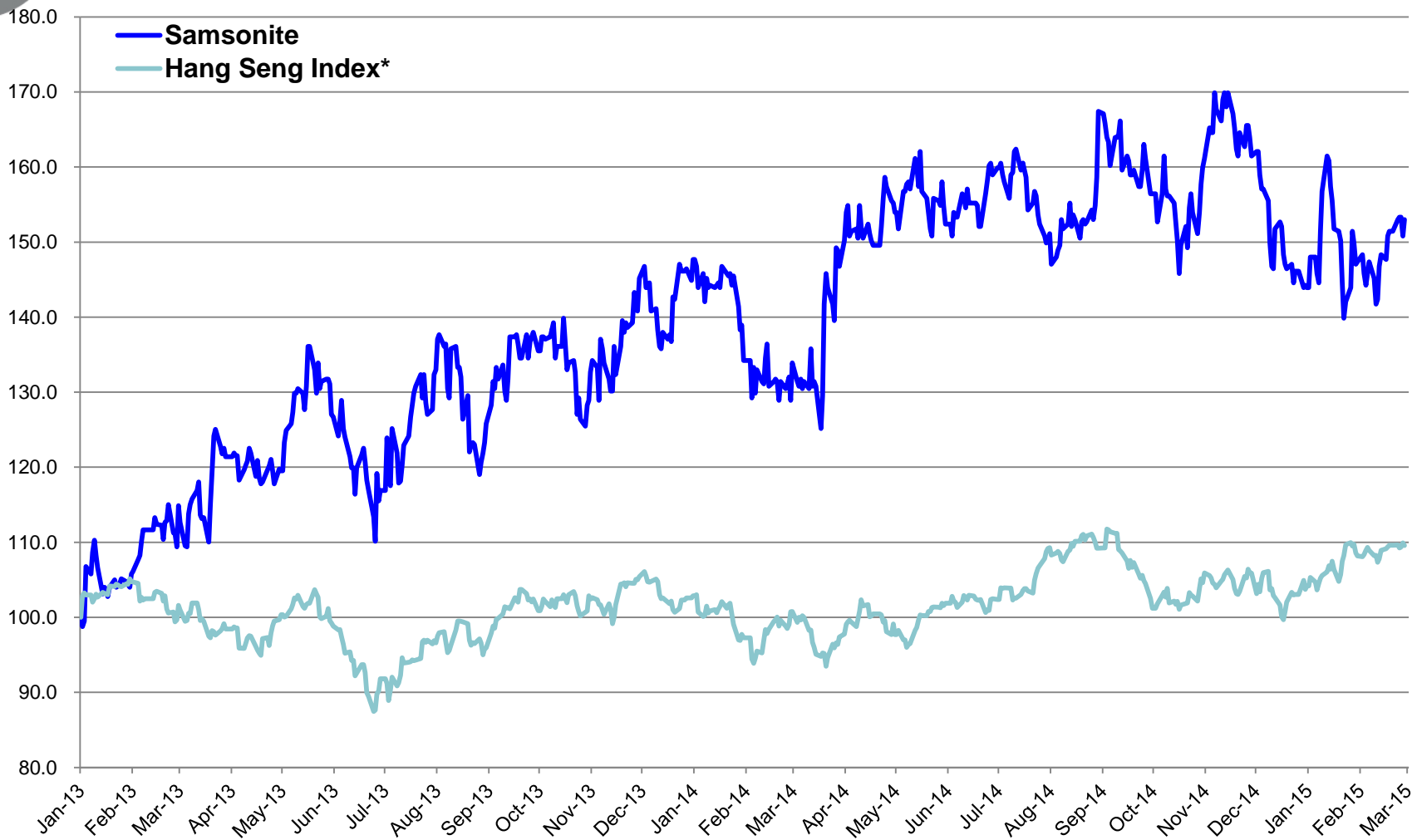
\*Assumes stock price of HK\$23.09 at an exchange rate of 7.755HKD/USD

- On January 7, 2015, the Group granted 16,006,812 options to certain directors, key management personnel, and other employees.
- On January 7, 2015, the Group granted an additional 10,040,399 options with a longer term vesting schedule to an Executive Director and to five additional members of the Group's senior management team.



# Samsonite

## Share Price Performance from Jan 2013 through Feb 2015



\* Samsonite share price and Hang Seng Index rebased to 100.0 on Dec 31, 2012



# Agenda

---

- Results Highlights
- Business Overview
- Financial Overview
- Outlook and Strategy for 2015
- Q&A



# Engines Of Future Growth

---

- ⌚ Continuing global expansion of travel & tourism
  - ⌚ “UNWTO forecasts international tourist arrivals to grow between 3% and 4% in 2015. By region, growth is expected to be strongest in the Americas and in Asia and the Pacific (both +4% to +5%), and somewhat more moderate in Europe (+3% to +4%)”<sup>(1)</sup>.
- ⌚ Increase the proportion of sales from our direct-to-consumer channels by growing our e-commerce sales and expanding our retail presence.
- ⌚ Raise the *Hartmann* brand in the premium and luxury segments of North America, Asia and Europe by offering a full category assortment of exceptional products supported by brand marketing and retail expansion.
- ⌚ Implement synergies and execute on market opportunities for newly acquired brands to further diversify our product offering into non-travel categories.
- ⌚ Continue to invest in our core brands with exciting products, new materials and increased marketing spend.
- ⌚ Tactfully deploy multiple brands to operate wider price points and wider consumer demographics in each category.
- ⌚ Continue to explore strategic M&A opportunities in adjacent spaces to gain distribution in less represented markets or to grow direct-to-consumer sales.
- ⌚ We see merit in continuing and even strengthening our existing strategy of developing Samsonite into a well diversified multi-brand, multi-category and multi-channel bag and luggage business.

(1) Source: [UNWTO World Tourism Barometer](#), Volume 13, January 2015



# Agenda

---

- Results Highlights
- Business Overview
- Financial Overview
- Outlook and Strategy for 2015

• Q&A