Samsonite International S.A. Announces Results for the Three Month Period Ended March 31, 2024

First quarter 2024 consolidated net sales increased by 4.1%[1] year-on-year driven by growth in Asia

Continued expansion in gross profit margin and Adjusted EBITDA margin[2] during the three months ended March 31, 2024

Continued balance sheet deleveraging, driven by strong profit growth and Free Cash Flow[3] with net leverage ratio[4] at lowest level since 2016 acquisition of Tumi

HONG KONG, May 14, 2024 – Samsonite International S.A. ("Samsonite" or "the Company", together with its consolidated subsidiaries, "the Group"; SEHK stock code: 1910), a leader in the global lifestyle bag industry and the world's best-known and largest travel luggage company, today published its unaudited consolidated financial results for the three-month period ended March 31, 2024.

Overview

Commenting on the results, Mr. Kyle Gendreau, Chief Executive Officer, said, "We are very pleased with Samsonite's performance in the first quarter of 2024. Last year was an exceptionally strong year during which our net sales were fueled by the resurgence of travel following the pandemic, leading to unprecedented demand for our products. Even against a very strong first quarter in 2023, we delivered solid year-on-year net sales gains as our strategic investments in marketing enabled us to continue to capitalize on the ongoing recovery and growth in leisure and business travel, particularly in Asia. Our profitability continued to improve, with gross profit margin and Adjusted EBITDA margin[2] both reaching new first quarter records. Notably, for the three months ended March 31, 2024, our Adjusted EBITDA[5] and Adjusted Net Income[6] increased by 8.5%[1] and 13.1%[1], respectively, on net sales growth of 4.1%[1], year-on-year. This strong performance reflects the increased net sales contribution from our higher-margin Asia region and direct-to-consumer channel, and clearly demonstrates Samsonite's fundamentally enhanced margin profile."

During the three months ended March 31, 2024, the Group recorded net sales of US$859.6 million, an increase of 4.1%[1] compared to a very strong first quarter in 2023 (the Group recorded year-on-year net sales increases of 57.4%[1, 7] during the first quarter of 2023, and 30.4%[1, 7] for 2023 overall). The net sales growth during the first quarter of 2024 was driven primarily by Asia, where net sales increased by 7.5%[1], powered by double-digit[1] constant currency net sales gains in China, Japan and South Korea, year-on-year. First quarter 2024 constant currency net sales in North America and Europe were about even with the same period last year. The year-on-year net sales comparison for the first quarter of 2024 in North America was affected by strong first quarter 2023 net sales growth compared to the first quarter of 2022, driven by certain wholesale customers beginning to buy again as demand rapidly increased ahead of the expected robust summer travel season and by strong sales of the *Tumi* brand supported by improved inventories to meet customer demand. The year-on-year net sales comparison for the first quarter of 2024 in Europe was affected by a high net sales base in the first quarter of 2023, primarily due to the resurgence of travel driving strong demand for our products, as well as accelerated sales in advance of the implementation of new European warehouse management software in April 2023.

The Group's gross profit margin expanded to 60.4% in the first quarter of 2024, driven by year-on-year gross profit margin improvements in all regions, and by both the Asia region and the direct-to-consumer ("DTC") channel contributing an increased share of net sales, as well as ongoing discipline with promotional discounts. As a result, Samsonite's Adjusted EBITDA margin[2] expanded to 18.8% for the three months ended March 31, 2024, a new first quarter record, even as the Group increased its investment in marketing as planned to 6.1% of net sales, a 20-basis point increase from the first quarter of 2023. The Group's Adjusted EBITDA[5] increased by 8.5%[1] to US$161.2 million and Adjusted Net Income[6] increased by 13.1%[1] to US$87.1 million for the three months ended March 31, 2024, compared to the same period in 2023.

Mr. Gendreau continued, "With robust profit and prudent cash and working capital management, Samsonite's Free Cash Flow[3] improved by US$67.9 million year-on-year to US$6.5 million during the three months ended March 31, 2024. We ended the quarter with a net leverage ratio[4] of 1.48x, the lowest level since our acquisition of Tumi in 2016, as well as substantial liquidity of US$1.6 billion[8]."

"As we announced in March 2024, the Company's board of directors has authorized management to pursue a secondary listing of Samsonite's shares. Advisors have been hired to begin preparatory work, and the process is at an early stage. We will provide further updates as and when appropriate."

"In April 2024, we refinanced our term loan B facility, taking advantage of favorable debt market conditions to further enhance our financial flexibility. We used US$100.0 million in borrowings under the lower interest rate revolving credit facility to pay down US$95.5 million of the more expensive term loan B facility, and we refinanced the term loan B facility to reduce the interest rate payable on our term loan B borrowings by 75 basis points. We expect the refinancing will reduce our annual cash interest payments in the first full year following the refinancing by approximately US$4.9 million."

"Looking ahead, growth in global travel and tourism is expected to remain healthy throughout 2024, sustaining demand for our products. In certain markets, we have observed customer traffic and net sales returning closer to historical trends compared to the extraordinary levels witnessed last year. That said, backed by our portfolio of leading brands, unrivaled global sourcing and a strong distribution infrastructure, we are well positioned to continue investing in product innovation and marketing and to outpace the market, and we remain focused on delivering profitable net sales growth."

"During the first quarter of 2024 we saw notable net sales gains and promising consumer trends in Asia. In China, demand increased during the Chinese New Year holiday, which helped drive impressive double-digit[1] year-on-year net sales growth. This growth helped solidify our view that there are substantial opportunities for expansion in China, supported by continued enthusiasm for travel among Chinese consumers. Similarly to China, travel in Japan and South Korea reopened later than other markets, and we saw double-digit[1] year-on-year net sales increases in these markets during the first quarter of 2024. As travel continues to recover and grow in these Asian markets, particularly with the ongoing recovery in outbound travel from China, we remain positive about the region's outlook for 2024."

"Our year-on-year net sales comparisons in North America and Europe for the first quarter of 2024 reflect the impact of exceptionally strong net sales growth during 2023 which was driven by the resurgence of travel and customer traffic post-pandemic, and we are seeing the effects of both returning closer to historical trends. That said, with consumers expected to continue prioritizing travel, the upcoming 2024 summer travel season is again expected to be strong."

“We remain disciplined with promotional discounts to sustain our improved gross profit margin, and continue to invest in the business to drive net sales growth. Our investments are focused on product innovation and sustainability initiatives, further expansion and upgrades of our retail store fleet, as well as in marketing to support new product launches. In addition, we continue to diligently manage our fixed selling, general and administrative ("SG&A") expenses to drive positive operating leverage. During the first quarter of 2024, our fixed SG&A expenses increased by US$13.3 million compared to the same period in the previous year due to the first quarter of 2023 having many company-operated retail stores still operating with reduced staff and temporary rental concessions, both of which have normalized by the end of 2023, and the total number of company-operated retail stores increasing by 77 year-on-year. However, fixed SG&A expenses in the first quarter of 2024 remained relatively flat compared to the fourth quarter of 2023, despite the net addition of 14 company-operated retail stores during the first quarter of 2024, reflecting the Group's ongoing discipline on expense management. As a result, our fixed SG&A expenses, as a percentage of net sales, were 24.9% during the first quarter of 2024 compared to 23.5% in the same period last year, but 480 basis points below the first quarter of 2019. We remain focused on managing our fixed SG&A expenses to drive operating leverage."

Mr. Gendreau concluded, "In mid-April, we published our 2023 Environmental, Social and Governance Report, which shares some of the key insights, milestones, and progress we made in 2023 on our journey toward a more sustainable and responsible future. Notably, we refined our governance committee structure, further strengthened partnerships among our teams across regions and brands globally, upgraded our systems, and conducted a new double materiality assessment to better understand our impacts and risks. We believe that sustainability is not just a responsibility, but an opportunity to make a meaningful difference through our entire value chain for people and the planet. We are committed to advancing Samsonite's 'Our Responsible Journey' sustainability initiatives and leveraging our scale to lead the transformation of the luggage industry to become more sustainable.”

Table 1: Key Financial Highlights for the Three Months Ended March 31, 2024

Expressed in US$ millions, except per share data	**Three months ended March 31, 2024**	Three months ended March 31, 2023	Percentage increase (decrease) 2024 vs. 2023	Percentage increase (decrease) 2024 vs. 2023 excl. foreign currency effects[1]
Net sales	**859.6**	852.1	0.9%	4.1%
Gross profit	**519.5**	494.5	5.0%	9.1%
Gross profit margin	**60.4%**	58.0%		
Operating profit	**149.8**	144.7	3.5%	9.3%
Profit attributable to the equity holders	**82.9**	73.8	12.3%	18.8%
Adjusted Net Income[6]	**87.1**	81.2	7.2%	13.1%
Adjusted EBITDA[5]	**161.2**	156.4	3.1%	8.5%
Adjusted EBITDA margin[2]	**18.8%**	18.4%		
Basic earnings per share – Expressed in US$ per share	**0.057**	0.051	11.6%	18.0%
Diluted earnings per share – Expressed in US$ per share	**0.056**	0.051	11.0%	17.4%
Adjusted basic earnings per share[9] – Expressed in US$ per share	**0.060**	0.056	6.6%	12.4%
Adjusted diluted earnings per share[9] – Expressed in US$ per share	**0.059**	0.056	6.0%	11.8%

<u>Results for the Three Months Ended March 31, 2024</u>

The Group's performance for the three months ended March 31, 2024, is discussed in greater detail below.

Net Sales

For the three months ended March 31, 2024, the Group recorded net sales of US$859.6 million, an increase of 4.1%[1] compared to a very strong first quarter in 2023 (the Group recorded net sales of US$852.1 million in the first quarter of 2023, an increase of 55.3%[1] (and an increase of 57.4%%[1, 7] when excluding net sales in Russia[7]) compared to the same period in 2022). The Group's net sales increase in the first quarter of 2024 was driven by the continued recovery and growth in leisure and business travel globally, particularly in Asian markets, including China, Japan, and South Korea, where COVID-related travel restrictions were lifted later.

Net Sales Performance by Region

Table 2: Net Sales by Region

Region[10]	**Three months ended March 31, 2024 US$ millions**	Three months ended March 31, 2023 US$ millions	Percentage increase (decrease) 2024 vs. 2023	Percentage increase (decrease) 2024 vs. 2023 excl. foreign currency effects[1]
Asia	**340.1**	329.1	3.3%	7.5%
North America	**285.3**	284.3	0.3%	0.3%
Europe	**175.5**	179.9	(2.5)%	(0.5)%
Latin America	**58.5**	58.4	0.2%	17.9%
Corporate	**0.2**	0.3	(29.3)%	(29.3)%
Net sales	**859.6**	852.1	0.9%	4.1%

Asia

For the three months ended March 31, 2024, the Group recorded net sales of US$340.1 million in Asia, an increase of 7.5%[1], year-on-year. Net sales in China increased by 23.0%[1] year-on-year in the first quarter of 2024, driven by strong growth in travel during the Chinese New Year holidays compared to the first quarter of 2023, when the country had just emerged from COVID-related restrictions. During the first quarter of 2024, net sales in Japan and South Korea increased by 26.4%[1] and 13.3%[1], respectively, compared to the first quarter 2023, when travel had not fully recovered from COVID restrictions. Additionally, net sales in Australia increased by 21.2%[1] year-on-year. After three years of explosive growth in India, during which net sales nearly doubled from the first quarter of 2019 to the first quarter of 2023, India's first quarter 2024 net sales decreased by 9.9%[1] year-on-year as customer traffic began to moderate.

North America

For the three months ended March 31, 2024, the Group recorded net sales of US$285.3 million in North America, an increase of 0.3%[1] year-on-year against a high net sales base in the same period last year. During the first quarter of 2023, net sales in North America increased by 32.3%[1] year-on-year driven by certain wholesale customers beginning to buy again as demand rapidly increased ahead of the expected robust summer travel season, and by strong sales of the *Tumi* brand supported by improved inventories to meet customer demand.

Europe

For the three months ended March 31, 2024, the Group recorded net sales of US$175.5 million in Europe, a slight decrease of 0.5%[1] against a high net sales base in the same period last year. During the first quarter of 2023, net sales in Europe increased by 52.1%[1] (and up 62.0%[1, 7] when excluding net sales in Russia[7]) year-on-year primarily due to the resurgence of travel driving strong demand the Group's products, as well as accelerated sales in advance of the implementation of new European warehouse management software in April 2023.

During the first quarter of 2024, the Group's net sales decreased in Germany by 13.3%[1], in France by 9.8%[1], in Italy by 6.7%[1] and in the United Kingdom[11] by 7.7%[1], primarily due to a high net sales base in the first quarter of 2023, partially offset by Belgium and Spain, where net sales increased by 2.9%[1] and 2.3%[1], respectively, year-on-year.

Latin America

For the three months ended March 31, 2024, the Group recorded net sales of US$58.5 million in Latin America, an increase of 17.9%[1] compared to the first quarter of 2023, driven by year-on-year net sales increases of 13.8%[1] in Mexico and 2.0%[1] in Chile. These constant currency net sales increases were partially offset by an 11.9%[1] reduction in Brazil due to a warehouse relocation that temporarily impacted sales in the first quarter of 2024 which has since been completed.

Net Sales Performance by Brand

Table 3: Net Sales by Brand

Brand	**Three months ended March 31, 2024 US$ millions**	Three months ended March 31, 2023 US$ millions	Percentage increase (decrease) 2024 vs. 2023	Percentage increase (decrease) 2024 vs. 2023 excl. foreign currency effects[1]
Samsonite	**439.8**	424.2	3.7%	6.5%
Tumi	**194.0**	194.5	(0.3)%	1.6%
American Tourister	**151.1**	151.2	(0.1)%	3.2%
Other[12]	**74.8**	82.3	(9.1)%	(0.6)%
Net sales	**859.6**	852.1	0.9%	4.1%

The Group's core brands all achieved constant currency net sales gains during the first quarter of 2024 compared to the first quarter of 2023.

For the three months ended March 31, 2024, net sales of the *Samsonite* brand increased by 6.5%[1], year-on-year, driven primarily by Asia (up 13.6%[1]) with double-digit[1] constant currency net sales growth in China, Japan, South Korea, and Australia. Europe (up 3.1%[1]), North America (up 0.9%[1]) and Latin America (up 17.2%[1]) also contributed to the net sales increase. The *Samsonite* brand's share of the Group's total net sales increased to 51.2% in the first quarter of 2024 compared to 49.8% in the first quarter of 2023 as travel continued to recover and grow.

For the three months ended March 31, 2024, net sales of the *Tumi* brand increased by 1.6%[1] compared to the first quarter of 2023. Net sales of the *Tumi* brand in North America during the first quarter of 2024 were stable (up 0.4%[1]) against a high net sales base in the first quarter of 2023, during which net sales experienced strong year-on-year growth supported by improved inventories to meet customer demand. Additionally, customer traffic began to return closer to historical trends during the first quarter of 2024. Net sales of the *Tumi* brand in Latin America increased by 58.8%[1] year-on-year driven by the net increase of four *Tumi* company-operated retail stores as of March 31, 2024, compared to March 31, 2023. Net sales of the *Tumi* brand in Asia during the first quarter of 2024 increased by 3.9%[1] compared to the first quarter of 2023, driven by strong year-on-year net sales increases in China, Japan and South Korea. Net sales of the *Tumi* brand in Europe decreased by 4.7%[1] year-on-year as strong DTC channel net sales growth was offset by a reduction in wholesale net sales due to the Group's efforts to stop sales to certain wholesale customers that represent a high risk of trans-shipment of goods to Asia. The *Tumi* brand's share of the Group's total net sales remained relatively unchanged at 22.5% in the first quarter of 2024 compared to 22.8% in the first quarter of 2023.

For the three months ended March 31, 2024, net sales of the *American Tourister* brand increased by 3.2%[1] compared to the first quarter of 2023. The constant currency net sales growth was driven by Asia (up 6.2%[1]), with Latin America (up 37.6%[1]) and North America (up 3.8%[1]) also recording year-on-year net sales growth. Net sales of the *American Tourister* brand in Europe decreased by 15.0%[1] year-on-year primarily due to the resurgence of travel driving strong demand the Group's products, as well as accelerated sales during the first quarter of 2023 in advance of the implementation of new European warehouse management software in April 2023. The *American Tourister* brand's share of the Group's total net sales remained relatively unchanged at 17.6% in the first quarter of 2024 compared to 17.7% in the first quarter of 2023.

Net Sales Performance by Product Category

Table 4: Net Sales by Product Category

Product Category	**Three months ended March 31, 2024 US$ millions**	Three months ended March 31, 2023 US$ millions	Percentage increase (decrease) 2024 vs. 2023	Percentage increase (decrease) 2024 vs. 2023 excl. foreign currency effects[1]
Travel	**558.3**	555.7	0.5%	2.8%
Non-travel[13]	**301.3**	296.5	1.6%	6.6%
Net sales	**859.6**	852.1	0.9%	4.1%

The Group's net sales in the travel product category continued to improve, driven mainly by the continued recovery and growth in travel. Net sales in the travel product category increased by 2.8%[1] year-on-year and accounted for 64.9% of total net sales in the first quarter of 2024, compared to 65.2% of total net sales in the first quarter of 2023. Total non-travel[13] product category net sales increased by 6.6%[1] year-on-year and accounted for 35.1% of total net sales in first quarter of 2024, compared to 34.8% of total net sales in the first quarter of 2023.

Net Sales Performance by Distribution Channel

Table 5: Net Sales by Distribution Channel

Distribution Channel	**Three months ended March 31, 2024 US$ millions**	Three months ended March 31, 2023 US$ millions	Percentage increase (decrease) 2024 vs. 2023	Percentage increase (decrease) 2024 vs. 2023 excl. foreign currency effects[1]
Wholesale	**540.0**	543.9	(0.7)%	2.1%
DTC	**319.1**	307.9	3.7%	7.6%
Other[14]	**0.5**	0.4	37.0%	37.0%
Net sales	**859.6**	852.1	0.9%	4.1%

The Group's wholesale net sales decreased by US$3.9 million but increased by 2.1%[1] on a constant currency basis to US$540.0 million (representing 62.8% of net sales) for the three months ended March 31, 2024, compared to US$543.9 million (representing 63.8% of net sales) for the first quarter of 2023.

During the three months ended March 31, 2024, the Group's net sales in the DTC channel, which includes company-operated brick-and-mortar retail stores and e-commerce sites operated by the Group, increased by 7.6%[1] to US$319.1 million (representing 37.1% of net sales) from US$307.9 million (representing 36.1% of net sales) in the first quarter of 2023. The Group's DTC retail net sales increased by 6.4%[1] year-on-year to US$232.1 million (representing 27.0% of net sales) during the first quarter of 2024, compared to US$226.6 million (representing 26.6% of net sales) during the first quarter of 2023. Meanwhile, DTC e-commerce net sales increased by 11.0%[1] to US$87.0 million (representing 10.1% of net sales) during the first quarter of 2024, compared to US$81.2 million (representing 9.5% of net sales) during the first quarter of 2023.

During the three months ended March 31, 2024, the Group opened 14 net new company-operated retail stores, compared to a net increase of 4 company-operated retail stores during first quarter of 2023. The total number of company-operated retail stores was 1,066 as of March 31, 2024, compared to 1,052 as of December 31, 2023, and 989 as of March 31, 2023.

Gross Profit

The Group's gross profit increased by US$24.9 million, or 5.0% (+9.1%[1] constant currency), to US$519.5 million for the three months ended March 31, 2024, from US$494.5 million in the first quarter of 2023. Gross profit margin expanded to 60.4% for the first quarter of 2024, an increase of 240 basis points year-on-year. The increase in gross profit margin was driven mainly by year-on-year gross profit margin improvements in all regions and because Asia, the region with the highest gross profit margin, increased its share of net sales to 39.6% in the first quarter of 2024 from 38.6% in first quarter of 2023. This increase in gross profit margin was also driven by an increased proportion of total net sales attributable to the DTC channel to 37.1% in the first quarter of 2024 from 36.1% in first quarter of 2023, and continued discipline with promotional discounts.

Investment in Marketing

The Group increased marketing activities as planned, spending US$52.8 million during the three months ended March 31, 2024, an increase of US$2.8 million, or 5.6%, compared to US$50.0 million in the first quarter of 2023. As a percentage of net sales, marketing expenses increased by 20 basis points to 6.1% of net sales in the first quarter of 2024 from 5.9% in the first quarter of 2023.

Distribution Expenses

Distribution expenses increased by US$22.9 million, or 9.8%, to US$257.6 million (representing 30.0% of net sales) for the three months ended March 31, 2024, from US$234.7 million (representing 27.5% of net sales) for the three months ended March 31, 2023. The increase in distribution expenses as a percentage of net sales was partly due to the first quarter of 2023 having many company-operated retail stores still operating with reduced staff and temporary rental concessions, both of which have normalized by the end of 2023, and 77 net new company-operated retail stores opened since March 31, 2023 (including 14 net new company-operated retail stores opened during the first quarter of 2024). The Group remains focused on managing its distribution expenses to drive operating leverage.

General and Administrative Expenses

General and administrative expenses decreased by US$4.3 million, or 6.6%, to US$59.9 million (representing 7.0% of net sales) for the three months ended March 31, 2024, from US$64.1 million (representing 7.5% of net sales) for the first quarter of 2023. The decrease in general and administrative expenses as a percentage of net sales reflects the continued disciplined expense management as well as an increase in net sales year-on-year.

Operating Profit

The Group reported an operating profit of US$149.8 million for the three months ended March 31, 2024, an increase of US$5.1 million, or 3.5% (+9.3%[1] constant currency), compared to the US$144.7 million for the first quarter of 2023.

Net Finance Costs and Income Tax Expense

Net finance costs decreased by US$8.2 million, or 21.4%, to US$30.1 million for the three months ended March 31, 2024, from US$38.3 million for the three months ended March 31, 2023. This reduction was primarily attributable to a decrease in the non-cash charge associated with redeemable non-controlling interest put options of US$3.5 million year-on-year, a US$3.4 million decrease in net foreign exchange losses year-on-year, and a US$2.1 million, or 8.4%, decrease in interest expense on loans and borrowings to US$23.4 million for the three months ended March 31, 2024, from US$25.5 million in the first quarter of 2023 as the Group continued to repay its borrowings under its senior credit facilities. Total loans and borrowings were US$1,824.5 million as of March 31, 2024, compared to US$2,010.7 million as of March 31, 2023.

The above decreases were partially offset by an increase in interest expense on lease liabilities of US$2.2 million year-on-year mainly due to the total number of company-operated retail stores increasing to 1,066 as of March 31, 2024, compared to 989 as of March 31, 2023.

The Group recorded income tax expense of US$29.1 million for the three months ended March 31, 2024, compared to income tax expense of US$22.5 million for the three months ended March 31, 2023. The Group's consolidated effective tax rate for operations was 24.4% and 21.1% for the three months ended March 31, 2024, and March 31, 2023, respectively, due to improved profitability, year-on-year.

Profit Attributable to the Equity Holders

The Group recorded profit attributable to the equity holders of US$82.9 million for the three months ended March 31, 2024, an increase of US$9.1 million, or 12.3% (+18.8%[1] constant currency), compared to US$73.8 million for the first quarter of 2023.

Adjusted EBITDA and Adjusted Net Income

For the three months ended March 31, 2024, the Group recorded Adjusted EBITDA[5] of US$161.2 million, an increase of US$4.8 million, or 3.1% (+8.5%[1] constant currency), compared to US$156.4 million in the first quarter of 2023. Adjusted EBITDA margin[2] was 18.8% for the first quarter of 2024, an increase of 40 basis points year-on-year.

The increase in the Group's Adjusted EBITDA margin[2] was driven primarily by a 240-basis point year-on-year increase in the Group's gross profit margin to 60.4% for the first quarter of 2024. This increase was partially offset by a 20-basis point year-on-year increase in marketing expenses to 6.1% of net sales in the first quarter of 2024, and a 140-basis point year-on-year increase in fixed SG&A expenses as a percentage of net sales.

The Group's fixed SG&A expenses increased by US$13.3 million to US$213.6 million for the three months ended March 31, 2024, compared to US$200.3 million for the first quarter of 2023. The increase in fixed SG&A expenses year-on-year was partly due to the first quarter of 2023 having many company-operated retail stores still operating with reduced staff and temporary rental concessions, both of which have normalized by the end of 2023, and 77 net new company-operated retail stores opened since March 31, 2023. However, fixed SG&A expenses in the first quarter of 2024 remained relatively flat compared to the US$213.0 million in the fourth quarter of 2023, despite the 14 net new company-operated retail stores opened in the first quarter of 2024, reflecting the Group's ongoing discipline on expense management. As a result, the Group's fixed SG&A expenses, expressed as a percentage of net sales, increased by 140 basis points to 24.9% in the first quarter of 2024 compared to 23.5% for the first quarter of 2023, but 480 basis points below the 29.7% for first quarter of 2019. The Group remains focused on managing its fixed SG&A expenses to drive operating leverage.

Adjusted Net Income[6] was US$87.1 million for the three months ended March 31, 2024, an increase of US$5.9 million, or 7.2% (+13.1%[1] constant currency), compared to US$81.2 million for the first quarter of 2023. The year-on-year increase in Adjusted EBITDA[5] and Adjusted Net Income[6] was primarily due to improved net sales and gross profit margin.

Working Capital

The Group continued to optimize its working capital, particularly inventories, to support net sales growth. At US$667.9 million as of March 31, 2024, inventories were US$28.0 million lower than the US$695.9 million as of December 31, 2023, and US$32.9 million lower than US$700.8 million as of March 31, 2023, as the Group gradually reduced inventories with continued solid net sales growth and tapering product purchases, while maintaining a healthy level of inventories to meet ongoing growth in demand.

Trade and other receivables increased by US$15.4 million to US$335.0 million compared to US$319.6 million at the end of 2023. Meanwhile, accounts payable decreased by US$57.4 million to US$443.0 million as of March 31, 2024, from US$500.4 million at the end of 2023. As a result, net working capital was US$559.9 million as of March 31, 2024, an increase of US$44.8 million from US$515.1 million as of December 31, 2023. Net working capital efficiency[15] was 16.2% as of March 31, 2024, compared to 14.0% as of December 31, 2023, and the Group will continue to carefully manage its working capital for the remainder of 2024.

Total Capital Expenditures

As the business continues to grow, the Group is prudently increasing its spending on total capital expenditures toward retail expansion in key markets and refreshing its company-operated retail store fleet. During the three months ended March 31, 2024, the Group selectively opened 23 new company-operated retail stores, principally in Asia. In comparison, the Group opened 11 new company-operated retail stores in the first quarter of 2023. As a result, the Group's total capital expenditures were US$13.2 million[16] during the first quarter of 2024, an increase of US$3.5 million compared to the US$9.7 million[16] spent in the first quarter of 2023. The Group intends to continue to increase spending on total capital expenditures during the rest of 2024 to expand and upgrade its company-operated retail store fleet and to invest in core strategic functions to support continued net sales growth.

Balance Sheet and Free Cash Flow

The Group continued to focus on cash management and debt reduction. With robust profit and prudent cash and working capital management, Samsonite generated Free Cash Flow[3] of US$6.5 million during the three months ended March 31, 2024, an improvement of US$67.9 million year-on-year, driven by positive changes in working capital and an increase in Adjusted Net Income[6]. This helped the Group to improve its net debt position to US$1,079.9 million[17] as of March 31, 2024, compared to a net debt position of US$1,107.4 million[17] as of December 31, 2023. The Group continued to maintain substantial liquidity of US$1,589.8 million[8] as of March 31, 2024, compared to US$1,562.0 million[8] at the end of 2023.

The reduction in net debt, together with the strong growth in Adjusted EBITDA[5], enabled the Group to further lower its net leverage ratio[4] to 1.48x as of March 31, 2024, compared to 1.53x as of December 31, 2023, the lowest level since the acquisition of Tumi in 2016.

On April 12, 2024, the Company refinanced its term loan B facility to further enhance its financial flexibility. The Company borrowed US$100.0 million from its revolving credit facility and used the proceeds to reduce the principal amount of the term loan B facility by US$95.5 million. The principal amount of the borrowings under the 2024 term loan B facility after refinancing is US$500.0 million, and the applicable margin used to calculate the interest rate payable on the refinanced term loan B facility was reduced by 75 basis points from the applicable margin under the prior term loan B facility. The refinancing is expected to reduce the Company's annual cash interest payments in the first full year following the refinancing by approximately US$4.9 million.

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

Date:	Tuesday, May 14, 2024
Time:	09:00 New York / 14:00 London / 21:00 Hong Kong
Webcast Link:	http://webcast.live.wisdomir.com/samsonite_24q1/index_en.php
Dial-in Details:	https://corporate.samsonite.com/on/demandware.static/-/Sites-InvestorRelations-Library/default/dw3cf96771/PDF/press-release/2024/E_Samsonite_1Q2024%20Results%20Date%20&%20Conference%20Call%20(FINAL%202024-04-30).pdf

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About Samsonite

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

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Notes

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

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

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

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

5 Adjusted EBITDA, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. The Group believes these measures provide additional information that is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business.

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

7 On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine, and the Group subsequently completed the disposition of its Russian operations on July 1, 2022. As such, when comparing the Group's net sales for the three months ended March 31, 2023, and the year ended December 31, 2023, with its net sales for the three months ended March 31,

2022, and the year ended December 31, 2022, net sales of the Group's former Russian operations in the respective quarter/year-to-date periods under comparison are excluded.

[8] 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 March 31, 2024, the Group had total liquidity of US$1,589.8 million, comprising cash and cash equivalents of US$744.5 million and US$845.3 million available to be borrowed on the Group's revolving credit facility. In comparison, as of December 31, 2023, the Group had total liquidity of US$1,562.0 million, comprising cash and cash equivalents of US$716.6 million and US$845.4 million available to be borrowed on the Group's revolving credit facility.

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

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

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

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

[13] The non-travel product category includes business, casual, accessories and other products.

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

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

[16] For the three months ended March 31, 2024, the Group spent US$12.5 million for the purchase of property, plant and equipment and US$0.7 million for software purchases. In comparison, for the three months ended March 31, 2023, the Group spent US$7.4 million for the purchase of property, plant and equipment and US$2.3 million for software purchases.

[17] As of March 31, 2024, the Group had US$744.5 million in cash and cash equivalents and outstanding financial debt of US$1,824.5 million (excluding deferred financing costs of US$16.2 million), resulting in a net debt position of US$1,079.9 million. In comparison, as of December 31, 2023, the Group had US$716.6 million in cash and cash equivalents and outstanding financial debt of US$1,824.0 million (excluding deferred financing costs of US$17.0 million), resulting in a net debt position of US$1,107.4 million.

Non-IFRS Measures

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

Forward-looking Statements

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

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

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

Rounding

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