Samsonite International S.A. Announces Results for the Six Months Ended June 30, 2022

HONG KONG, August 17, 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 announced its unaudited consolidated financial results for the six months ended June 30, 2022.

In this press release, certain financial results for the six months ended June 30, 2022 are compared to both the six months ended June 30, 2021 and the six months ended June 30, 2019. Comparisons to the first half of 2019 are provided because it is the most recently ended comparable quarter 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 Samsonite's performance in the first half of 2022, particularly during the second quarter. For the three months ended June 30, 2022, the Group registered consolidated net sales of US$696.5 million, up by US$122.9 million compared to the US$573.6 million recorded in the first quarter of 2022. Second quarter 2022 net sales increased by US$251.7 million, or 66.4%[1], versus the US$444.8 million recorded for the second quarter of 2021. Excluding Russia[2] and Speck[3], second quarter 2022 net sales increased by 75.6%[1] year-on-year, reflecting the continued recovery of our business driven by increased demand for travel. Further excluding China, where recovery has been impeded by renewed lockdowns, second quarter 2022 net sales increased by 96.2%[1] year-on-year. All our regions made good progress, with second quarter 2022 net sales rising by 39.7%[1] (+50.5%[1] excluding Speck[3]) in North America, 46.3%[1] (+108.1%[1] excluding China) in Asia, 152.8%[1] (+187.9%[1] excluding Russia[2]) in Europe and 150.1%[1] in Latin America."

Compared to the corresponding periods in 2019 and excluding the net sales of Russia[2] and Speck[3], second quarter 2022 net sales decreased by 16.1%[1], demonstrating incremental improvement versus the 25.2%[1] decline during the first quarter of 2022 and the 28.0%[1] decline during the fourth quarter of 2021. Further excluding the net sales in China, the Group's second quarter 2022 net sales decreased by only 11.6%[1] when compared to the second quarter of 2019.

Samsonite's positive net sales trend continued into the third quarter of 2022, with the reduction in the Group's net sales for July 2022 compared to July 2019 improving to 8.7%[1] when excluding the net sales of Russia[2] and Speck[3], and to 5.7%[1] when further excluding the net sales in China.

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1 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.

2 On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine. At June 30, 2022, the Group had executed a definitive agreement for the disposition of its Russian operations, which disposition was completed on July 1, 2022. For comparison purposes, net sales exclude the net sales of the Group's former Russian operations for the second quarters of 2022, 2021 and 2019.

3 On July 30, 2021, a wholly-owned subsidiary of the Company sold Speculative Product Design, LLC ("Speck"), including the *Speck* brand. For comparison purposes, net sales exclude the net sales of Speck for January through June 2021 and January through June 2019.

"Samsonite's gross margin improved to 56.5% for the three months ended June 30, 2022, up from 54.7% in the first quarter of 2022. Second quarter 2022 gross margin increased by 410 basis points year-on-year, and by 110 basis points from the same period in 2019. As a result, our Adjusted EBITDA[4] and Adjusted EBITDA margin[5] expanded from US$73.2 million and 12.8%, respectively, in the first quarter of 2022 to US$122.4 million and 17.6%, respectively, in the second quarter of 2022. This is a significant increase from the 2.6% Adjusted EBITDA margin[5] for the second quarter of 2021, and 370 basis points higher compared to the 13.9% Adjusted EBITDA margin[5] for the second quarter of 2019. In addition, driven by the increase in Adjusted EBITDA[4], Samsonite generated total cash[6] of US$31.9 million during the second quarter of 2022, a considerable improvement from total cash burn[6] of US$58.5 million in the first quarter of 2022."

Overall, Samsonite recorded net sales of US$1,270.2 million for the six months ended June 30, 2022, an increase of 75.3%[1] year-on-year when excluding net sales of Russia[2] and Speck[3], or 66.9%[1] year-on-year when such sales are included. When compared to the first half of 2019, the Group's first half 2022 net sales decreased by 20.4%[1] when excluding net sales of Russia[2] and Speck[3], or 23.5%[1] when such sales are included. Further excluding the net sales of China for the second quarters of 2022 and 2019, consolidated net sales for the six months ended June 30, 2022 decreased by 18.4%[1] compared to the same period in 2019.

During the six months ended June 30, 2022, the Group's net sales registered year-on-year gains of 51.4%[1] (+66.2%[1] when excluding Speck[3]) in North America, 34.0%[1] (+53.9%[1] when excluding the net sales of China for the second quarters of 2022 and 2021) in Asia, 159.5%[1] (+180.1%[1] when excluding Russia[2]) in Europe, and 151.1%[1] in Latin America. Compared to the first half of 2019, first half 2022 net sales decreased by 25.3%[1] (-19.1%[1] when excluding Speck[3]) in North America, 36.4%[1] (-32.9%[1] when excluding the net sales of China for the second quarters of 2022 and 2019) in Asia and 10.4%[1] (-5.7%[1] when excluding Russia[2]) in Europe. First half 2022 net sales in Latin America increased by 31.3%[1] when compared to the same period in 2019.

During the six months ended June 30, 2022, net sales of the Group's core brands *Samsonite*, *Tumi* and *American Tourister* increased by 84.2%[1], 50.6%[1] and 91.7%[1] year-on-year, respectively. Compared to the first half of 2019, net sales of *Samsonite* experienced the strongest recovery, with first half 2022 net sales coming in 16.9%[1] lower, while net sales of *Tumi* and *American Tourister* decreased by 20.3%[1] and 22.5%[1], respectively.

The Group's first half 2022 gross profit margin expanded to 55.7%, an increase of 490 basis points compared to the 50.8% for the first half of 2021, and about even with the 56.0% registered in the first half of 2019, despite increased product, freight and duty costs during the first half of 2022.

Mr. Gendreau remarked, "We judiciously increased our marketing spend to drive net sales growth, while remaining vigilant in managing our fixed selling, general and administrative ("SG&A") expenses. Although marketing expenses increased by US$29.0 million, or 101.3%, year-on-year, to US$57.7 million for the six months ended June 30, 2022, they decreased by US$45.4 million, or 44.0%, compared to the first half of 2019. Marketing expenses made up 4.5% of net sales in the first half of 2022, compared to 3.6% during the first half of 2021 and 5.9% during the first half of 2019. Meanwhile, fixed SG&A expenses as a percentage of net sales were 26.2% for

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4 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.

5 Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.

6 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.

the first half of 2022, compared to 37.5% and 28.2% for the first half of 2021 and 2019, respectively, reflecting the savings from our comprehensive cost reduction program implemented in 2020 and 2021, and our ongoing attention to controlling expenses as sales recovered. Consequently, Samsonite's Adjusted EBITDA margin[5] expanded to 15.4% for the first half of 2022, a significant improvement not only compared to (2.1%) for the same period in 2021, but also 320 basis points higher than the 12.2% for the first half of 2019."

For the six months ended June 30, 2022, the Group recorded Adjusted EBITDA[4] of US$195.6 million, an improvement of US$212.6 million compared to the Adjusted EBITDA loss[4] of US$17.0 million in the first half of 2021. Adjusted Net Income[7] was US$83.3 million for the six months ended June 30, 2022, compared to an Adjusted Net Loss[7] of US$103.7 million for the same period in 2021.

Mr. Gendreau continued, "We continued to increase investment in working capital, particularly inventories, to meet the ongoing recovery in consumer demand. As a result, inventories amounted to US$468.8 million as of June 30, 2022, up by US$120.4 million compared to US$348.4 million as of December 31, 2021. Nevertheless, the sustained improvement in Adjusted EBITDA[4], along with our consistent attention to cash flow management, enabled Samsonite to record total cash burn[6] of US$26.6 million during the six months ended June 30, 2022, an improvement of US$65.3 million compared to total cash burn[6] of US$91.9 million in the first half of 2021. We repaid US$220.8 million of outstanding borrowings during the first half of 2022, while maintaining substantial liquidity of US$1.4 billion[8] as of June 30, 2022 to support our continued recovery and to invest for long-term growth."

"The team is incredibly energized by our strong performance during the first half of 2022, and we will continue to execute our recovery plan to achieve further top-line growth and margin expansion. First, we continue to focus on product innovation, ensuring that we are well positioned with exciting new products across all our brands and markets, and working closely with our suppliers to build inventories to meet consumer demand. We also plan to further increase marketing spend, both in absolute dollar terms and as a percentage of net sales, during the second half of 2022 and into 2023 to capitalize on the continued recovery in travel and drive net sales growth."

"We remain focused on sustaining our gross margin through reduced discounting and 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."

Mr. Gendreau concluded, "After more than two years of disruptions caused by the COVID-19 pandemic, consumers not only have a strong desire to get away but also a greater appreciation of the joys travel can bring. Both domestic and overseas travel are experiencing a robust rebound in North America and Europe this summer, and with Asian countries loosening restrictions and reopening borders, we expect global travel to continue to recover, powering our net sales growth. Indeed, the second quarter's positive net sales trends in North America, Europe, Latin America and Asia excluding China extended into July, while net sales in China have been gradually

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[7] 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.

[8] As of June 30, 2022, the Group had total liquidity of US$1,400.2 million, comprising cash and cash equivalents of US$1,064.6 million and US$335.5 million available to be borrowed on the Group's amended 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 amended revolving credit facility.

recovering since April. We are confident that our diverse geographic footprint, complementary brands, and commitment to sustainability and innovation will help strengthen Samsonite's long-term market position as travel returns to pre-pandemic levels."

Table 1: Key Financial Highlights for the Six Months Ended June 30, 2022

US$ millions, except per share data	**Six months ended June 30, 2022**	Six months ended June 30, 2021	Percentage increase (decrease) 2022 vs. 2021	Percentage increase (decrease) 2022 vs. 2021 excl. foreign currency effects[1]
Net sales	**1,270.2**	799.5	58.9%	66.9%
Operating profit (loss)[9]	**159.9**	(86.4)	*nm*	*nm*
Operating profit (loss) excluding impairment charges and restructuring charges[9, 10]	**173.2**	(50.2)	*nm*	*nm*
Profit (loss) attributable to the equity holders[9]	**56.3**	(142.5)	*nm*	*nm*
Adjusted Net Income (Loss)[7]	**83.3**	(103.7)	*nm*	*nm*
Adjusted EBITDA[4]	**195.6**	(17.0)	*nm*	*nm*
Adjusted EBITDA Margin[5]	**15.4%**	(2.1)%	*nm*	*nm*
Basic and diluted earnings (loss) per share – US$ per share	**0.039**	(0.099)	*nm*	*nm*
Adjusted basic and diluted earnings (loss) per share[11] – US$ per share	**0.058**	(0.072)	*nm*	*nm*

9 Results for the six months ended June 30, 2022 included total restructuring charges of US$1.4 million and total non-cash impairment charges of US$11.9 million. Results for the six months ended June 30, 2021 included total restructuring charges of US$6.0 million and total non-cash impairment charges of US$30.2 million.

10 Operating profit (loss) excluding total non-cash impairment charges and total restructuring charges is a non-IFRS measure and as calculated herein may not be comparable to similarly named measures used by other companies, and should not be considered comparable to operating profit (loss) for the period in the Group's consolidated statements of income (loss).

11 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 six months ended June 30, 2022 is discussed in greater detail below.

Net Sales

For the six months ended June 30, 2022, the Group recorded net sales of US$1,270.2 million, an increase of 66.9%[1] compared to the US$799.5 million recorded in the first half of 2021. When excluding the net sales of Russia[2] and Speck[3], the Group's net sales increased by US$507.7 million, or 75.3%[1] year-on-year, during the first half of 2022. Further excluding the net sales of China for the second quarters of 2022 and 2021, first half 2022 net sales increased by US$537.6 million, or 85.8%[1] compared to the same period in the previous year. Compared to the same period of 2019, the Group's net sales for the six months ended June 30, 2022 decreased by 20.4%[1] when excluding the net sales of Russia[2] and Speck[3].

The Group's net sales continued to improve during the first half of 2022, despite the reinstatement of travel restrictions and social distancing measures in certain markets in Asia, particularly in China, during the second quarter. For the three months ended June 30, 2022, the Group recorded a net sales decline of 16.1%[1] when compared to the second quarter of 2019 and excluding the net sales of Russia[2] and Speck[3]. This represents a sequential improvement from the first quarter of 2022, when the Group's net sales decline compared to the first quarter of 2019 was 25.2%[1] when excluding the net sales of Speck[3]. Further excluding the net sales in China, the Group's second quarter 2022 net sales decreased by only 11.6%[1] compared to the second quarter of 2019.

Samsonite's positive sales trend continued into the third quarter of 2022, with the reduction in the Group's net sales for July 2022 compared to July 2019 improving to 8.7%[1] when excluding the net sales of Russia[2] and Speck[3], and to 5.7%[1] when further excluding the net sales in China.

Net Sales Performance by Region

North America

For the six months ended June 30, 2022, the Group recorded net sales of US$489.8 million in North America, an increase of 51.4%[1] (+66.2%[1] when excluding Speck[3]) year-on-year. The Group's net sales in the United States increased by 47.7% (+62.4% when excluding Speck[3]) year-on-year. The Group's net sales in Canada increased by 209.9%[1] year-on-year. Compared to the first half of 2019, the Group's net sales for the six months ended June 30, 2022 in North America decreased by 19.1%[1] when excluding the net sales of Speck[3].

The Group's net sales recovery in North America accelerated during the second quarter of 2022 after a temporary slowdown in the first quarter due to slower stock replenishment as a result of shipping delays. Compared to the corresponding period in 2019 and excluding the net sales of Speck[3], net sales for the three months ended June 30, 2022, decreased by 17.0%[1] versus a reduction of 21.6%[1] during the first quarter of 2022.

The Group's positive net sales trend in North America continued into the third quarter of 2022, with the reduction in net sales for July 2022 (when compared to July 2019 and excluding the net sales of Speck[3]) further improving to 12.1%[1].

Asia

For the six months ended June 30, 2022, the Group recorded net sales of US$393.3 million in Asia, an increase of 34.0%[1] compared to the same period in 2021, driven by year-on-year net sales increases of 109.1%[1] in India, 151.6%[1] in Australia, 43.1%[1] in South Korea, 39.8%[1] in Japan and 5.4%[1] in Hong Kong[12], partially offset by a year-on-year net sales reduction of 31.7%[1] in China due to renewed lockdowns and continued restrictions on travel

[12] 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.

during the second quarter of 2022. When excluding the net sales of China for the second quarters of 2022 and 2021, first half 2022 net sales in Asia increased by 53.9%[1] year-on-year. Compared to the first half of 2019, the Group's net sales for the six months ended June 30, 2022 in Asia decreased by 36.4%[1] (-32.9%[1] when excluding the net sales of China for the second quarters of 2022 and 2019).

The Group's net sales recovery in Asia temporarily slowed during the first quarter of 2022 due to the reinstatement of travel restrictions and social distancing measures in a number of markets in the region. Net sales performance gradually improved during the second quarter, with a sharp slowdown in China being offset by faster recovery elsewhere in Asia as governments relaxed travel and other restrictions. Compared to the second quarter of 2019, second quarter 2022 net sales decreased by 34.5%[1] (-26.2%[1] when excluding the net sales of China). In comparison, net sales for the first quarter of 2022 compared to the same period in 2019 decreased by 38.6%[1] in Asia.

The Group's positive net sales trend in Asia continued into the third quarter of 2022. With the gradual relaxation of travel and other restrictions in China and the continued rebound in travel in the rest of the Asia, the reduction in the region's net sales for July 2022 (when compared to July 2019) noticeably improved to 21.6%[1], and to 16.1%[1] when further excluding the net sales in China.

Europe

For the six months ended June 30, 2022, the Group recorded net sales of US$301.2 million in Europe, a significant increase of 159.5%[1] (+180.1%[1] when excluding Russia[2]) compared to the same period in 2021, driven by year-on-year net sales increases of 387.8%[1] in the United Kingdom[13], 163.4%[1] in Germany, 184.6%[1] in France, 204.3%[1] in Spain and 123.3%[1] in Italy. Compared to the first half of 2019, the Group's net sales for the six months ended June 30, 2022 in Europe decreased by 10.4%[1] (-5.7%[1] when excluding Russia[2]).

The Group suspended all commercial activities in Russia from the middle of March 2022 and disposed of its Russian operations on July 1, 2022. Net sales for the three months ended June 30, 2022 in Europe decreased by 0.5%[1] (+9.9%[1] when excluding Russia[2]) when compared to the second quarter of 2019. In comparison, net sales for the first quarter of 2022 decreased by 21.5%[1] when compared to the same period in 2019.

The Group's positive net sales trend in Europe continued into the third quarter of 2022, with net sales for July 2022 (when compared to July 2019 and excluding Russia[2]) increasing by 8.3%[1].

Latin America

For the six months ended June 30, 2022, the Group recorded net sales of US$85.0 million in Latin America, an increase of 151.1%[1] compared to the same period in 2021, driven by year-on-year net sales increases of 121.4%[1] in Chile, 122.1%[1] in Mexico, and 177.4%[1] in Brazil. Compared to the first half of 2019, the Group's net sales for the six months ended June 30, 2022 in Latin America increased by 31.3%[1].

Samsonite's net sales in Latin America for the second quarter of 2022 increased by 34.6%[1] compared to the same period in 2019, a further improvement relative to the 28.7%[1] increase recorded in the first quarter of 2022 when compared to the corresponding period in 2019.

The Group's positive net sales trend in Latin America continued into the third quarter of 2022, with net sales for July 2022 (when compared to July 2019) increasing by 32.5%[1].

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

Table 2: Net Sales by Region

Region[14]	**Six months ended June 30, 2022 US$ millions**	Six months ended June 30, 2021 US$ millions	Percentage increase (decrease) 2022 vs. 2021	Percentage increase (decrease) 2022 vs. 2021 excl. foreign currency effects[1]
North America	**489.8**	323.8	51.3%	51.4%
Asia	**393.3**	307.8	27.8%	34.0%
Europe	**301.2**	131.2	129.7%	159.5%
Latin America	**85.0**	36.1	135.2%	151.1%

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, particularly North America and Europe.

For the six months ended June 30, 2022, net sales of the *Samsonite* brand increased by US$264.1 million, or 84.2%[1], year-on-year, mainly driven by Europe (up by US$116.4 million, or 172.7%[1]) and North America (up by US$96.6 million, or 73.4%[1]), with Asia (up by US$29.0 million, or 28.3%[1]) and Latin America (up by US$22.1 million, or 188.8%[1]) also experiencing strong recovery.

Net sales of the *Tumi* brand increased by US$89.8 million, or 50.6%[1], year-on-year, during the first half of 2022, primarily driven by North America (up by US$74.8 million, or 73.4%[1]), largely due to the strong recovery in the Group's company-operated full price retail stores and DTC e-commerce sales. Europe (up by US$12.1 million, or 105.8%[1]), and Latin America (up by US$1.0 million, or 55.2%[1]) also recorded strong year-on-year net sales gains, while Asia (up by US$1.9 million, or 8.1%[1]) experienced more moderate growth due to a slowdown in China.

Net sales of the *American Tourister* brand increased by US$106.0 million, or 91.7%[1] year-on-year, during the first half of 2022, mainly driven by North America (up by US$19.8 million, or 61.7%[1]) and Europe (up by US$37.2 million, or 210.3%[1]), with Asia (up by US$40.9 million, or 64.2%[1]) and Latin America (up by US$8.1 million, or 185.4%[1]) also seeing strong growth.

As travel continued to rebound, net sales in the travel product category increased by 101.4%[1] year-on-year and accounted for 64.1% of total net sales in the first half of 2022, up from 53.0% of total net sales in the first half of 2021. Total non-travel[15] category net sales increased by 28.1%[1] year-on-year and accounted for 35.9% of total net sales in the first half of 2022, compared to 47.0% of total net sales in the first half of 2021. Excluding the non-travel net sales of Speck[3] for the first half of 2021, non-travel net sales increased by 38.7%[1] year-on-year during the first half of 2022.

[14] 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.

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

Table 3: Net Sales by Brand

Brand	**Six months ended June 30, 2022 US$ millions**	Six months ended June 30, 2021 US$ millions	Percentage increase (decrease) 2022 vs. 2021	Percentage increase (decrease) 2022 vs. 2021 excl. foreign currency effects[1]
Samsonite	**620.0**	355.9	74.2%	84.2%
Tumi	**283.5**	193.7	46.3%	50.6%
American Tourister	**234.5**	128.5	82.5%	91.7%
Gregory	**34.9**	32.7	6.6%	12.8%
Speck[3]	**—**	28.8	(100.0)%	(100.0)%
Other[16]	**97.3**	60.0	62.3%	74.1%

Table 4: Net Sales by Product Category

Product Category	**Six months ended June 30, 2022 US$ millions**	Six months ended June 30, 2021 US$ millions	Percentage increase (decrease) 2022 vs. 2021	Percentage increase (decrease) 2022 vs. 2021 excl. foreign currency effects[1]
Travel	**814.3**	423.4	92.3%	101.4%
Non-travel[15]	**455.8**	376.1	21.2%	28.1%

Performance by Distribution Channel

The Group's wholesale net sales increased by 64.9%[1] to US$812.3 million (representing 63.9% of net sales) for the six months June 30, 2022 from US$516.5 million (representing 64.6% of net sales) in the first half of 2021. Net sales to e-retailers, which are included in the Group's wholesale channel, increased by 53.6%[1] during the first half of 2022 compared to the same period in 2021.

During the six months ended June 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 70.7%[1] to US$456.9 million (representing 36.0% of net sales) from US$282.4 million (representing 35.3% of net sales) in the first half of 2021. The Group's DTC retail net sales increased by 89.9%[1] year-on-year to US$335.8 million and comprised 26.4% of first half 2022 net sales, compared to 23.4% of net sales during the first half 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 first half of 2021 due to COVID-19. Meanwhile, DTC e-commerce net sales increased by 32.8%[1] to US$121.1 million and represented 9.5% of first half 2022 net sales, compared to 11.9% of net sales during the first half of 2021.

During the six months ended June 30, 2022, the Group permanently closed 61 company-operated retail stores (of which 37 were located in Russia), partially offset by the addition of 19 new company-operated retail stores, resulting in a net reduction of 42 company-operated retail stores during the first half of 2022, compared to a net reduction of 69 company-operated retail stores during first half of 2021. The total number of company-operated retail stores was 963 as of June 30, 2022, compared to 1,027 company-operated retail stores as of June 30, 2021, and 1,278 as of June 30, 2019.

[16] Other includes certain other brands owned by the Group, such as *High Sierra*, *Kamiliant*, *ebags*, *Xtrem*, *Lipault*, *Hartmann*, *Saxoline* and *Secret*, as well as third party brands sold through the Rolling Luggage and Chic Accent retail stores.

During the six months ended June 30, 2022, US$228.8 million, or 18.0%, of the Group's net sales were through e-commerce channels (comprising US$121.1 million of net sales from the Group's DTC e-commerce website, which are included within the DTC channel, and US$107.7 million of net sales to e-retailers, which are included within the wholesale channel). This represented a 41.8%[1] increase compared to the first half of 2021, when e-commerce comprised US$168.4 million, or 21.1%, of the Group's net sales. The year-on-year decrease in net sales through e-commerce channels as a percentage of total net sales is primarily due to governments relaxing social-distancing restrictions and markets around the world reopening, which has led many customers to shop in person again rather than online. However, at 18.0%, e-commerce's share of total net sales for the first half of 2022 was higher compared to the 15.2% for the same period in 2019.

Table 5: Net Sales by Distribution Channel

Distribution Channel	**Six months ended June 30, 2022 US$ millions**	Six months ended June 30, 2021 US$ millions	Percentage increase (decrease) 2022 vs. 2021	Percentage increase (decrease) 2022 vs. 2021 excl. foreign currency effects[1]
Wholesale				
Wholesale	**704.6**	443.3	58.9%	66.8%
E-retailers	**107.7**	73.2	47.3%	53.6%
Total Wholesale	**812.3**	516.5	57.3%	64.9%
DTC				
Retail	**335.8**	187.2	79.4%	89.9%
DTC e-commerce	**121.1**	95.2	27.1%	32.8%
Total DTC	**456.9**	282.4	61.8%	70.7%

Gross Profit

The Group's gross profit increased by US$301.6 million, or 74.3%, to US$707.4 million for the six months ended June 30, 2022, from US$405.8 million for the first half of 2021. Gross profit margin increased by 490 basis points to 55.7% for the first half of 2022 from 50.8% for the same period in 2021. The year-on-year increase in gross profit margin was driven by increased net sales, price increases on the Group's products implemented during the latter part of 2021 and the first half of 2022 in order to mitigate increased product, freight and duty costs and lower promotional discounts. The improvement in gross profit margin was tempered by the non-renewal of the Generalized System of Preferences program in the United States ("GSP") in December 2020, which has resulted in increased duty costs on goods imported to the United States from countries that were beneficiaries of GSP. The devaluation of many currencies to the US Dollar also had a negative impact on gross profit margin.

The Group's first half 2022 gross profit margin was only 30 basis points below the 56.0% recorded for the same period in 2019, despite the effects of fixed sourcing and manufacturing expenses on a lower net sales base, higher freight and raw material costs, and increased duty costs in the United States as a result of the non-renewal of the GSP.

Operating Profit (Loss)

The Group spent US$57.7 million on marketing during the six months ended June 30, 2022, an increase of US$29.0 million, or 101.3%, compared to US$28.7 million in the first half of 2021, but a reduction of US$45.4 million, or 44.0%, compared to US$103.1 million in the corresponding period in 2019. Marketing expenses made up 4.5% of net sales for the first half of 2022, 90 basis points higher than the 3.6% for the first half of 2021, but 140 basis points lower than the 5.9% for the first half of 2019. The Group has selectively increased its advertising in markets where demand for travel is recovering more quickly, and plans to increase its investment in marketing during the balance of 2022 to drive net sales growth and capitalize on the continued recovery in travel.

The Group's fixed SG&A expenses amounted to US$332.9 million for the six months ended June 30, 2022, an increase of US$32.9 million compared to the first half of 2021 due to temporary cost savings rolling off, but a reduction of US$162.2 million compared to the first half of 2019 as 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 as a percentage of net sales was 26.2% for the first half of 2022, compared to 37.5% for the first half of 2021 and 28.2% for the first half of 2019, reflecting management's sustained focus on controlling expenses while sales continued to improve.

The Group recorded an operating profit of US$173.2 million for the six months ended June 30, 2022, when excluding the restructuring charges[9, 10] and non-cash impairment charges[9, 10] recognized during the period. In comparison, the Group incurred an operating loss of US$50.2 million for the six months ended June 30, 2021, when excluding the restructuring charges[9, 10] and non-cash impairment charges[9, 10] recognized during the first half of 2021. The Group reported an operating profit of US$159.9 million for the first half of 2022 compared to an operating loss of US$86.4 million for the same period in 2021.

Net Finance Costs and Income Tax (Expense) Benefit

Net finance costs decreased by US$40.2 million, or 39.3%, to US$62.2 million for the six months ended June 30, 2022, from US$102.4 million for the six months ended June 30, 2021. This decrease was primarily attributable to the non-recurrence of the US$30.1 million loss on extinguishment in the first half of 2021 upon the closing of the borrowing under the 2021 Incremental Term Loan B Facility. In addition, interest expense on loans and borrowings decreased by US$12.6 million following debt repayments during 2021 and the first half of 2022 (including prepayments of US$370.0 million of outstanding borrowings under the Amended Senior Credit Facilities during 2021 and US$200.0 million of prepayments during the first half of 2022), partially offset by an increase in redeemable non-controlling interest put option expenses of US$7.1 million year-on-year due to improved financial performance of the Group's subsidiaries with non-controlling interests that are subject to put options.

The Group recorded income tax expense of US$29.2 million for the six months ended June 30, 2022, compared to an income tax benefit of US$46.6 million for the six months ended June 30, 2021.

Profit (Loss) Attributable to Equity Holders

The Group recorded profit attributable to the equity holders of US$68.4 million during the six months ended June 30, 2022, when excluding the non-cash impairment charges[9] and restructuring charges[9] recognized during the period, both of which are net of the related tax impact. In comparison, the Group incurred a loss attributable to the equity holders of US$115.1 million when excluding the non-cash impairment charges[9], restructuring charges[9] and charges associated with the debt amendments, all of which are net of the related tax impact, and the tax benefit associated with a legal entity reorganization recognized during the first half of 2021. The Group recorded profit attributable to the equity holders of US$56.3 million for the six months ended June 30, 2022, compared to a loss attributable to the equity holders of US$142.5 million for the first half of 2021.

Adjusted EBITDA and Adjusted Net Income (Loss)

For the six months ended June 30, 2022, the Group registered Adjusted EBITDA[4] of US$195.6 million, an improvement of US$212.6 million compared to the Adjusted EBITDA loss[4] of US$17.0 million in the first half of 2021. Adjusted EBITDA margin[5] was 15.4% for the first half of 2022 compared to (2.1%) for the same period in 2021 primarily due to improved net sales and gross profit along with the effects of actions taken by management to reduce the fixed cost structure of the business. First half 2022 Adjusted EBITDA[4] was US$17.9 million lower than the US$213.5 million recorded for the first half of 2019, while Adjusted EBITDA margin[5] was 320 basis points higher than the 12.2% for the first half of 2019.

The Group recorded an Adjusted Net Income[7] of US$83.3 million for the six months ended June 30, 2022, compared to an Adjusted Net Loss[7] of US$103.7 million for the first half of 2021, and Adjusted Net Income[7] of US$97.0 million in the first half of 2019.

Balance Sheet and Cash Flows

The Group increased its investment in working capital, particularly inventories, ahead of the important summer travel season and the second half of the year. As a result, inventories amounted to US$468.8 million as of June 30, 2022, up by US$120.4 million compared to US$348.4 million as of December 31, 2021. Net working capital was US$305.8 million as of June 30, 2022, an increase of US$106.1 million from US$199.7 million at the end of 2021.

The Group spent US$15.7 million[17] on capital expenditures and software purchases during the six months ended June 30, 2022, an increase of US$9.7 million compared to the US$6.0 million[17] spent in the first half of 2021. As net sales, profitability and cash flow continue to improve, the Group intends to continue to prudently and strategically increase investments in capital expenditures and software during the rest of 2022 to drive future long-term and sustainable growth.

During the six months ended June 30, 2022, the Group repaid US$220.8 million of outstanding borrowings under its amended senior credit facilities, consisting of US$200.0 million in prepayments and US$20.8 million in required quarterly amortization payments. As of June 30, 2022, the Group had a net debt position of US$1,477.9 million[18] and total liquidity of US$1,400.2 million[8], compared to a net debt position of US$1,477.2 million[18] and total liquidity of US$1,501.4 million[8] as of December 31, 2021.

2022 First Half Results – Conference Call for Analysts and Investors:

Date:	Wednesday, August 17, 2022
Time:	09:00 New York / 14:00 London / 21:00 Hong Kong
Webcast Link:	http://webcast.live.wisdomir.com/samsonite_22ir/index_en.php
Dial-in Details:	https://corporate.samsonite.com/on/demandware.static/-/Sites-InvestorRelations-Library/default/dw890b2890/PDF/press-release/2022/E_Samsonite_1H2022%20Results%20Date%20&%20Conference%20Call%20%20(FINAL%202022-08-01).pdf

– End –

[17] For the six months June 30, 2022, the Group spent US$12.6 million and US$3.1 million on capital expenditures and software purchases, respectively. In comparison, for the six months ended June 30, 2021, the Group spent US$4.6 million and US$1.4 million on capital expenditures and software purchases, respectively, and US$18.0 million and US$3.5 million, respectively, during the first half of 2020.

[18] As of June 30, 2022, the Group had cash and cash equivalents of US$1,064.6 million and outstanding financial debt of US$2,542.5 million (excluding deferred financing costs of US$10.0 million), resulting in a net debt position of US$1,477.9 million. In comparison, 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.

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*®, *Tumi*®, *American Tourister*®, *Gregory*®, *High Sierra*®, *Kamiliant*®, *ebags*®, *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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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 to be 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. Given the inherent uncertainty about the future impacts of COVID-19, it is not possible for the Company to reliably predict the extent to which its business, results of operations, financial condition or liquidity will ultimately be impacted.

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.