Samsonite

WE CARRY THE WORLD

INTERIM RESULTS 2018
AUGUST 29, 2018

Samsonite International S.A.
Stock Code 1910

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; general market conditions and potential impacts on reported results of foreign currency fluctuations relative to the U.S. Dollar. The Company is not responsible for any forward-looking statements and projections made by third parties included in this Presentation.

Due to rounding conventions employed, certain amounts included in this presentation may not sum to totals presented and may differ from other publicly available information.

Samsonite

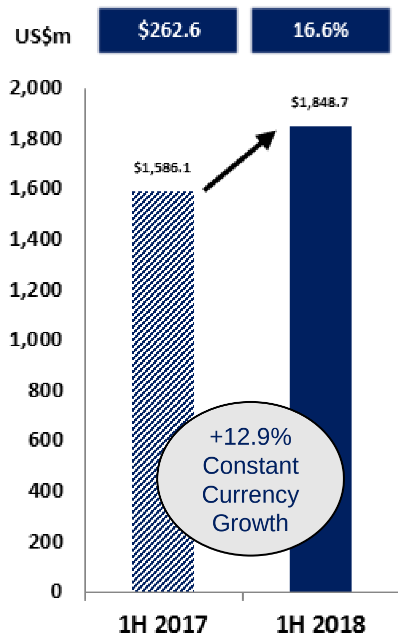
Agenda

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

1st Half 2018 Results Highlights

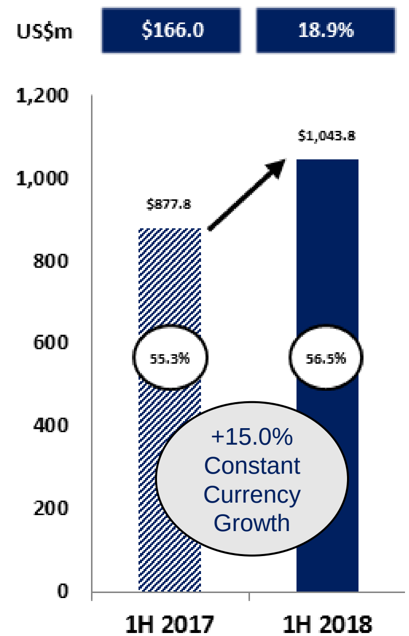
Record 1st Half Net Sales of US$1.85 billion

Net Sales



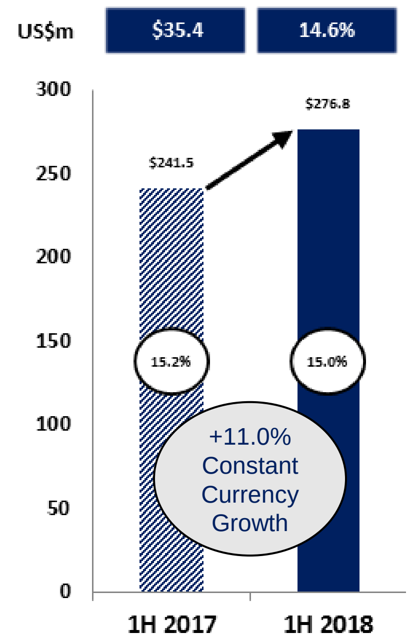
- Sales growth of US$262.6 million consists of constant currency net sales growth of US$204.9 million plus positive currency translation impact of US$57.6 million. Excluding eBags, which was acquired in May 2017, constant currency net sales growth was 9.9%.

Gross Margin



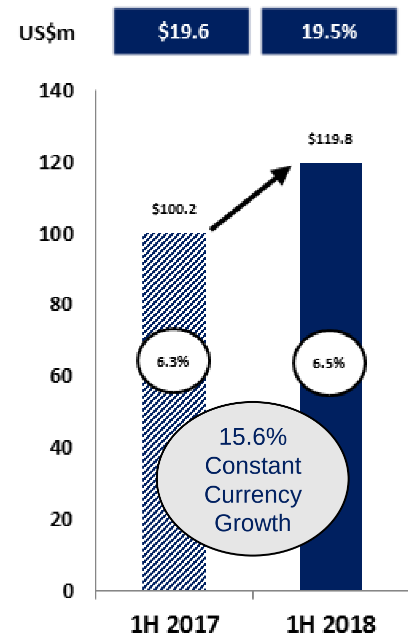
- Gross margin was up 120bp from 55.3% in 1H 2017 to 56.5% in 1H 2018, reflecting a significant increase in *Tumi* brand gross margin and consistent gross margin in the non-Tumi business.

Adj. EBITDA



- Adjusted EBITDA margin decreased by 20bp from 1H 2017 primarily due to the impact of eBags. Excluding eBags, Adjusted EBITDA margin was up 10bp.

Adj. Net Income

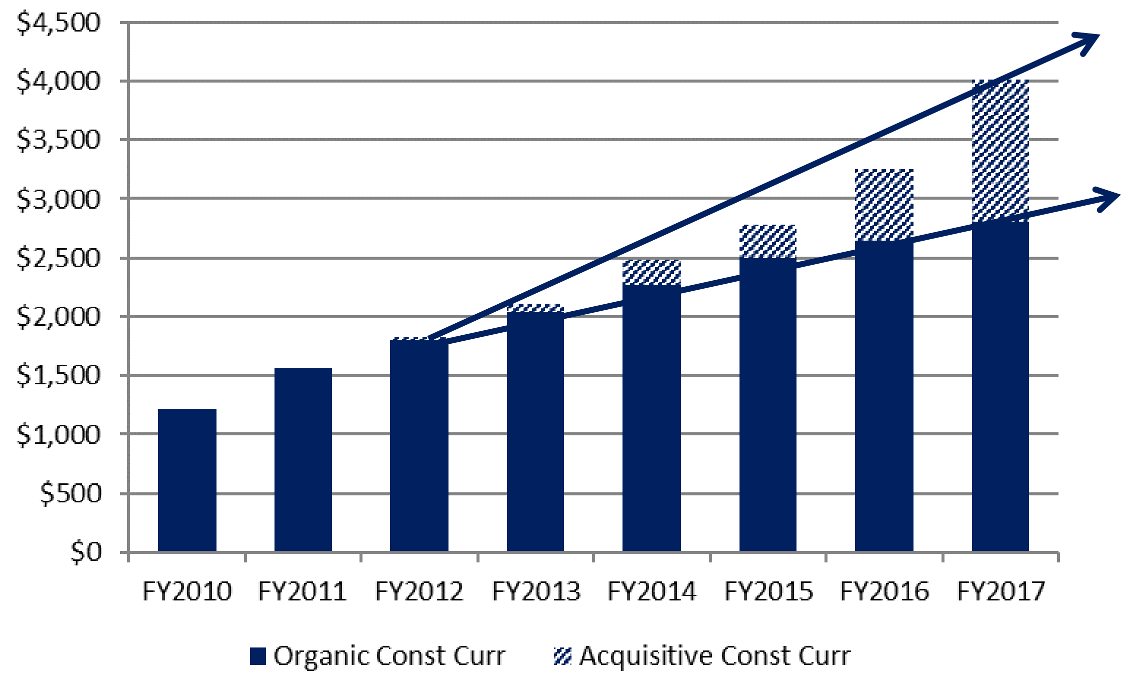


- Adjusted Net Income was up 19.5% from 1H 2017 due mainly to growth of Adjusted EBITDA and US$2.4 million reduction in interest expense (excluding $53.3million write off of remaining deferred financing costs on the original senior credit facilities) due to refinancing, partly offset by higher effective tax rate.

○ Indicates % of net sales

Strong organic net sales growth

						1H 2018
Total Const. Curr. Growth	16.1%	17.3%	11.9%	17.3%	23.3%	12.9%
Organic Const. Curr. Growth	13.0%	11.9%	9.8%	6.0%	6.3%	9.9%



17.1% 5-year CAGR on total net sales

9.4% 5-year CAGR on organic net sales

Notes:

- Organic excludes impact of High Sierra, Hartmann, Gregory, Lipault, Speck, Tumi and eBags. Does include Rolling Luggage, Chic Accent and other small channel acquisitions in Europe. Growth is considered organic one full calendar year post-acquisition.
- Net sales amounts in US$ millions are based on constant currency annual growth rates from baseline of 2010 net sales.

Samsonite

1st Half 2018 Business Overview

- **Strong constant currency net sales growth in all regions:**
  - North America: +12.4% (+5.1% excluding eBags[1])
  - Asia: +14.4%
  - Europe: +11.4%
  - Latin America: +17.0%

- **Advertising and promotion spend of US$114.3 million (6.2% of sales) is 14.9%, or US$14.8 million, higher than 1H 2017 spend of US$99.5 million (6.3% of sales) as the Group continued to invest in its brands.**

Strong growth in all regions

Sustained investment in brands

Multi-brand strategy

- **The Group generated operating cash flow of US$56.2 million in 1H 2018 compared to US$152.8 million recorded in the first half of the previous year mainly due to the timing of working capital movements.**

- **Constant currency net sales growth bolstered by diversified brand portfolio:**
  - *Samsonite:* +5.0%
  - *Tumi:* +16.6%
  - *American Tourister:* +24.2%
  - *Speck:* +3.6%
  - *High Sierra:* +1.9%
  - *Gregory:* +6.8%
  - *Kamiliant:* +58.0%

- **Strong constant currency growth of 25.7% in total direct-to-consumer channel net sales with retail up 14.4% and direct-to-consumer e-commerce up 74.0%, partly due to the full half impact of eBags (+25.7% excluding eBags).**
- **Total e-commerce net sales (direct-to-consumer e-commerce and wholesale to e-retailers) constituted 14.1% of total net sales, up 360bp from 10.5% in 1H 2017, partly due to the full half impact of eBags.**

Multi-channel strategy

Multi-category strategy

- **Strong constant currency net sales growth across all product categories:**
  - Travel: +10.8%
  - Non-Travel: +16.3%
    - Business: +19.3%
    - Casual: +15.4%
    - Accessories: +21.1%

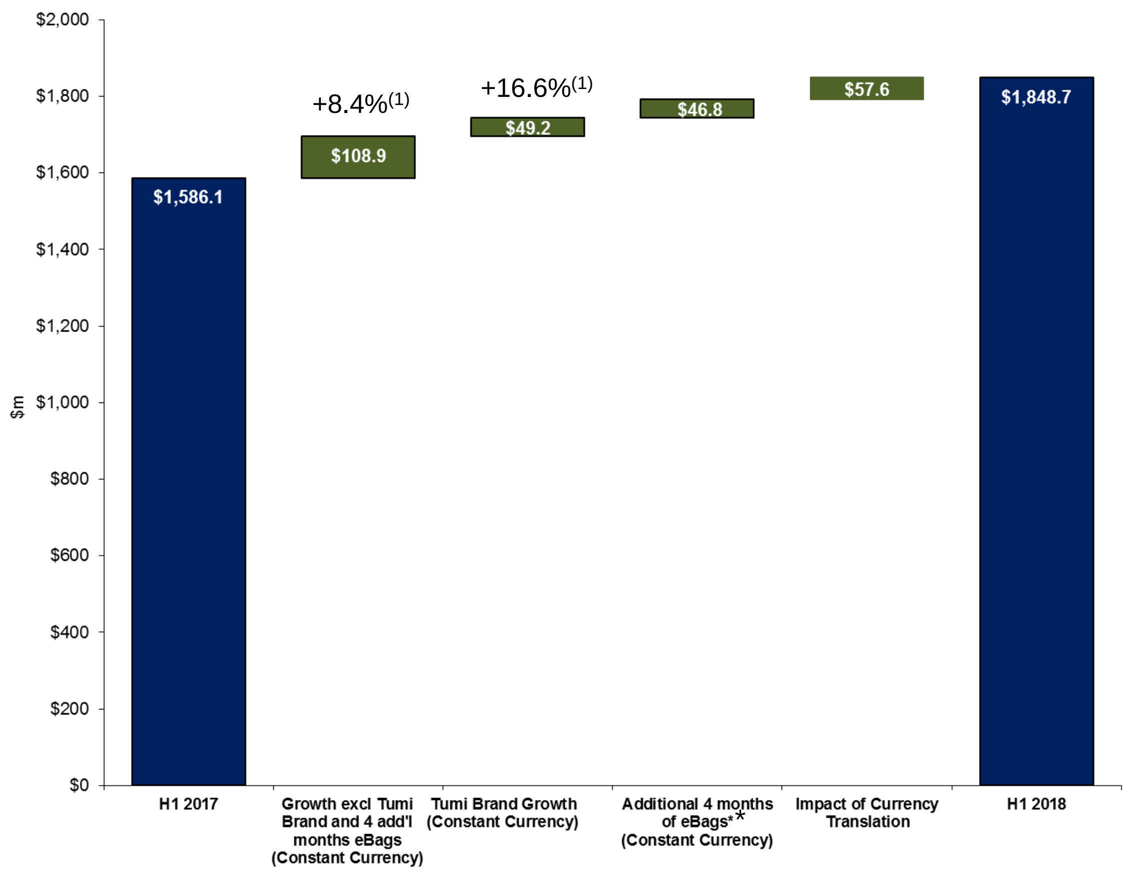
Strong sales growth is underpinned by robust growth in world travel and supported by product innovation and marketing

[1] 1H 2017 adjusted to exclude sales to eBags prior to the acquisition. Compared to reported 1H 2017, constant currency net sales growth for North America was 4.6%.

Samsonite

Strong net sales growth

Net Sales Bridge – 1H 2017 to 1H 2018



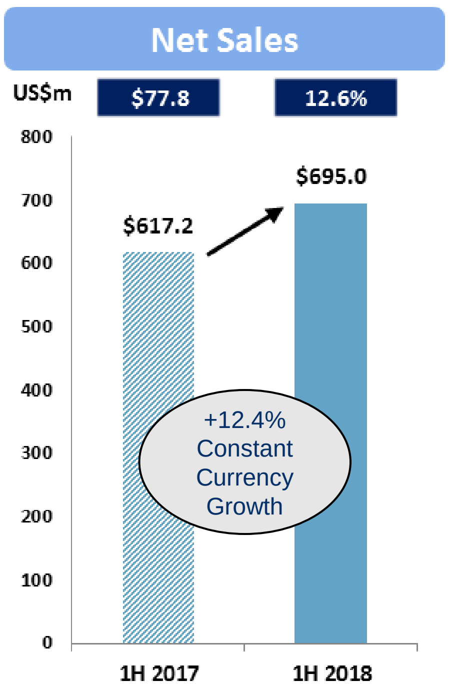
* Constant currency impact of eBags net sales from January through April of 2018.

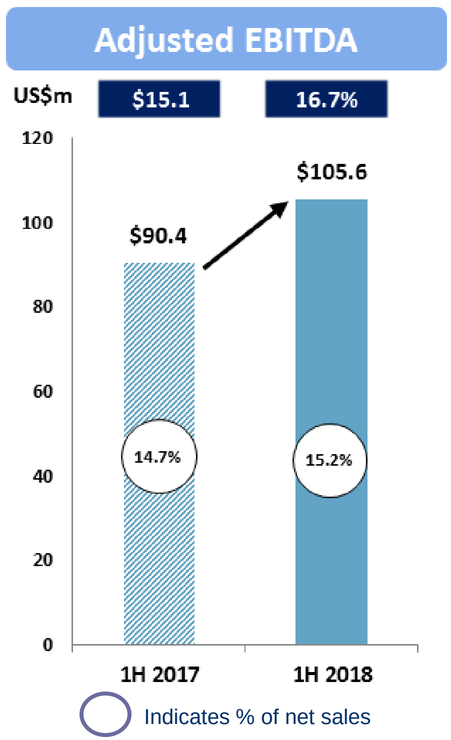
- Excluding *Tumi* brand and four additional months of eBags in 2018, net sales growth was US$108.9 million[(1)], or 8.4%[(1)], coming from:
  - Asia: +10.5%[(1)]
  - North America: +4.1%[(1)(2)]
  - Europe: +11.7%[(1)]
  - Latin America: +15.9%[(1)]
- Net sales growth of US$49.2 million[(1)], or 16.6%[(1)] for the *Tumi* brand coming from:
  - North America: +8.2%[(1)]
  - Asia: +39.4%[(1)]
  - Europe: +9.2%[(1)]
- Currency translation had a positive impact of US$57.6 million on reported net sales mainly from depreciation of the USD to the EUR (+US$26.8 million), RMB (+US$11.3 million), KRW (+US$6.5 million) and JPY (+US$3.3 million).

(1) Stated on a constant currency basis.
(2) 1H 2017 adjusted to exclude US$2.0 million of non-Tumi wholesale net sales to eBags from January 2017 through April 2017 in order to be on a comparable basis to 1H 2018. Compared to reported 1H 2017, net sales growth was 3.6% on a constant currency basis.

Samsonite

North America – Net sales increased by 12.4%(1) (5.1%(1)(2) excluding eBags) with higher Adjusted EBITDA margin.





(1) Stated on a constant currency basis.
(2) 1H 2017 adjusted to exclude wholesale net sales of US$2.9 million to eBags from January 2017 through April 2017 in order to be on a comparable basis to 1H 2018. Compared to reported 1H 2017, constant currency net sales growth for the region was 4.6% and for the wholesale channel was 1.6%.
(3) eBags sales were US$70.5 million in 1H 2018 compared to US$21.3 million in 1H 2017. eBags Adjusted EBITDA was US$0.4 million (0.6% of sales) in 1H 2018 compared to US$0.0 million (0.1% of sales) in 1H 2017.
(4) Non-advertising operating expenses as a percentage of net sales excludes Adjusted EBITDA add back items such as depreciation, amortization and stock comp expenses.

Net Sales by Channel:

- Net sales growth in the Wholesale channel of 2.3%[1][2].
- Direct-to-consumer net sales growth of 31.0%[1] (10.2%[1] excluding eBags) was driven by:
    - E-commerce net sales growth of 98.7%[1] (+13.3%[1] excluding eBags[3]);
    - Retail net sales growth of 9.6%[1] driven by 5.2%[1] same store comps and the impact of 12 net new stores in 2017 and 4 net new stores in 1H 2018.

Net Sales by Brand:

- *Samsonite* net sales increased by 4.0%[1].
- *Tumi* net sales growth of 8.2%[1].
- Net sales growth of 12.0%[1] in *American Tourister* due to successful new product launches and investment in brand marketing.
- Net sales growth of 36.1%[1] in other brands is mainly due to the *eBags* brand and 3rd party brands sold through the eBags platform.

Net Sales by Category:

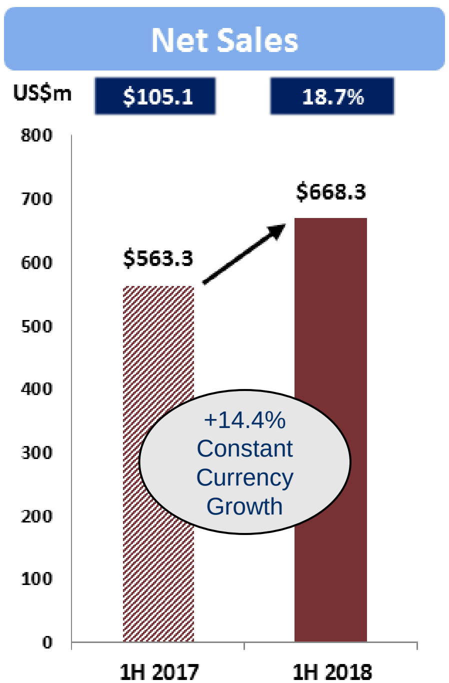
- Net sales growth of 7.6%[1] in the Travel category.
- Non-travel category net sales growth of 19.7%[1] was due partly to the full half impact of eBags with Business +17.3%[1], Casual +18.3%[1] and Accessories +22.0%[1].

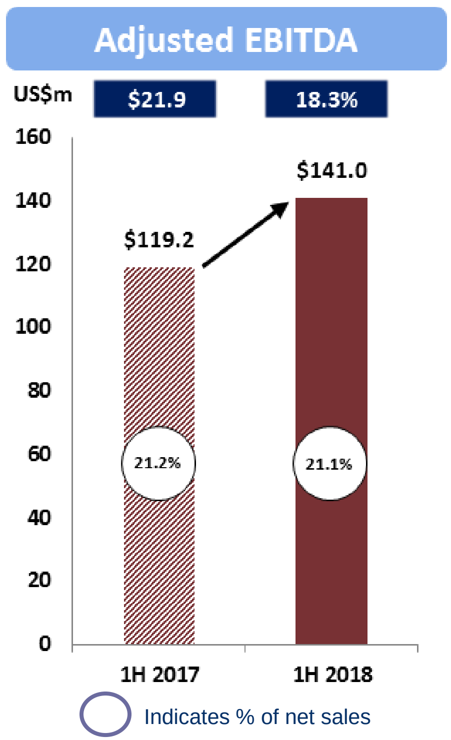
Adjusted EBITDA:

- Adjusted EBITDA as a percentage of net sales was up 50bp from prior year driven by 110bp increase in gross margin and 10bp reduction in advertising as a percentage of net sales, partially offset by 70bp higher non-advertising operating expenses as a percentage of net sales[4]. Excluding eBags[3], Adjusted EBITDA as a percentage of net sales was up 160bp.

Samsonite

Asia – Net sales increased by 14.4%[1], led by Hong Kong[4], China, Japan and India.





(1) Stated on a constant currency basis.
(2) Non-advertising operating expenses as a percentage of net sales excludes Adjusted EBITDA add back items such as depreciation, amortization and stock comp expenses.
(3) South Korea distribution was acquired January 1, 2017, China, Hong Kong and Macau were acquired April 1, 2017 and Thailand and Indonesia were acquired on May 1, 2017.
(4) Hong Kong includes Macau and sales to *Tumi* distributors in certain Asian countries/territories

Net Sales by Channel:

- Net sales growth of 10.3%[1] in the Wholesale channel.
- Net sales growth of 32.8%[1] in the Direct-to-consumer channel is partly due to the full half impact of taking direct control of Tumi distribution in certain markets[3] with:
  - E-commerce net sales growth of 40.2%[1];
  - Retail net sales growth of 30.6%[1] driven by same store comps of 10.0%[1] and 54 net new stores in 2017 (including 30 net new stores gained from taking direct control of Tumi distribution)[3] and 9 net new stores in 1H 2018.

Net Sales by Brand:

- *Samsonite* net sales growth of 3.9%[1].
- *Tumi* net sales growth of 39.4%[1]. Excluding the full half impact of taking direct control of distribution in certain markets, *Tumi* net sales growth was approximately 31.7%[1].
- Net sales growth of 17.7%[1] in *American Tourister was* led by China and India. All markets benefitted from the Cristiano Ronaldo marketing campaign.
- Net sales growth of 19.6%[1] in Other brands is due mainly to *Kamiliant* +57.5%[1] and High Sierra +35.3%[1]. The growth in *Kamiliant* came largely from China, Korea and India where the brand gained market share from other entry-level brands in the region.

Net Sales by Category:

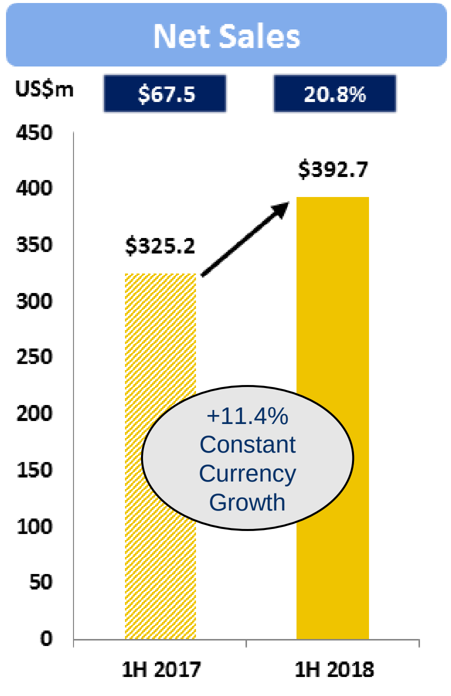
- Net sales growth of 13.7%[1] in the Travel category.
- Non-travel category net sales growth of 15.5%[1] with Business +24.8%[1], Casual +13.5%[1] and Accessories +30.6%[1].

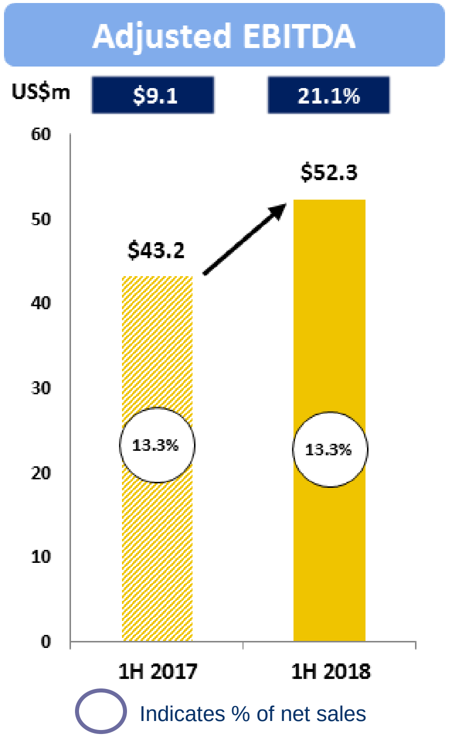
Adjusted EBITDA:

- Adjusted EBITDA margin of 21.1% was down 10bp from 1H 2017 mainly due to a 30bp increase in advertising as a percentage of net sales and 110bp increase in other non-advertising operating expenses[2], mostly offset by a 130bp increase in gross margin.

Samsonite

Europe – Net sales increased by US$67.5 million, or 11.4%(1), including 49.5%(1) growth in the *American Tourister* brand.





Net Sales by Channel:

- Net sales growth of 11.0%(1) in the Wholesale channel.
- 12.1%(1) net sales growth in the Direct-to-consumer channel is driven by:
  - Retail net sales growth of 10.4%(1) driven by same store comps of 3.8%(1) and the impact of 32 net new stores in 2017 and 28 net new stores in 1H 2018;
  - Strong growth in E-commerce net sales of 26.6%(1).

Net Sales by Brand:

- *Samsonite* net sales increased by 5.5%(1).
- *Tumi* net sales growth of 9.2%(1).
- Strong net sales growth of 49.5%(1) in *American Tourister* as the region benefitted from the Cristiano Ronaldo marketing campaign and successful new product launches.
- Net sales in Other brands are down 5.8%(1) mainly due to transitioning away from 3rd party brand net sales towards the Group's owned brands in our Rolling Luggage airport stores.

Net Sales by Category:

- Net sales growth of 10.5%(1) in the Travel category.
- Non-travel category net sales growth of 13.5%(1) with Business +10.4%(1), Casual -1.8%(1) and Accessories +23.1%(1).

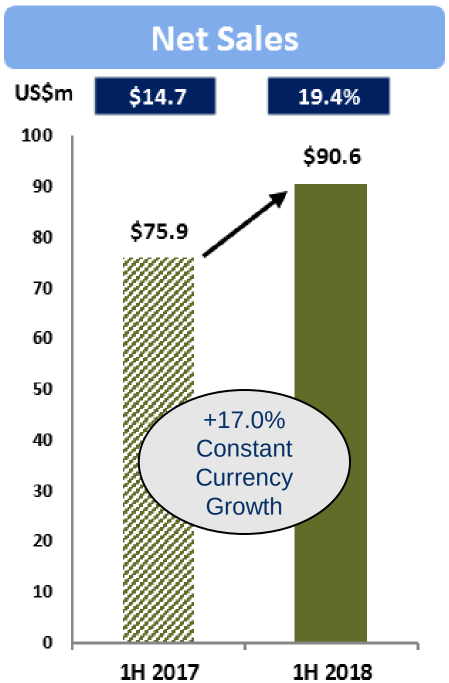
Adjusted EBITDA:

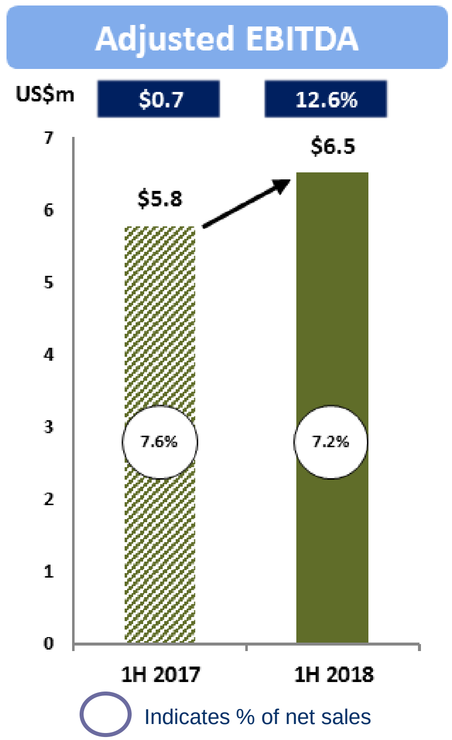
- Adjusted EBITDA margin was in line with 1H 2017 as a 110bp improvement in gross margin and decreased advertising as a percentage of net sales were offset by higher non-advertising operating expenses as a percentage of net sales(2) related to new stores opened in late 2017 and 1H 2018.

(1) Stated on a constant currency basis.
(2) Non-advertising operating expenses as a percentage of net sales excludes Adjusted EBITDA add back items such as depreciation, amortization and stock comp expenses.

Samsonite

Latin America – Net sales increased by US$14.7 million, or 17.0%[1], led by Mexico, Brazil and Argentina.





(1) Stated on a constant currency basis.
(2) Non-advertising operating expenses as a percentage of net sales excludes Adjusted EBITDA add back items such as depreciation, amortization and stock comp expenses.

Net Sales by Channel:

- Wholesale channel net sales growth of 18.1%[1].
- Net sales growth of 15.4%[1] in the Direct-to-consumer channel driven by:
  - Retail net sales growth of 13.4%[1] with same store comps of 0.6%[1], 11 net new stores opened during 1H 2018 and 29 net new stores opened during 2017. Excluding Chile, same store comps were 16.1%[1].
  - Direct-to-Consumer e-commerce sites were just launched in the region last year and contributed US$0.9 million of net sales in 1H 2018.

Net Sales by Brand:

- *Samsonite* net sales increased by 18.9%[1].
- Net sales of *American Tourister* more than doubled[1] to US$10.8 million as the brand continued to gain traction and market share in all countries, boosted by the Cristiano Ronaldo advertising campaign.
- Net sales growth of 2.1%[1] in Other brands is relatively low due mainly to softness in Chile, which is the primary market for the local brands of *Saxoline*, *Xtrem* and *Secret*. The softness in Chile is due to a drop in tourists due to the appreciation of the Chilean peso and Argentina consumers now buying more product within Argentina (Argentina enjoyed 168.4%[1] net sales growth).

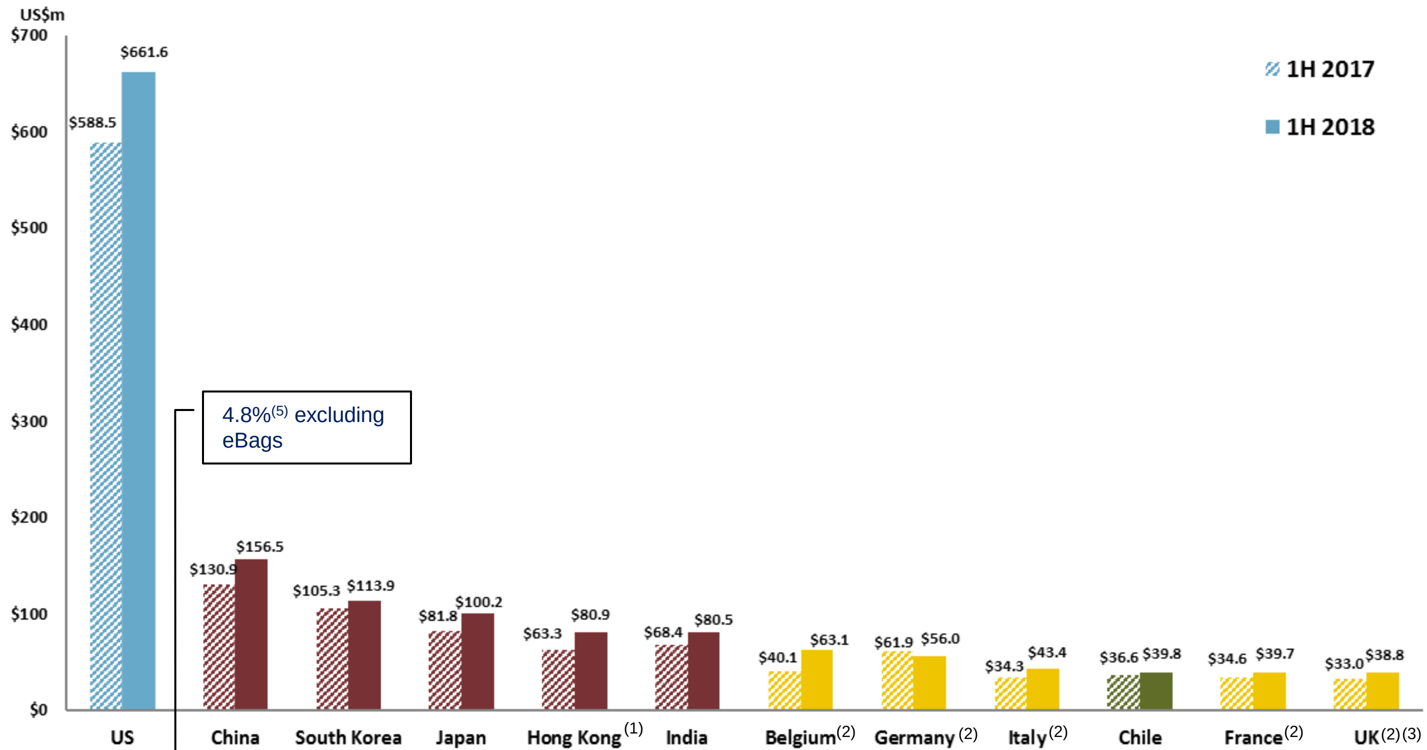
Net Sales by Category:

- Net sales growth of 20.2%[1] in Travel.
- Net sales growth of 14.7%[1] in Non-travel with Casual +23.2%[1], Business +22.3%[1].

Adjusted EBITDA:

- Adjusted EBITDA as a percentage of net sales was down 40bp mainly driven by 110bp lower gross margin, partially offset by 40bp lower advertising as a percentage of net sales and 30bp lower non-advertising operating expenses as a percentage of net sales[2].

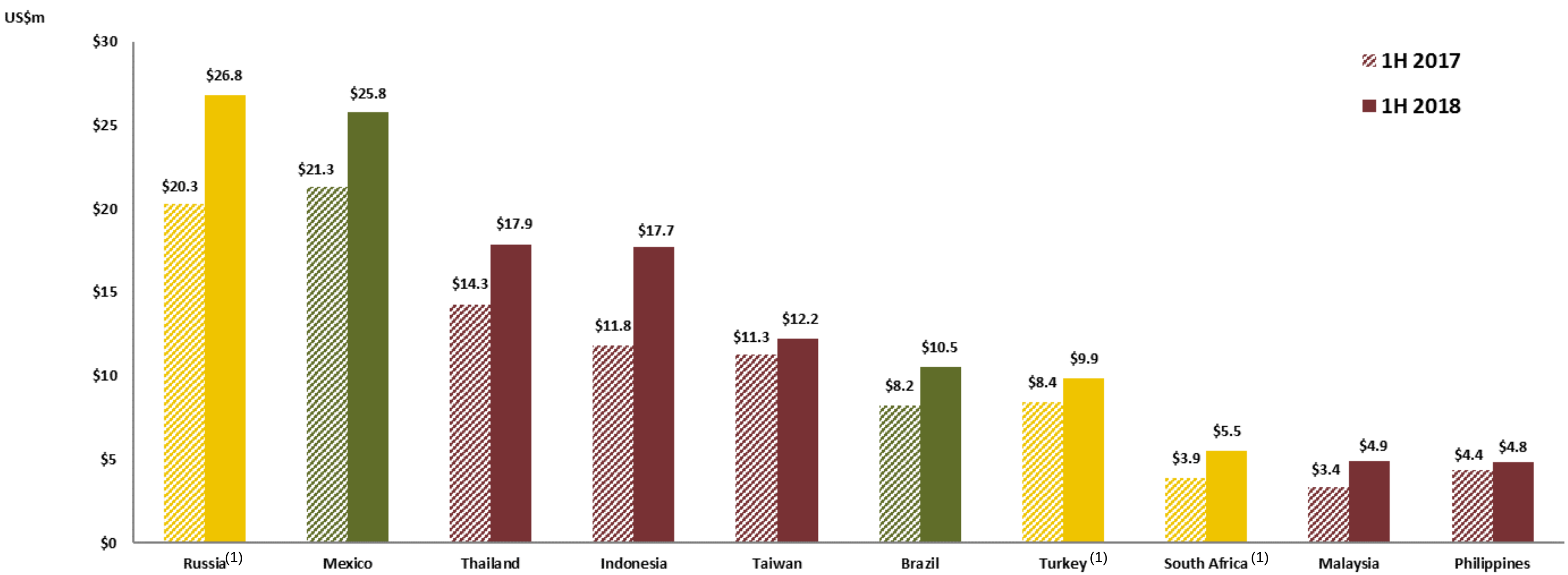
Constant currency net sales growth in most key markets[4]



	US	China	South Korea	Japan	Hong Kong	India	Belgium	Germany	Italy	Chile	France	UK
USD Growth	12.4%	19.6%	8.1%	22.5%	27.8%	17.7%	57.4%	-9.6%	26.5%	8.8%	15.0%	17.7%
Constant Currency Growth	12.4%	11.0%	2.0%	18.5%	28.3%	17.8%	41.9%	-18.5%	13.7%	0.7%	3.5%	9.0%

(1) Hong Kong includes net sales made in Macau and net sales to *Tumi* distributors in certain other Asian markets.
(2) In integrating the *Tumi* business into the pre-existing European business, there have been changes made to the legal entity in which sales are being recorded, which has caused country growth rates to not be comparable, most notably in Germany and Belgium. From January 2017 through April 2017, net sales in Germany included all wholesale and ecommerce net sales of the *Tumi* brand for the European region. From May 2017 through December 2017, *Tumi* brand net sales through the wholesale channel in Europe are no longer accounted for in Germany but in Belgium. Beginning in January 2018 these sales are accounted for in the respective country of the customer. Unrelated to the *Tumi* integration, during 2018 non-Tumi European e-commerce sales are being transitioned to be recorded in Belgium on a country by country basis.
(3) UK includes Ireland.
(4) 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.
(5) 1H 2017 adjusted to exclude pre-acquisition sales to eBags..

Continued brand penetration drove constant currency net sales growth in all emerging markets with combined constant currency growth of 27.8%[(2)]



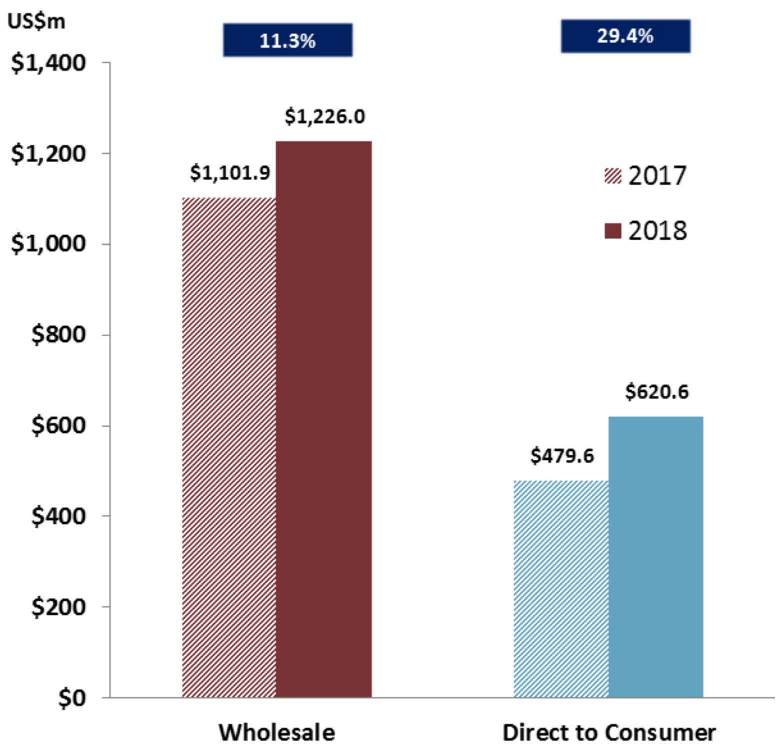
	Russia(1)	Mexico	Thailand	Indonesia	Taiwan	Brazil	Turkey (1)	South Africa (1)	Malaysia	Philippines
USD Growth	32.1%	21.2%	25.0%	50.0%	8.6%	27.8%	17.2%	41.5%	45.5%	10.4%
Constant Currency Growth	35.9%	19.3%	14.3%	55.1%	4.4%	36.5%	31.4%	30.6%	30.7%	14.5%

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

(2) 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.

Direct-to-consumer channel sales are a growing proportion of total sales

Net Sales growth by channel(2)



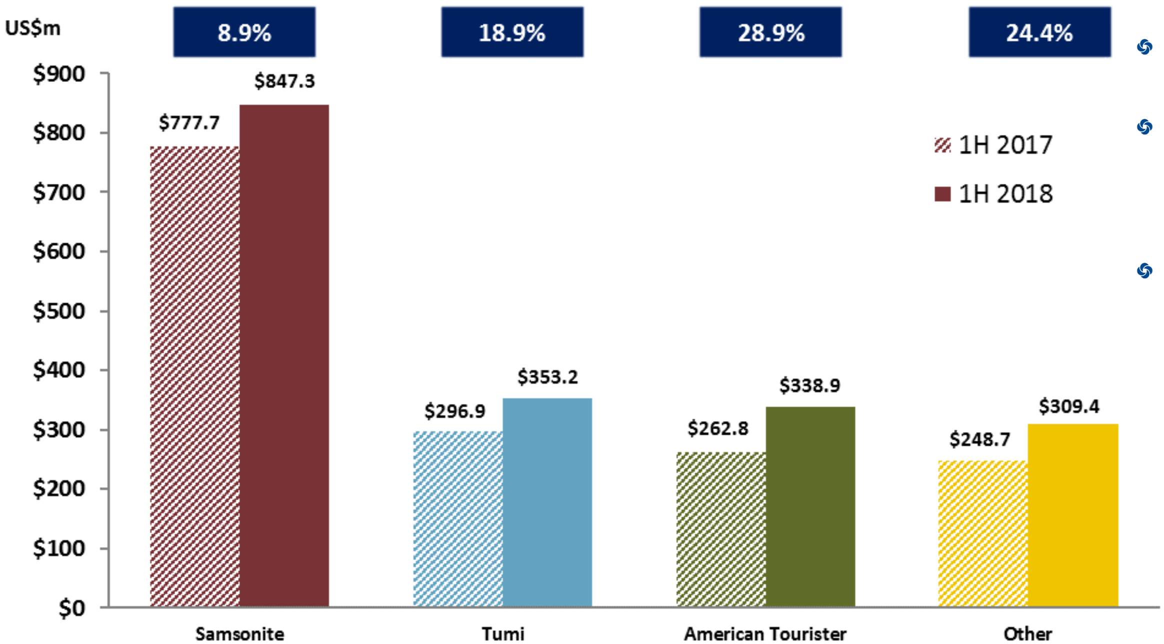
Constant Currency Growth	7.7%	25.7%

(1) Stated on a constant currency basis.
(2) Excludes licensing income of US$4.6 million in 1H 2017 and US$2.1 million in 1H 2018.

- Direct-to-consumer net sales increased from 30.2% of total net sales in 1H 2017 to 33.6% of total net sales in 1H 2018.
- Direct-to-consumer net sales growth was 25.7%(1), with:
  - Retail net sales growth of 14.4%(1) driven by same store comps of 5.4%(1) and the addition of 52 net new stores in 1H 2018 and the full half impact of 127 net new stores added in 2017 (including 30 stores added from taking direct control of *Tumi* distribution in certain markets in Asia). As of June 30, 2018, the Group owned and operated 1,219 stores, of which 283 were Tumi stores.
  - Direct-to-consumer e-commerce net sales increased by US$70.5 million or 74.0%(1) to US$161.2 million, partly driven by the full half impact of eBags (+25.7% excluding ebags).
- Total e-commerce net sales (includes net sales to e-retailers and Direct-to-consumer e-commerce) increased by 50.7%(1) and made up 14.0% of total net sales in 1H 2018, up from 10.5% of total net sales in 1H 2017, partly due to the full half impact of eBags.
  - 23.1%(1) growth in net sales to e-retailers, included within the Wholesale channel.
  - 74.0%(1) growth in Direct-to-consumer e-commerce net sales, included within the Direct-to-consumer channel (+25.7% excluding eBags).

Strong net sales growth in all key brands

Net Sales growth by brand



Constant Currency Growth	5.0%	16.6%	24.2%	21.6%

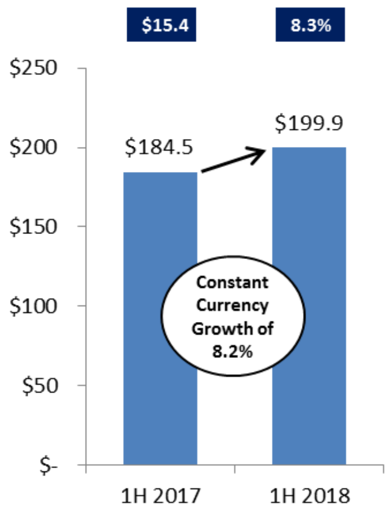
(1) Stated on a constant currency basis.

- 5.0%(1) net sales growth in *Samsonite* with Europe +5.5%(1), North America +4.0%(1), Asia +3.9%(1), and Latin America +18.9%(1).
- *Tumi* net sales growth of 16.6%(1) with North America +8.2%(1), Asia +39.4%(1) and Europe +9.2%(1).
- *American Tourister* net sales growth of 24.2%(1) with strong growth in Europe +49.5%(1), Asia +17.7%(1), and North America +12.0%(1) and sales more than doubling in Latin America +103.2%(1).
- Other brand net sales increased by 21.6%(1) comprised of:
  - *Speck* net sales growth of 3.6%(1)
  - Net sales of the *High Sierra* brand increased 1.9%(1).
  - Net sales growth of 6.8%(1) for *Gregory* driven by double digit growth in Asia and Europe.
  - *Kamiliant*, the value-conscious entry level brand that is primarily sold in Asia, increased net sales by 58.0%(1) over the prior year.
  - The Latin America specific brands of *Xtrem*, *Saxoline* and *Secret* net sales increased by 2.3%(1) in aggregate over 1H 2017.
  - Constant currency net sales growth in Other brands also includes the full half impact of the *eBags* brand as well as third party brands sold through the eBags platform.
- Strategy to develop products that specifically appeal to female consumers resulted in net sales growth of 38.3%(1) from US$125.8 million to US$177.5 million for these products.

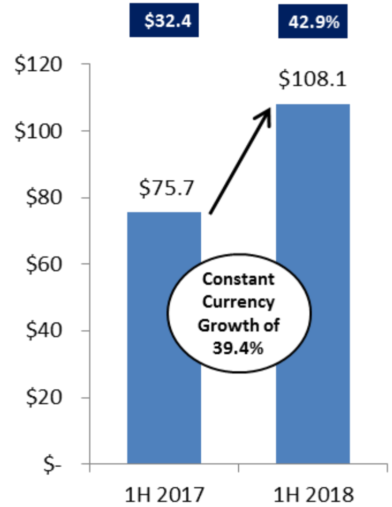
Samsonite

All regions contributing to strong *Tumi* brand net sales growth of 16.6%[1]

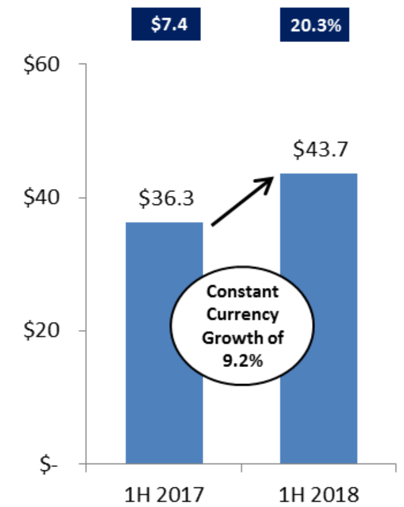
North America



Asia



Europe



- Net sales growth of 8.2%[1] driven mainly by the Direct-to-consumer channel with E-commerce +18.4%[1] and Retail +8.4%[1] from same store comps +3.2%[1] and the impact of 7 net new stores added in 2017 and 4 net new stores in 1H 2018. Net sales in the Wholesale channel increased by 3.6%.
- Gross margin increased by 370bp from 65.0% in 1H 2017 to 68.7% in 1H 2018 driven mainly by full half impact of sourcing synergies as well as lower promotional activity and channel mix.

- Strong net sales growth of 39.4%[1] coming from all channels with Retail, E-Commerce and Wholesale up 76.2%[1], 211.4%[1] and 23.1%[1], respectively. Retail growth was attributable to same store comps +11.1%, 4 net new stores in 1H 2018 and the full half impact of 38 net new stores added in 2017. Excluding the impact of taking direct control of distribution in certain Asian markets[2], net sales growth was approximately 31.7%[1].
- Gross margin has increased by 1,100bp from 62.8% in 1H 2017 to 73.8% in 1H 2018 driven mainly by full half impact of sourcing synergies and taking direct control of distribution in certain Asian markets[2].

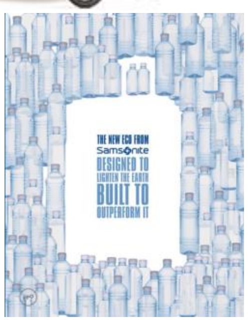
- Net sales growth of 9.2%[1] driven mainly by direct-to-consumer channels with Retail and E-Commerce +14.0%[1] and 17.7%[1], respectively. Retail growth is attributable to 9 net new stores in 1H 2018 and the full half impact of 7 net new stores added in 2017. Tumi same store comps were down 2.1%[1] due largely to fewer Asian tourists to Western Europe. Wholesale net sales were roughly flat to prior year.
- Gross margin has increased by 800bp from 61.2% in 1H 2017 to 69.2% in 1H 2018 driven mainly by a higher proportion of sales coming from Direct-to-consumer channels and the full half impact of sourcing synergies.

Adjusted EBITDA margin for the Tumi business increased by approximately 400bp compared to 1H 2017.

(1) Stated on a constant currency basis
(2) China, Hong Kong and Macau distribution was acquired April 1, 2017 and Thailand and Indonesia were acquired on May 1, 2017.

Exciting New Products

Samsonite
ECOGlide



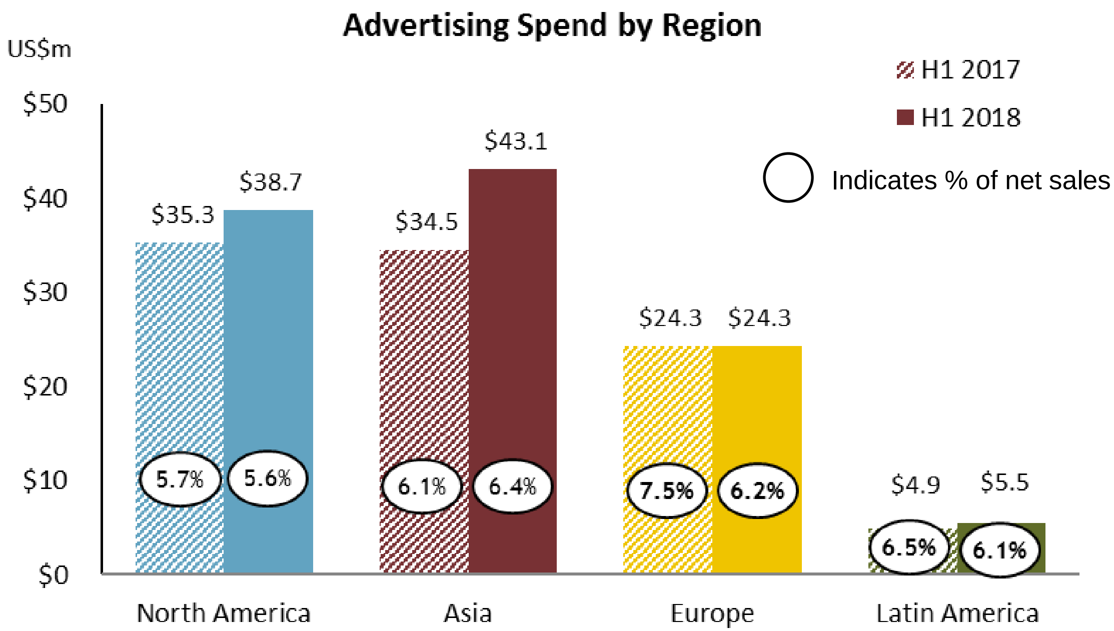
Samsonite
Kevlar

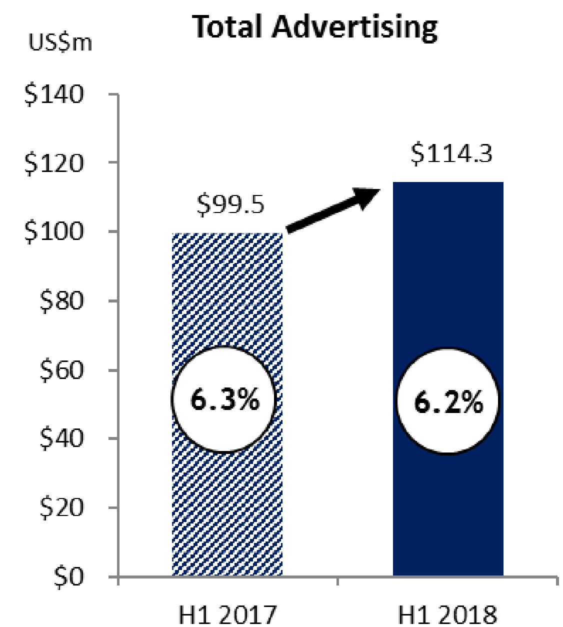
Tumi
Latitude

American Tourister
Curio/Soundbox

Lipault
Plume Avenue

Advertising spend as a percentage of net sales was consistent with prior year.





- Total advertising spend increased by US$14.8 million, or 14.9%, focused mainly on boosting consumer awareness of the *Tumi* and *American Tourister* brands and non-travel categories for the *Samsonite* brand.

Targeted Brand Advertising
American Tourister Global Campaign

Global American Tourister "Bring Back More" advertising campaign, featuring Cristiano Ronaldo, has been popular and effective, helping to generate the brand's constant currency net sales growth of 24.2%.

Samsonite

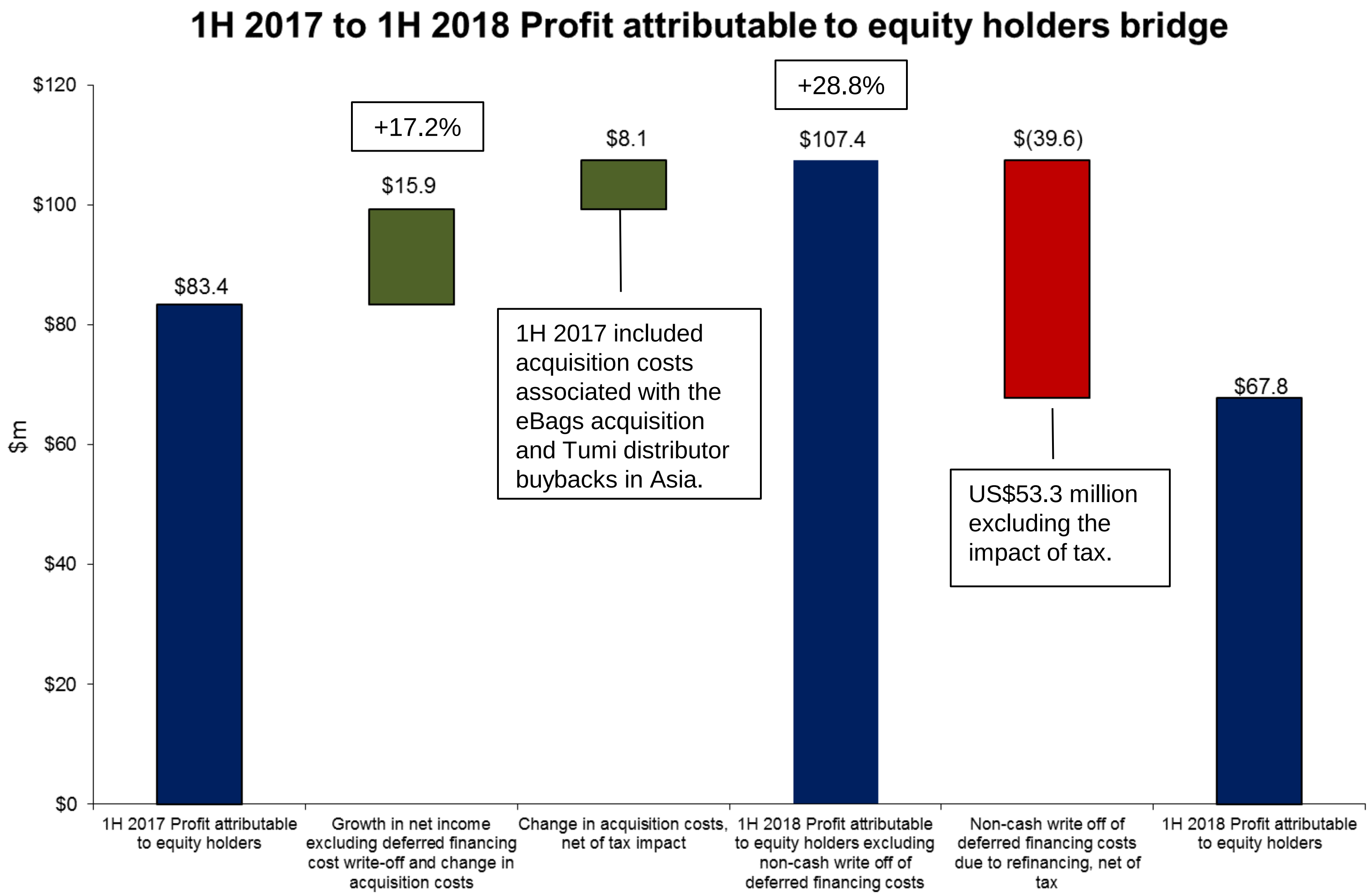
Financial Highlights

- Net sales increased to a record 1st half level of US$1.85 billion, with net sales growth of 12.9%(1), or 9.9%(1) excluding eBags that was acquired in May 2017. *Tumi* brand growth of 16.6%(1) and growth excluding *Tumi* of 12.1%(1)
- Adjusted Net Income increased by US$19.6 million, or 19.5% due mainly to strong Adjusted EBITDA growth of 14.6% and lower interest expense.
- Operating cash flow of US$56.2 million in 1H 2018 compared to US$152.8 million recorded in 1H 2017 reflecting US$35.4 million increase in Adjusted EBITDA offset by increased working capital of US$118.8 million in 1H 2018 compared to US$25.6 million inflow from working capital in 1H 2017.
- Net working capital efficiency of 14.0% as of June 30, 2018 was in line with target range, but higher than prior year due to last year being unusually low as compared to this year being slightly higher than usual from higher inventory coverage levels instituted in Q4 2017 to guard against stock outs in 2018 in connection with the *American Tourister* global campaign and the timing of new product launches.
- Effective April 25, 2018, successfully completed the refinancing of senior credit facilities reducing annual cash interest expense by approximately US$9 million, extending the debt maturity profile by approximately two years and increasing liquidity by approximately US$197 million.
- Net debt position of US$1,588.4 million as of June 30, 2018, with US$395.4 million of cash and cash equivalents and US$1,983.8 million of debt (excluding deferred financing costs of US$17.9 million). US$47.1 million was utilized on the revolving credit facility, leaving US$602.9 million available under the revolver.
- The Company was in compliance with all debt covenants as of June 30, 2018.
    - Pro-forma total net leverage ratio(2) of 2.57:1.00.
- Capital expenditures of US$41.1 million in 1H 2018 was largely focused on the Group's continuing strategy to pursue targeted retail expansion and store modifications and lead the industry in new product innovations.
- The effective tax rate was 28.3% in 1H 2018, compared to 24.3% in 1H 2017 mainly due to the deferred tax expense recognized on share-based compensation due to the decrease in the Company's stock price during the period.
- On July 12, 2018, a cash distribution of US$110.0 million, or approximately US$0.0771 per share, was paid to shareholders, up 13.4% from the US$97.0 million distribution paid in 2017.

(1) Stated on a constant currency basis.
(2) Per the terms of the debt agreement, net leverage ratio is calculated as (total loans and borrowings – total unrestricted cash)/LTM Adj. EBITDA. LTM Adj. EBITDA is calculated on a pro-forma basis to include pro-forma run-rate cost synergies expected at August 1, 2018.

Samsonite

Excluding the non-cash write-off of deferred financing costs, profit attributable to equity holders increased by US$24.0 million, or 28.8% from strong operating income.



Balance sheet

US$m	June 30, 2017	December 31, 2017	June 30, 2018	$ Chg Jun-18 vs. Jun-17	% Chg Jun-18 vs. Jun-17
Cash and cash equivalents	377.8	344.5	395.4	17.5	4.6%
Trade and other receivables, net	378.4	411.5	419.4	40.9	10.8%
Inventories, net	485.2	583.0	624.2	139.0	28.7%
Other current assets	154.3	156.5	165.6	11.3	7.3%
Non-current assets	3,532.7	3,575.0	3,567.0	34.3	1.0%
Total Assets	**4,928.5**	**5,070.4**	**5,171.5**	**243.1**	**4.9%**
Current liabilities (excluding debt)	907.0	929.8	947.5	40.5	4.5%
Non-current liabilities (excluding debt)	547.5	411.3	435.1	(112.4)	-20.5%
Total borrowings	1,931.8	1,897.0	1,965.8	34.0	1.8%
Total equity	1,542.2	1,832.4	1,823.1	281.0	18.2%
Total Liabilities and Equity	**4,928.5**	**5,070.4**	**5,171.5**	**243.1**	**4.9%**
Total Net Cash (Debt)(1)	**(1,617.2)**	**(1,609.1)**	**(1,588.4)**	**28.7**	**-1.8%**

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

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

(3) Per the terms of the debt agreement, net leverage ratio is calculated as (total loans and borrowings – total unrestricted cash)/LTM Adj. EBITDA. LTM Adj. EBITDA is calculated on a pro-forma basis to include pro-forma run-rate cost synergies expected at August 1, 2018.

- Net debt decreased by US$20.7 million in the first half of 2018. Cash flows from operations were US$56.2 million offset by outflows for capital expenditures of US$41.1 million.
- Pro-forma total net leverage ratio[3] of 2.57:1.00 and US$602.9 million of revolver availability.
- Working capital efficiency of 14.0% as of June 30, 2018 continues to be within target range.

Working Capital

US$m	June 30, 2017	June 30, 2018	$ Chg Jun-18 vs. Jun-17	% Chg Jun-18 vs. Jun-17
Working Capital Items				
Inventories	$ 485.2	$ 624.2	$ 139.0	28.7%
Trade and Other Receivables	$ 378.4	$ 419.4	$ 40.9	10.8%
Trade Payables	$ 490.9	$ 520.5	$ 29.6	6.0%
Net Working Capital	**$ 372.7**	**$ 523.1**	**$ 150.3**	**40.3%**
% of Net Sales	11.7%	14.0%		
Turnover Days				
Inventory Days	124	140		
Trade and Other Receivables Days	43	41		
Trade Payables Days	125	117		
Net Working Capital Days	**42**	**64**		

- Working capital efficiency of 14.0% at June 30, 2018, continues to be within the targeted range.
- Inventory turnover of 140 days as of June 30, 2018 was 16 days higher than prior year due to heightened inventory levels to guard against stock outs during the high summer sales months coupled with the timing of new product launches.
- Trade and other receivables turnover of 41 days as of June 30, 2018 was 2 days lower than prior year due to a higher proportion of sales through direct-to-consumer channels.
- Trade payables turnover of 117 days as of June 30, 2018 was 8 days lower than prior year due to timing of product purchases.

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

Capital Expenditures

Capital Expenditure by project type

US$m	1H 2017	1H 2018
Retail	16.5	22.6
Product Development / R&D/ Supply	11.3	8.7
Information Services and Facilities	3.9	8.6
Other	0.8	1.3
Total Capital Expenditures	**$32.4**	**$41.1**

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

- 1H 2018 retail capex consisted of new stores and remodels in Europe of US$7.8 million, Asia of US$7.4 million, North America of US$5.5 million and Latin America of US$1.7 million.
- Capex on Product Development / R&D / Supply includes US$4.0 million on new machinery in our manufacturing facility in Hungary and US$2.5 million on tooling and equipment for *Speck* in North America.
- Information Services and Facilities includes US$1.8 million for Tumi North America office relocations and renovations and US$1.0 million for a new Chile offices as well as US$4.2 million for IT projects and upgrades around the world.

Samsonite

Outlook and Company Strategy

"International tourist arrivals grew 6% in the first four months of 2018, compared to the same period last year, not only continuing the strong 2017 trend, but exceeding UNWTO's forecast for 2018. Growth was led by Asia and the Pacific (+8%) and Europe (+7%). Africa (+6%), the Middle East (+4%) and the Americas (+3%) also recorded sound results. Earlier this year, UNWTO's forecast for 2018 was between 4-5%."[1]

The Company aims to increase shareholder value through sustainable revenue and earnings growth and free cash flow generation. In order to achieve this objective, the Company has adopted the following principal strategies:

- Continue to develop the Company into a well-diversified multi-brand, multi-category and multi-channel luggage, bag and accessories business.
  - Deploy multiple brands to operate at wider price points in both the travel and non-travel product categories. Within the non-travel product categories, greater emphasis will be placed on products that appeal to female consumers.
  - Increase the proportion of net sales from the direct-to-consumer channel by growing the Company's direct-to-consumer e-commerce net sales and through targeted expansion of its bricks-and-mortar retail presence.
- Sustain the Company's investment in marketing to support the continued global expansion of *Tumi* while continuing to drive visibility for *Samsonite*, *American Tourister* and other brands.
- Leverage the Company's regional management structure, sourcing and distribution expertise and marketing engine to extend its brands into new markets and penetrate deeper into existing channels.
- Continue to invest in research and development to develop lighter and stronger new materials, advanced manufacturing processes, exciting new designs, as well as innovative functionalities that deliver real benefits to consumers.

[1] Source: UNWTO Press release PR 18050 25 Jun 18