Samsonite

WE CARRY THE WORLD

ANNUAL RESULTS 2018
MARCH 13, 2019

SAMSONITE INTERNATIONAL S.A.

STOCK CODE: 1910

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(1) International Financial Reporting Standards

Agenda

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

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Results Highlights

Tumi international expansion

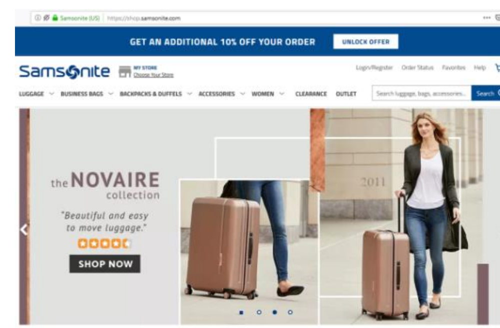
Europe - *Banasea Mall, Bucharest, Romania*

Re-invigorating *American Tourister*

Expanding Environmental and Social Governance (ESG) Integration

2H Economic Headwinds

Direct-to-consumer growth



Delivered record net sales of US$3.8 billion in 2018

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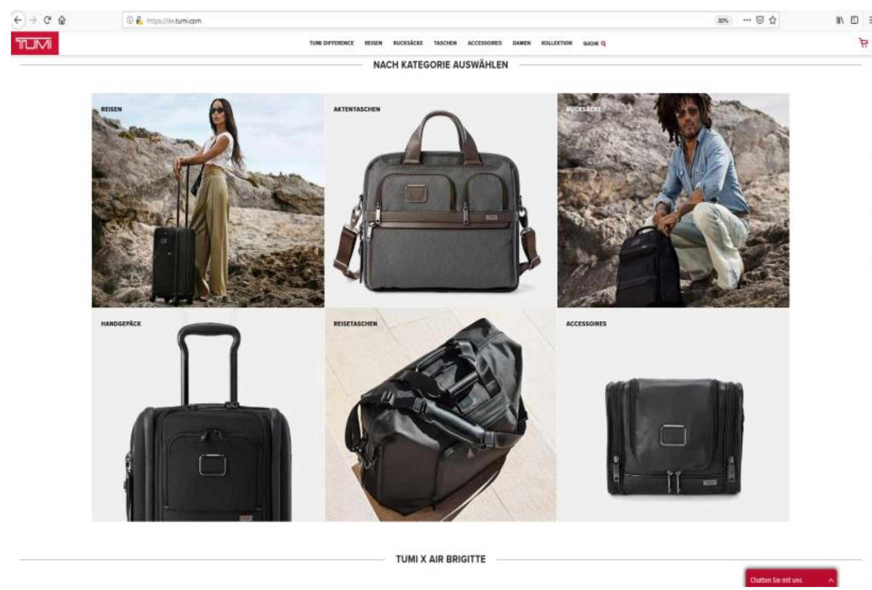
Tumi continued to perform ahead of expectation, led by international expansion

Constant Currency net sales growth of *Tumi*

North America	Asia	Europe	Latin America	Total Group
+4.0%	+29.5%	+10.3%	Began direct distribution	+11.9%

Asia - *Grand Gateway, Shanghai, China*



Tumi.com – *launched in key markets*

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Re-energized the *American Tourister* brand in Asia and drove double-digit growth in Europe and the Americas

Constant Currency net sales growth of *American Tourister*

North America	Asia	Europe	Latin America	Total Group
+16.1%	+8.9%	+39.2%	+51.1%	+16.5%

- Popular new product introductions




- High profile marketing campaign


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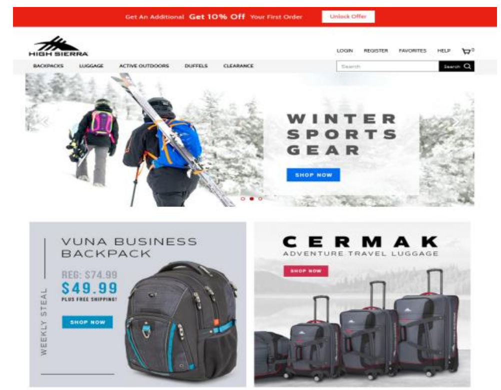
Increased our direct-to-consumer (“DTC”) presence through e-commerce and targeted bricks-and-mortar retail expansion

Constant Currency net sales growth

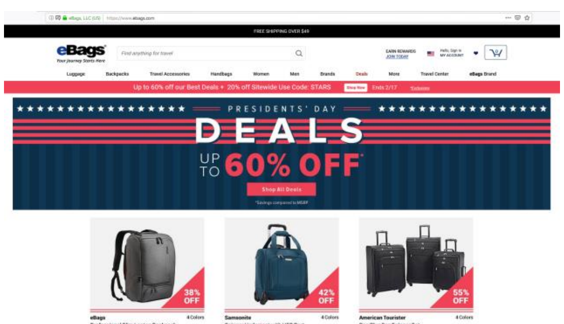
DTC e-commerce	Retail	Total Direct-to-Consumer
31.3%	11.6%	16.5%

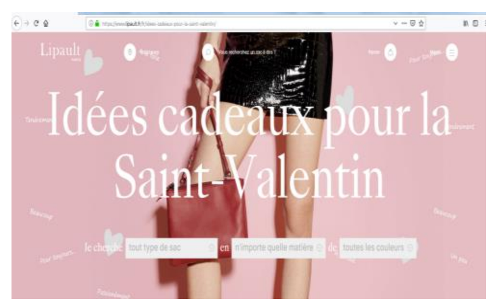
Tumi Store – Pine Street, Seattle, Washington



HighSierra.com

eBags.com





Lipault.com

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Economic Headwinds

- Uncertainty in China and U.S. due to trade negotiations and increased tariffs in the U.S.
- Weakened consumer sentiment in certain key markets.
  - South Korea – Geopolitical tensions
  - China – Concern over U.S. trade relations
- Temporary store closures in Europe during peak retail sales weeks in December due to protests and riots.

Expanding Environmental and Social Governance (ESG) program

- Initiated a global sustainability approach that engages with the Company's stakeholders and is focused on:
  - Global carbon reduction
  - Product innovation - launched 30+ collections incorporating sustainable materials such as recycled plastic bottles
  - Supply chain
  - People

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Strong growth across our entire portfolio of brands

Our Brands

Samsonite +3.1%[1]

TUMI +11.9%[1]

American Tourister +16.5%[1]

All other +11.6%[1]

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

(1) Sales growth stated on a constant currency basis.

Agenda

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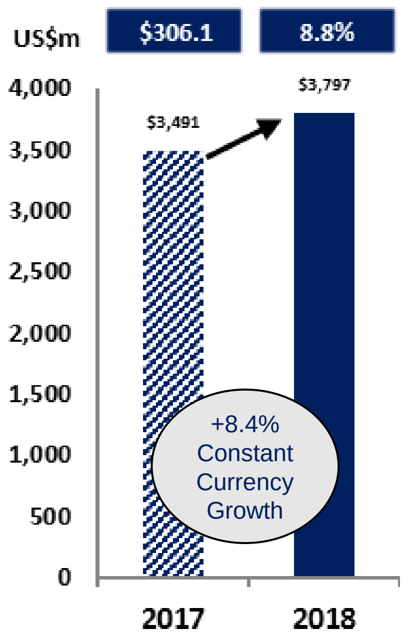
2018 Business Overview

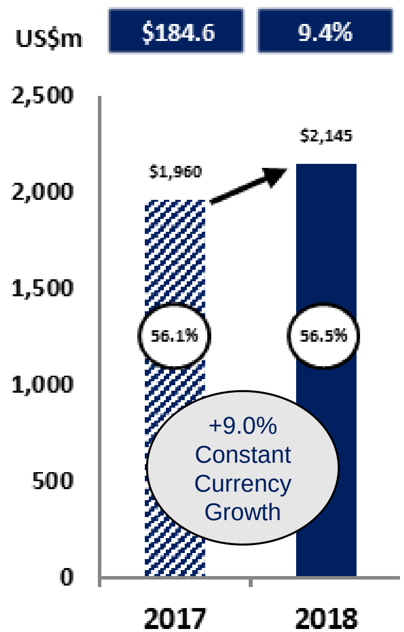
Record Net Sales of US$3.8 billion

Net Sales



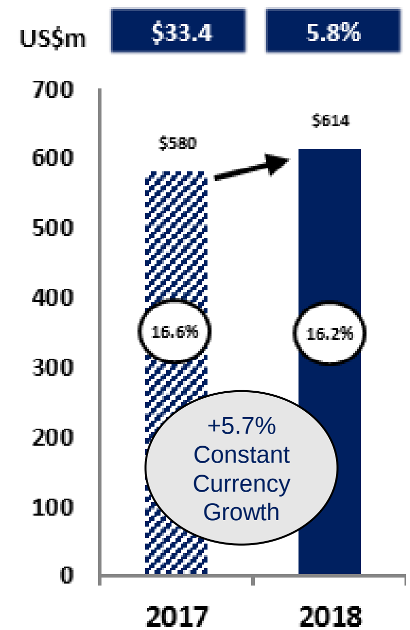
- Sales growth of US$306.1 million consists of constant currency net sales growth of US$294.8 million plus positive currency translation impact of US$11.3 million. Excluding eBags, which was acquired in May 2017, constant currency net sales growth was 7.5%.

Gross Margin



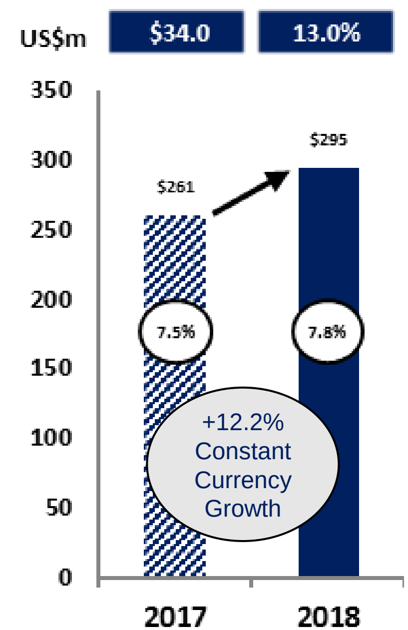
- Gross margin was up 40bp from 56.1% to 56.5%, reflecting a significant increase in *Tumi* brand gross margin from focus on driving direct-to-consumer and higher margin wholesale account sales as well as a continued increase in the proportion of sales from direct-to-consumer channels.

Adj. EBITDA



- Adjusted EBITDA increased by US$33.4 million. Adjusted EBITDA margin decreased by 40bp due to higher distribution expenses as a percentage of net sales associated with targeted retail expansion, partly offset by higher gross margin.

Adj. Net Income



- Adjusted Net Income was up 30bp as a percentage of sales due mainly to US$8.9 million reduction in interest expense due to refinancing (excluding the US$53.3 million non-cash charge to write off the remaining deferred financing costs on the original senior credit facilities) and a lower effective tax rate (excluding 2017 net tax benefit).

○ Indicates % of net sales

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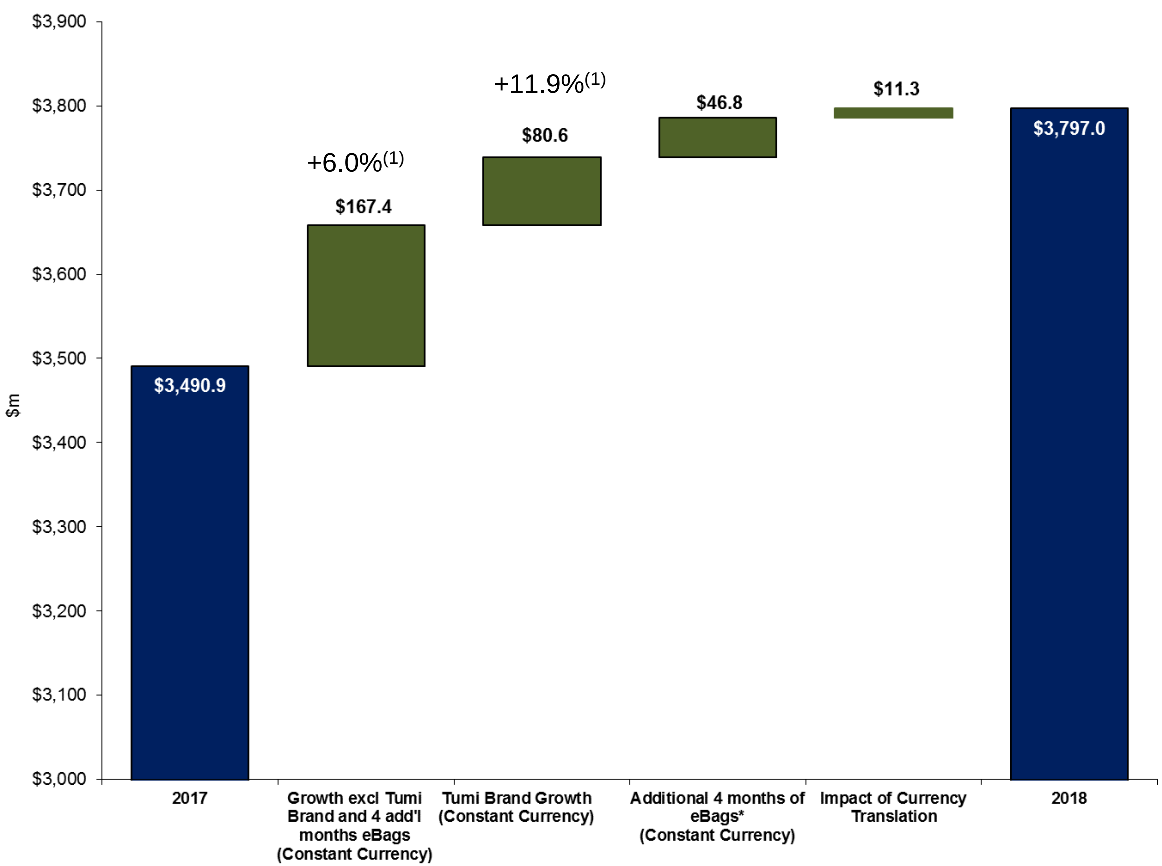
Strong net sales growth in the traditional core business and substantial international expansion of the *Tumi* brand.

Net Sales Bridge – 2017 to 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$167.4 million[(1)], or 6.0%[(1)], coming from:
  - Asia: +6.9%[(1)]
  - North America: +2.8%[(1)]
  - Europe: +8.4%[(1)]
  - Latin America: +13.3%[(1)]
- Net sales growth of US$80.6 million[(1)], or 11.9%[(1)], for the *Tumi* brand coming from:
  - Asia: +29.5%[(1)]
  - Europe: +10.3%[(1)]
  - North America: +4.0%[(1)]. Excluding the impact of our decision to discontinue sales of *Tumi* products to customers identified as trans-shippers, growth was 5.6%[(1)].
- Currency translation had a positive impact of US$11.3 million on reported net sales mainly from depreciation of the USD to the EUR (+US$20.0 million), RMB (+US$6.4 million) and KRW (+US$6.3 million), partially offset by appreciation of the USD to the INR (-US$8.0 million), TRY (-US$6.2 million), RUB (-US$3.9 million) and ARS (-US$3.8 million).

(1) Stated on a constant currency basis.

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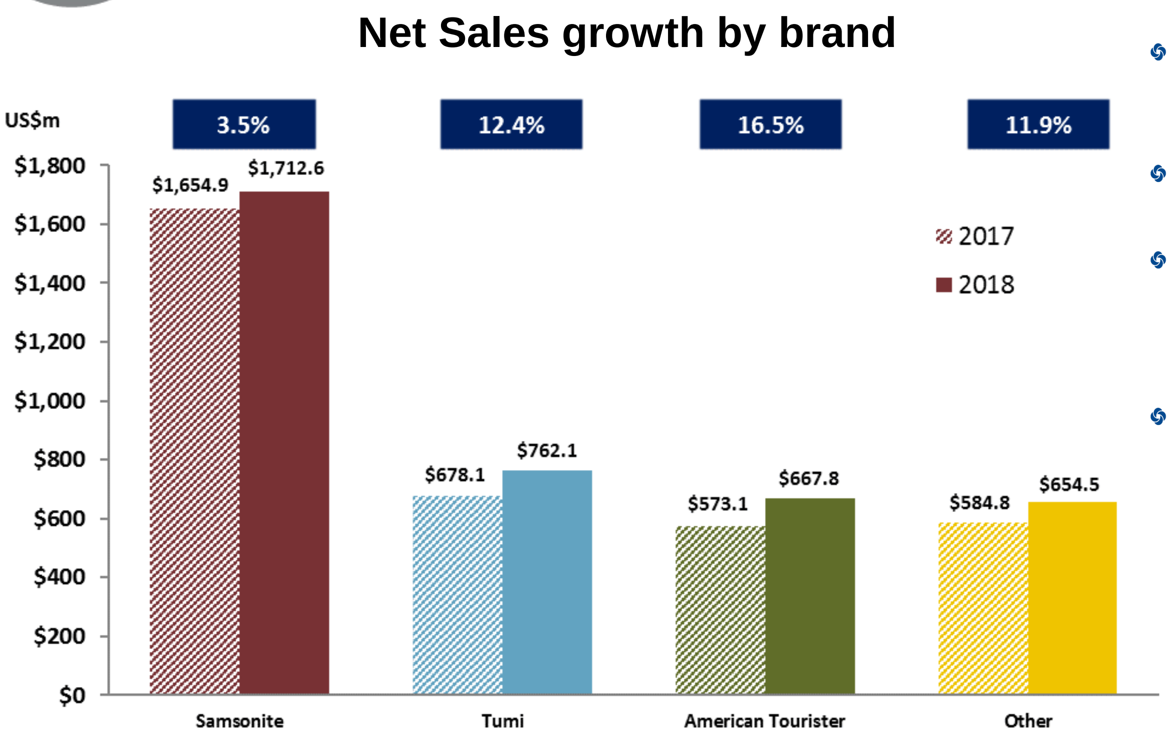
Strong net sales growth in all key brands



Constant Currency Growth	3.1%	11.9%	16.5%	11.6%

(1) Stated on a constant currency basis.

- 3.1%(1) net sales growth in *Samsonite* with Europe +3.3%(1), North America +2.5%(1), Asia +2.1%(1) and Latin America +16.0%(1).
- *Tumi* net sales growth of 11.9%(1) with Asia +29.5%(1), North America +4.0%(1) and Europe +10.3%(1).
- *American Tourister* net sales growth of 16.5%(1) with strong growth in all regions: Europe +39.2%(1), Asia +8.9%(1), North America +16.1%(1) and Latin America +51.1%(1).
- Other brand net sales increased by 11.6%(1), driven by:
  - *Kamiliant*, the value-conscious entry-level brand that is primarily sold in Asia, increased net sales by 44.7%(1) over the prior year.
  - *Speck* net sales growth of 8.9%(1).
  - Net sales growth of 10.6%(1) for *Gregory* driven primarily by Asia and North America.
  - Full year 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 30.0%(1), for these products.

Exciting New Products

Alpha 3 Collection

The Alpha 3 Collection, made from ultra-durable FXT® ballistic nylon. Our iconic business and travel pieces bring together innovative design, superior performance, and best in class functionality.

Encompass Women's Convertible Tote Backpack

Xenon 3.0 Backpack

Zalia Backpack

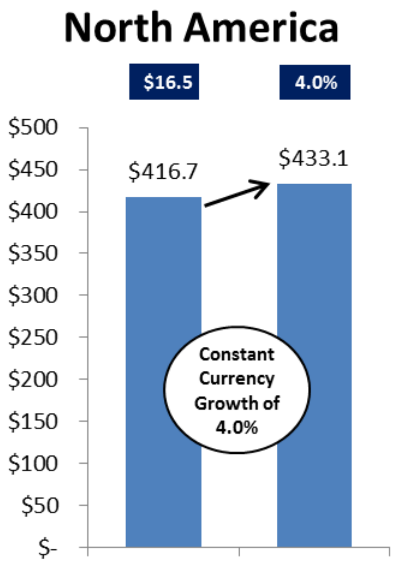
Lite-Box Spinner

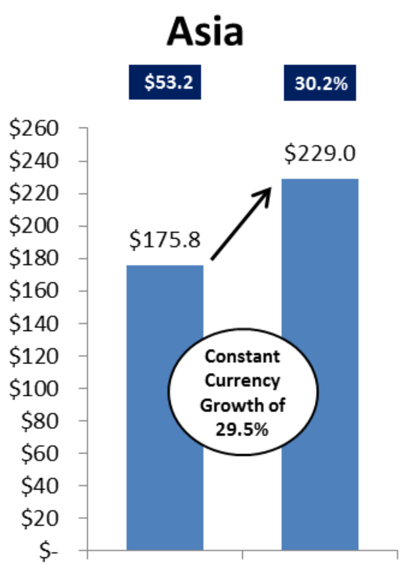
Encompass Men's Convertible Weekender

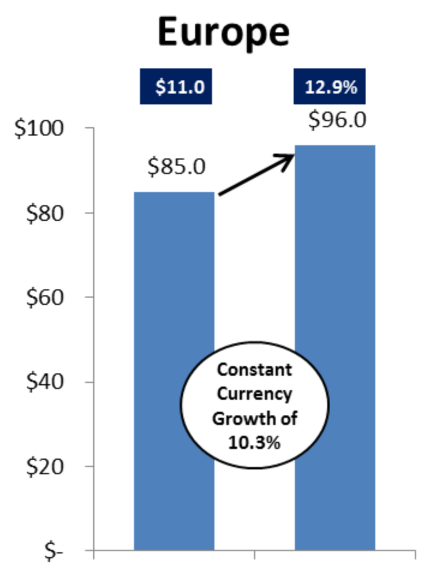
Encompass Women's Convertible Brief Backpack

SXK Expandable Spinner

Tumi brand net sales growth of 11.9%(1) led by international expansion.







- Excluding the impact of our decision to discontinue sales to customers identified as trans-shippers, constant currency net sales growth was 5.6%.
- Direct-to-consumer channel +8.0%(1), with:
  - DTC e-commerce +16.5%(1);
  - Retail +6.4%(1) from same store comps of +1.6%(1) and the impact of 7 net new stores added in 2017 and 9 net new stores in 2018.
- Wholesale channel decreased by 6.9%(1) due largely to our decision to discontinue sales of *Tumi* products to customers identified as trans-shippers.

- Direct-to-consumer channels +61.5%(1), with:
  - DTC e-commerce +323.7%(1);
  - Retail +49.2%(1) attributable to same store comps of +9.6%, 15 net new stores in 2018 and the full year impact of 38 net new stores added in 2017 (including 30 net new stores gained from taking direct control of *Tumi* distribution in certain countries(2)).
- Wholesale +15.7%(1).

- Direct-to-consumer channels +20.4%(1), with:
  - DTC e-commerce +38.0%(1);
  - Retail +18.9%(1) driven by 12 net new stores in 2018 and the full year impact of 7 net new stores added in 2017, as well as same store comps of +3.1%(1).
- Wholesale net sales were down 6.8% to prior year due to a decision to discontinue sales to certain wholesale accounts that were being too promotional with the brand.

(1) Stated on a constant currency basis.
(2) Distribution rights in South Korea were acquired January 1, 2017, China, Hong Kong and Macau were acquired April 1, 2017 and Thailand and Indonesia were acquired on May 1, 2017.

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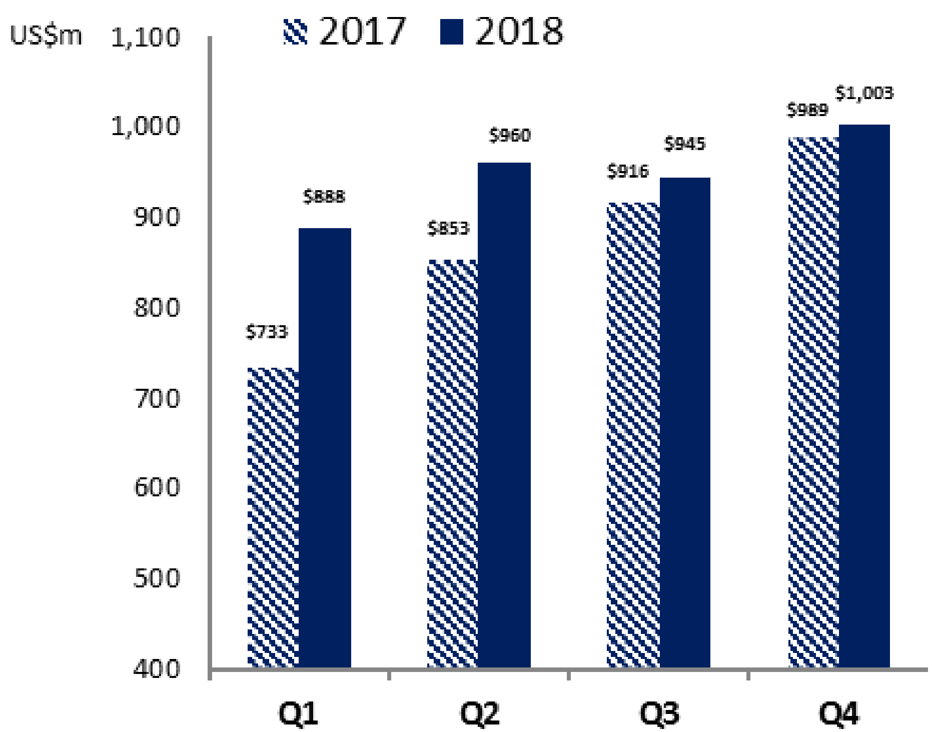
Strong net sales growth of 12.9%[(1),(2)] in the 1st half of 2018, with decelerated growth of 4.7%[(2)] in the 2nd half.

2018 Net Sales Growth by Quarter

Const Curr Growth	15.5% (1)	10.7% (1)	5.2%	4.3%



(1) Net sales growth in Q1 and Q2 of 2018 include additional months sales of eBags (acquired in May 2017) compared to 2017. Excluding eBags, constant currency net sales growth in Q1, Q2 and first half of 2018 was 11.1%, 9.3% and 9.9%, respectively.
(2) Stated on a constant currency basis.

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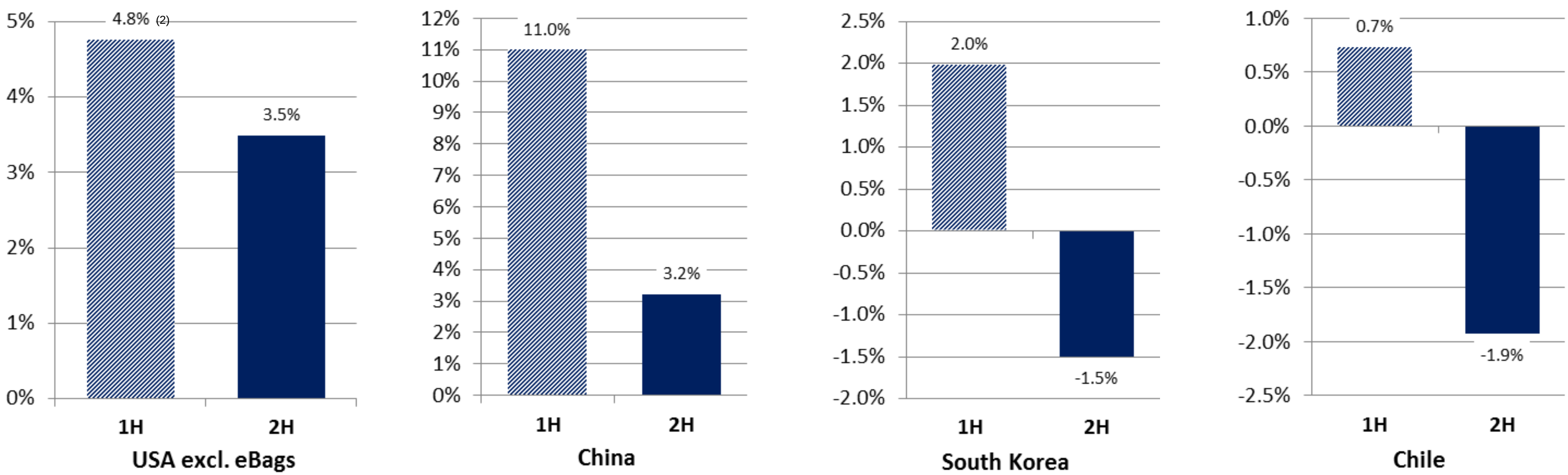
Full year net sales growth of 8.4%[1] despite 2nd half slowdown driven by a few markets.

1H & 2H 2018 Net Sales Growth Rates[1]



- Uncertainty in the market due to trade negotiations with China and tariffs.
- Impact of fewer international tourists on retail performance in gateway markets.
- Discontinued *Tumi* sales to trans-shippers.

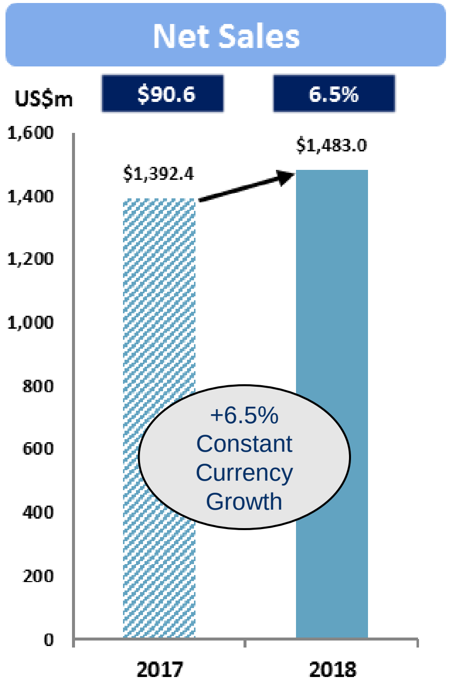
- Weak consumer sentiment amid concerns about trade relations with the U.S.
- Decreased business-to-business orders.

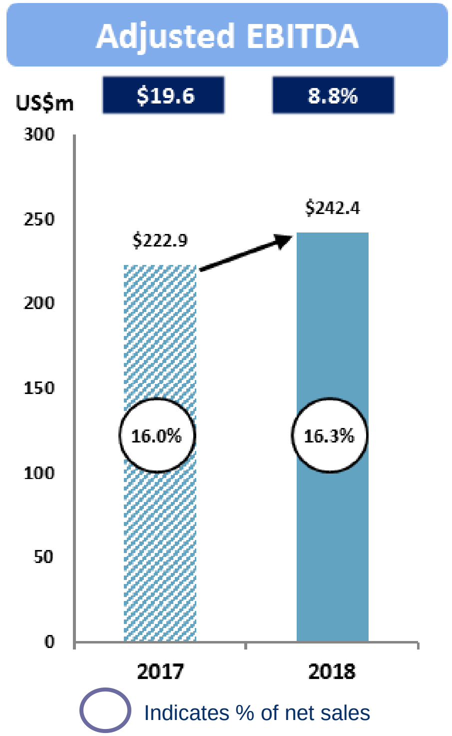
- Retail environment continues to be challenged due to lower Chinese tourism and weak consumer sentiment.

- Chile is suffering from weak consumer sentiment leading to lower traffic in shopping malls. Additionally, fewer tourists are visiting due to appreciation of the Chilean Peso and more product being allowed to be imported into Argentina.

(1) Stated on a constant currency basis.
(2) For comparative purposes, 1H 2017 US excluding eBags is adjusted to exclude wholesale net sales to eBags prior to the acquisition.

North America – Net sales increased by 6.5%[1] (+3.9%[1] excluding eBags) while expanding Adjusted EBITDA margin.





Net Sales by Channel:

- Net sales growth in the Wholesale channel of 1.8%[1]. Excluding the impact of our decision to discontinue sales of *Tumi* products to customers identified as trans-shippers, wholesale channel growth was 2.6%[1].
- Direct-to-consumer net sales growth of 13.0%[1] (+7.5%[1] excluding eBags) was driven by:
  - E-commerce net sales growth of 26.9%[1] (+15.1%[1] excluding eBags);
  - Retail net sales growth of 5.9%[1] driven by 1.9%[1] same store comps and the impact of 12 net new stores in 2017 and 11 net new stores in 2018.

Net Sales by Brand:

- *Samsonite* net sales increased by 2.5%[1].
- *Tumi* net sales growth of 4.0%[1]. Excluding the impact of our decision to discontinue sales of *Tumi* products to customers identified as trans-shippers, growth was 5.6%[1].
- Net sales growth of 16.1%[1] in *American Tourister* due to successful new product launches and investment in brand marketing.
- Net sales growth of 13.6%[1] in other brands is mainly due to *Speck* and the *eBags* brand and 3rd party brands sold through the eBags platform.

Net Sales by Category:

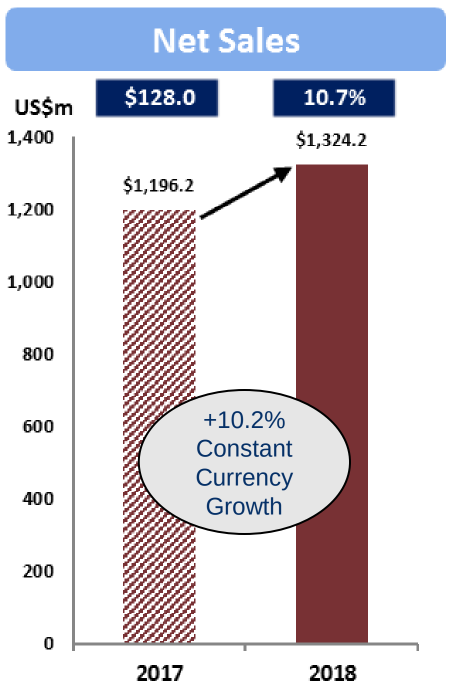
- Net sales growth of 3.9%[1] in the Travel category.
- Non-travel category net sales growth of 10.2%[1] was due partly to the full year impact of eBags as well as the strong performance of *Speck* with Business +8.3%[1], Casual +5.5%[1] and Accessories +14.3%[1].

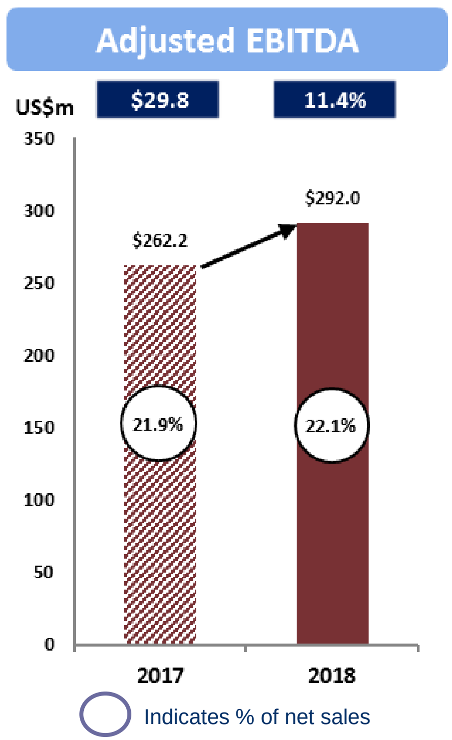
Adjusted EBITDA:

- Adjusted EBITDA as a percentage of net sales was up 30bp from prior year driven by 30bp increase in gross margin and 30bp reduction in advertising as a percentage of net sales, partially offset by 20bp higher non-advertising operating expenses as a percentage of net sales[2]. Excluding eBags, Adjusted EBITDA as a percentage of net sales was up 80bp.

(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.

Asia – Net sales increased by 10.2%(1), led by India, Japan, Hong Kong(2) and China.





(1) Stated on a constant currency basis.
(2) Hong Kong includes Macau and sales to *Tumi* distributors in certain Asian countries/territories.
(3) Distribution rights in South Korea were 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) 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 of 6.1%(1) in the Wholesale channel.
- Net sales growth of 27.2%(1) in the Direct-to-consumer channel is partly due to the full year impact of taking direct control of *Tumi* distribution in certain markets(3) with:
  - E-commerce net sales growth of 44.3%(1);
  - Retail net sales growth of 21.8%(1) driven by same store comps of 6.6%(1) and 54 net new stores in 2017 (including 30 net new stores gained from taking direct control of *Tumi* distribution)(3) and 12 net new stores in 2018.

Net Sales by Brand:

- *Samsonite* net sales growth of 2.1%(1).
- *Tumi* net sales growth of 29.5%(1) driven by Japan, China and Hong Kong(2) as we continue to successfully grow this brand internationally.
- Net sales growth of 8.9%(1) in *American Tourister was* led by India, China and Hong Kong(2). All markets benefitted from the major marketing campaign and successful product offerings.
- Net sales growth of 23.1%(1) in other brands is due mainly to *Kamiliant* +44.1%(1) and High Sierra +35.3%(1). The growth in *Kamiliant* came largely from India and China where the brand gained market share from other entry-level brands in the region.

Net Sales by Category:

- Net sales growth of 7.9%(1) in the Travel category.
- Non-travel category net sales growth of 13.9%(1) with Business +18.5%(1), Casual +13.8%(1) and Accessories +11.6%(1).

Adjusted EBITDA:

- Adjusted EBITDA margin of 22.1% was 20bp higher than 2017 mainly due to a 100bp increase in gross margin and 10bp decrease in advertising as a percentage of net sales, partly offset by a 90bp increase in other non-advertising operating expenses(4).

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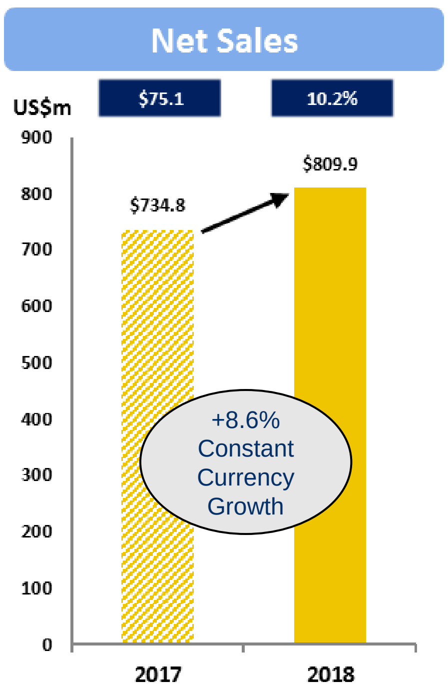
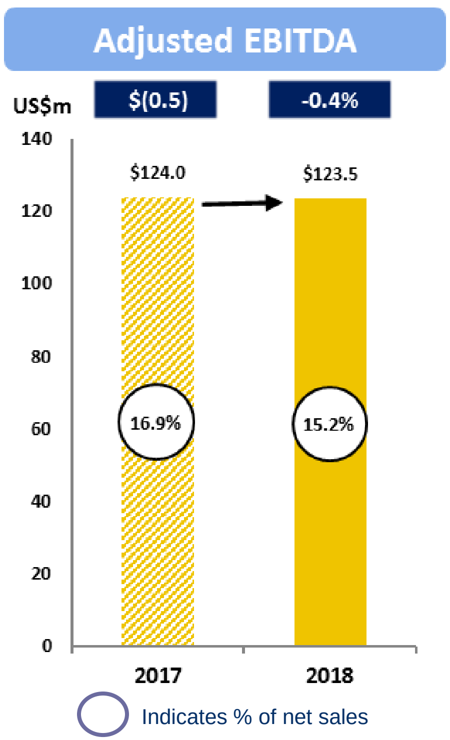
Europe – Net sales increased by 8.6%[1], driven by *American Tourister* and retail expansion.





Net Sales by Channel:

- Net sales growth of 4.7%[1] in the Wholesale channel.
- 15.0%[1] net sales growth in the Direct-to-consumer channel is driven by:
  - Retail net sales growth of 13.0%[1] driven by same store comps of 3.5%[1] and the impact of 32 net new stores in 2017 and 40 net new stores in 2018;
  - Strong growth in e-commerce net sales of 30.2%[1].

Net Sales by Brand:

- *Samsonite* net sales increased by 3.3%[1].
- *Tumi* net sales growth of 10.3%[1].
- Strong net sales growth of 39.2%[1] in *American Tourister* as the region benefited from a major marketing campaign and successful new product launches.

Net Sales by Category:

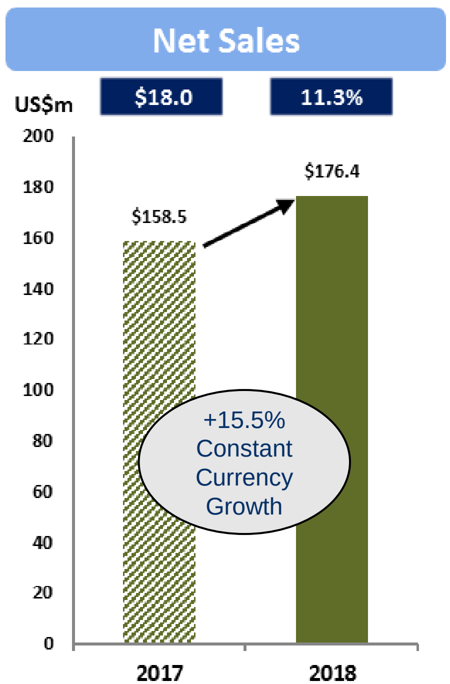
- Net sales growth of 7.7%[1] in the Travel category.
- Non-travel category net sales growth of 10.5%[1] with Business +5.6%[1], Casual +4.2[1] and Accessories +16.9%[1].

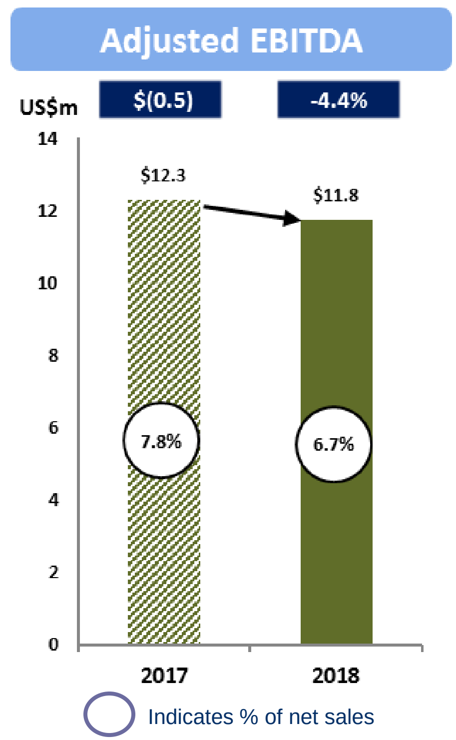
Adjusted EBITDA:

- Increased investment in retail operations has caused a temporary decline in Adjusted EBITDA margin. Adjusted EBITDA margin was down 170bp from 2017 with a 30bp decrease in gross margin and 160bp higher non-advertising operating expenses as a percentage of net sales[2], partially offset by 30bp lower advertising as a percentage of net sales. The higher non-advertising operating expenses as a percentage of net sales were mainly due to investments in retail expansion and growing the *Tumi* footprint in the region.

(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.

Latin America – Net sales increased by US$18.0 million, or 15.5%[1], led by Mexico, Brazil and Argentina.





Net Sales by Channel:

- Wholesale channel net sales growth of 15.5%[1].
- Net sales growth of 15.4%[1] in the direct-to-consumer channel driven by:
  - Retail net sales growth of 12.7%[1] with 29 net new stores opened during 2017 and 21 net new stores opened during 2018 and same store comps of 0.5%[1]. Excluding Chile, same store comps were 11.9%[1].
  - Direct-to-consumer e-commerce sites were just launched in the region last year and contributed US$2.3 million of net sales in 2018.

Net Sales by Brand:

- *Samsonite* net sales increased by 16.0%[1].
- Net sales of *American Tourister* increased by 51.1%[1] as the brand continued to gain market share in all countries, boosted by the major 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 *Saxoline* and *Xtrem* brands. The softness in Chile is due to lower traffic in shopping malls as well as a drop in tourists due to the appreciation of the Chilean peso and Argentina consumers now buying more product within Argentina (Argentina enjoyed 173.4%[1] net sales growth).

Net Sales by Category:

- Net sales growth of 13.3%[1] in Travel.
- Net sales growth of 17.4%[1] in Non-travel with Casual +25.7%[1] and Business +20.2%[1].

Adjusted EBITDA:

- Adjusted EBITDA margin was down 110bp mainly driven by 120bp lower gross margin and 20bp higher non-advertising operating expenses as a percentage of net sales[2], partially offset by 20bp lower advertising as a percentage of net sales. Decreased gross margin is mainly due to high growth of *American Tourister* and higher promotional activity.

(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.

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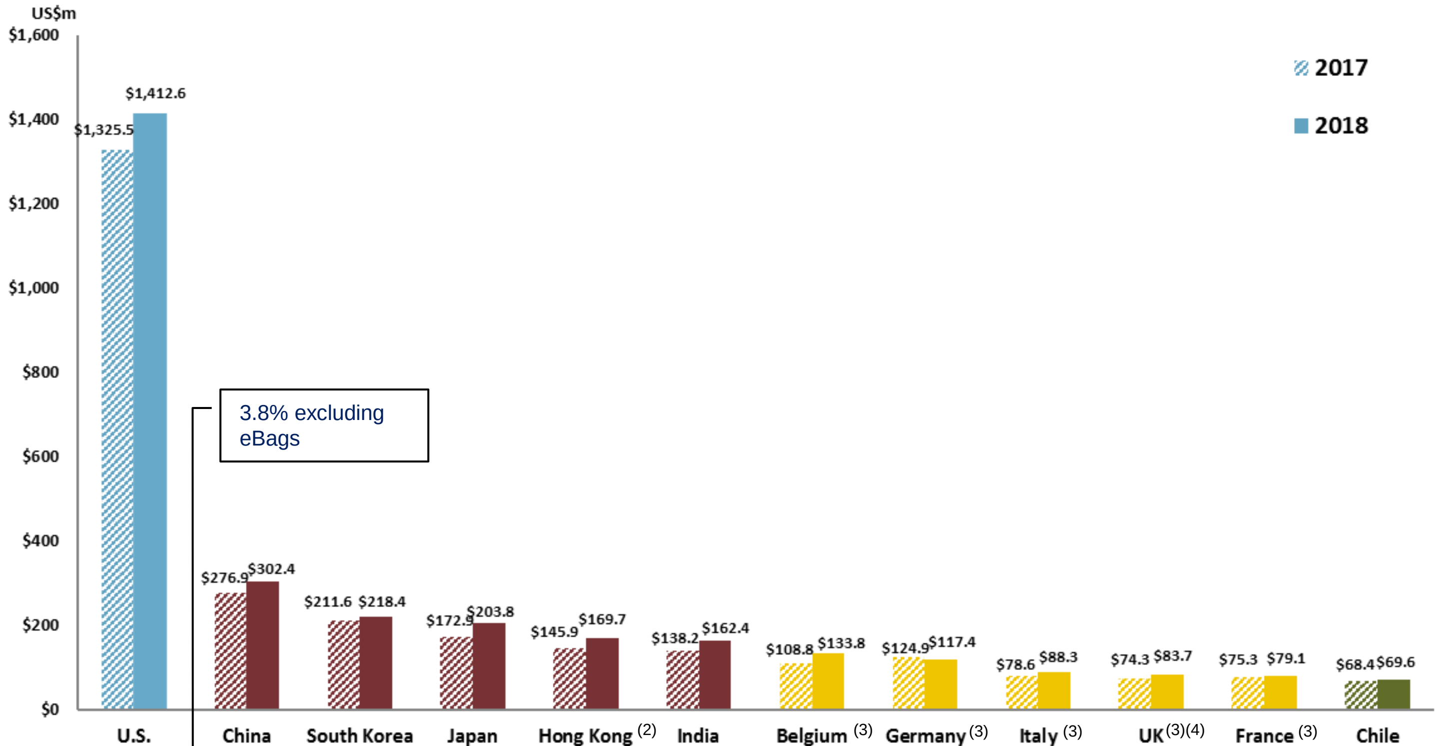
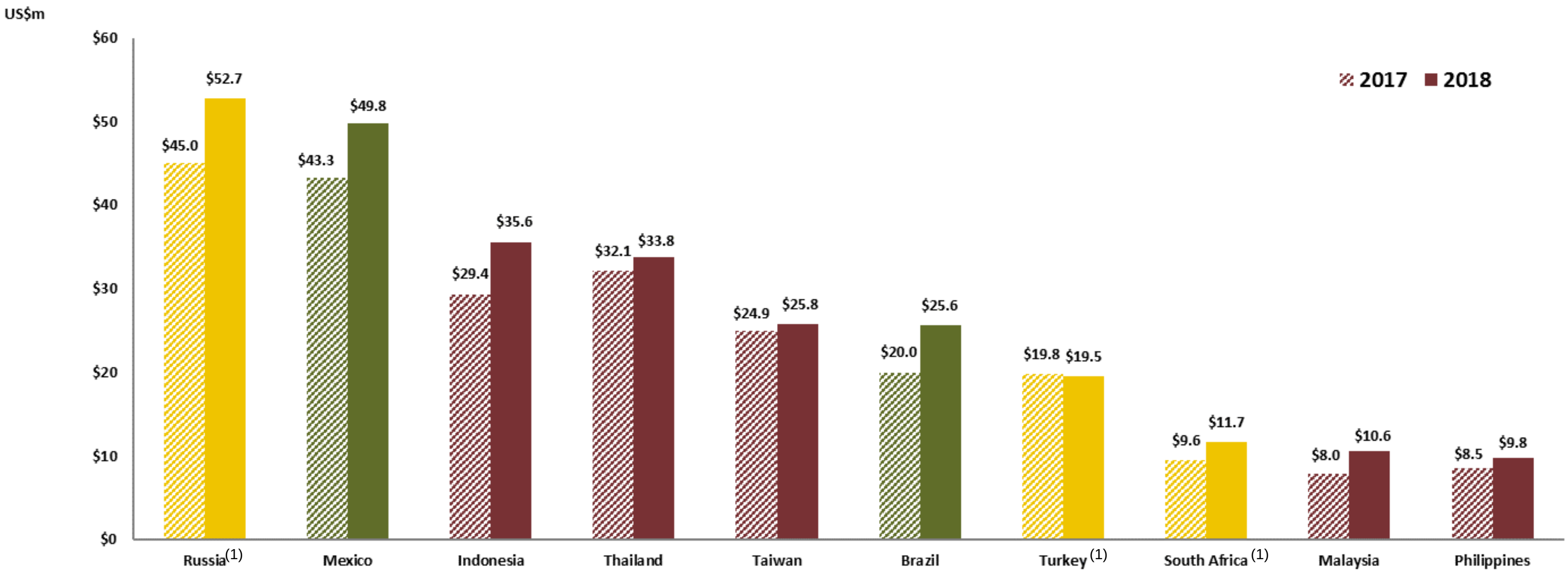
Constant currency net sales growth in key markets(1)



	U.S.	China	South Korea	Japan	Hong Kong (2)	India	Belgium (3)	Germany (3)	Italy (3)	UK (3)(4)	France (3)	Chile
USD Growth	6.6%	9.2%	3.2%	17.9%	16.3%	17.5%	23.0%	-6.0%	12.3%	12.7%	5.0%	1.7%
Constant Currency Growth	6.6%	6.9%	0.2%	16.2%	16.6%	23.2%	18.8%	-9.2%	8.1%	10.3%	1.0%	-0.5%

(1) 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.
(2) Hong Kong includes net sales made in Macau and net sales to *Tumi* distributors in certain other Asian markets.
(3) In integrating the *Tumi* business into the Group's 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 e-commerce 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 rather were accounted for in Belgium. Beginning in January 2018 these sales are accounted for in the country in which the customer is located.
(4) UK includes Ireland.

Continued brand penetration drove constant currency net sales growth in emerging markets with combined constant currency growth of 20.3%(2)



	Russia(1)	Mexico	Indonesia	Thailand	Taiwan	Brazil	Turkey (1)	South Africa (1)	Malaysia	Philippines
USD Growth	17.1%	15.2%	21.0%	5.2%	3.7%	28.0%	-1.4%	22.4%	33.9%	15.0%
Constant Currency Growth	25.8%	17.6%	28.3%	0.0%	2.8%	43.1%	30.0%	21.6%	26.6%	19.9%

(1) In integrating the *Tumi* business into the Group's 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 e-commerce 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 rather were accounted for in Belgium. Beginning in January 2018 these sales are accounted for in the country in which the customer is located.

(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.

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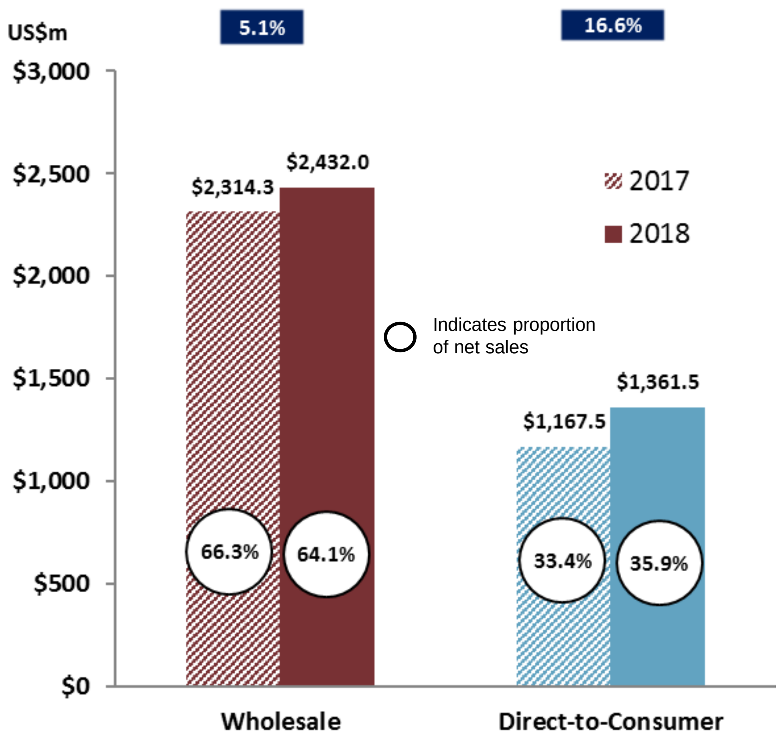
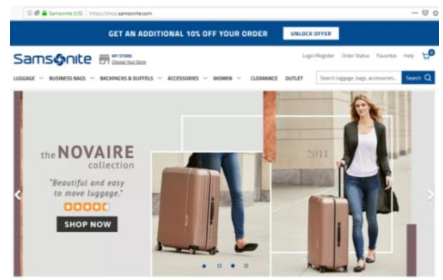
Direct-to-consumer increased from 33.4% to 35.9% of total net sales year over year.

Net Sales growth by channel[1]

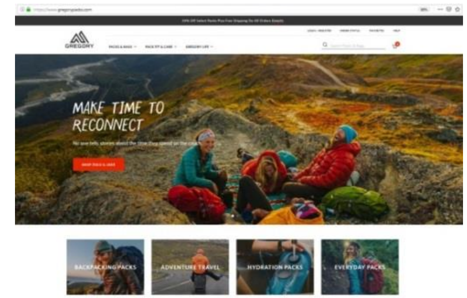


Constant Currency Growth	4.7%	16.5%

- DTC e-commerce net sales +31.3%[2] (+28.4%[2] excluding eBags)



Samsonite.com



Gregory.com

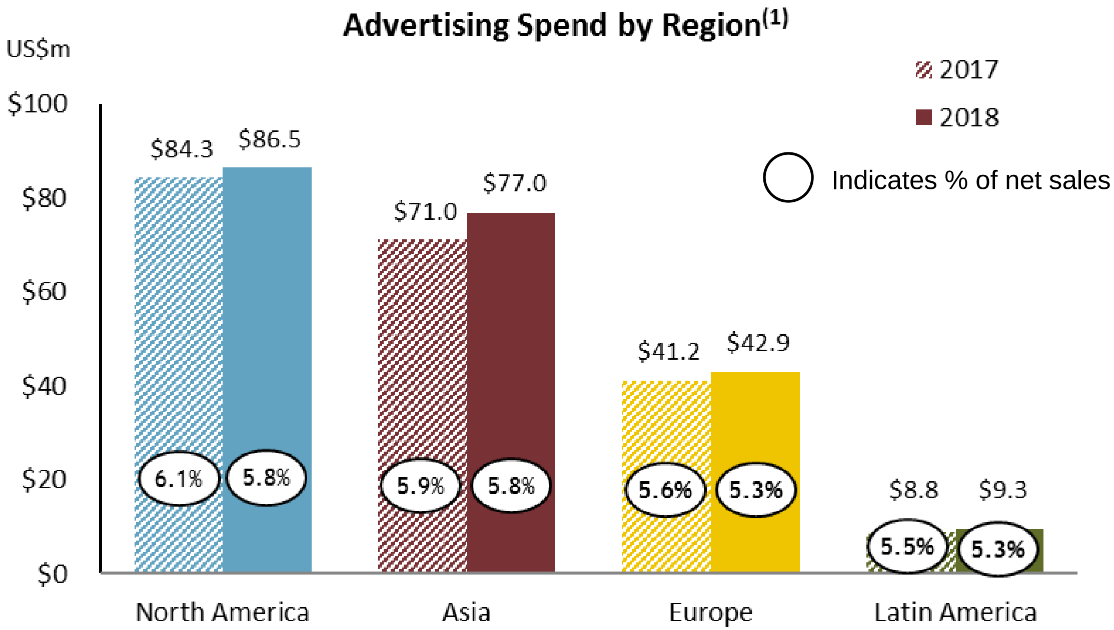
- Retail net sales +11.6%[2]
  - 84 net new stores in 2018;
  - Full year impact of 127 net new stores added in 2017;
  - Same store comps of 3.2%[2].

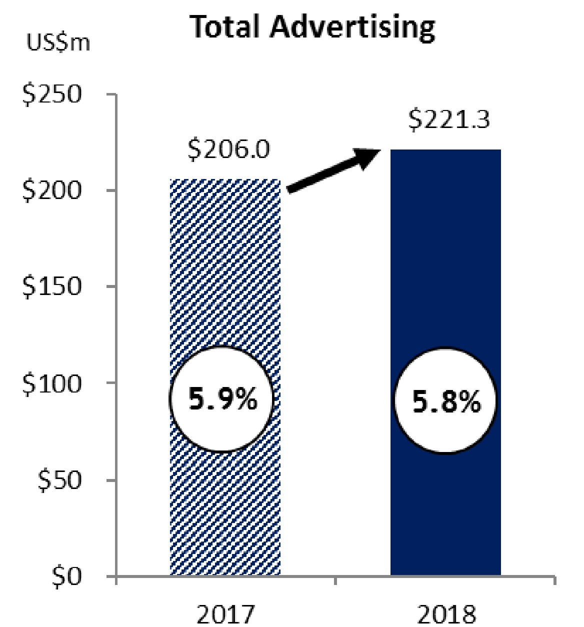
Tumi - Neumünster Outlet, Germany

Samsonite - Shanghai Airport, China

(1) Excludes licensing revenue of US$9.1 million in 2017 and US$3.5 million in 2018.
(2) Stated on a constant currency basis.

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





- Total advertising spend increased by US$15.3 million, or 7.4%, focused mainly on boosting consumer awareness of the *Tumi* and *American Tourister* brands and non-travel categories for the *Samsonite* brand.
- For 2019, the advertising budget will be focused on the *Samsonite* and *Tumi* brands.

(1) Excludes Corporate advertising of US$0.7 million in 2017 and US$5.6 million in 2018.

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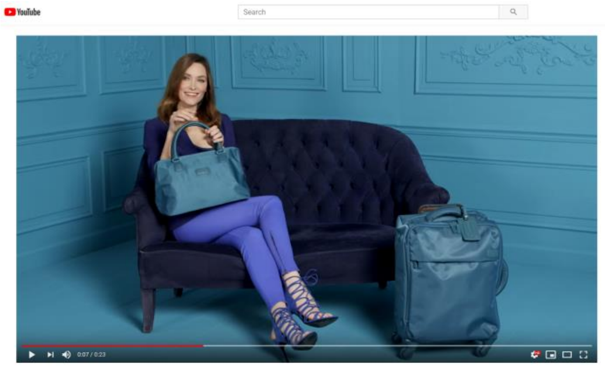
Targeted Brand Advertising



Lipault Paris - Advertising Campaign Video - Duck Blue

Samsonite

Agenda

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

Financial Highlights

- **Net sales increased to a record level of US$3.8 billion**, with net sales growth of 8.4%[(1)], or 7.5%[(1)] excluding eBags which was acquired in May 2017.

- **Adjusted Net Income increased by US$34.0 million**, or 13.0%, due mainly to Adjusted EBITDA growth of US$33.4 million as well as a lower effective tax rate (adjusting for non-cash tax benefit in conjunction with U.S. tax reform in 2017 and a one-time tax expense from Tumi Europe legal entity reorganization) and lower interest costs (adjusting for non-cash charge to write off the deferred financing costs upon refinancing).

- **Operating cash flow of US$307.4 million in 2018** compared to US$341.3 million recorded in 2017. The decrease reflects US$101.8 million increased year over year cash outflow for changes in operating assets and liabilities, partially offset by US$33.4 million increase in Adjusted EBITDA and US$15.7 million lower income tax paid.

(1) Stated on a constant currency basis.

Financial Highlights (cont.)

- **Net working capital efficiency of 13.6%** as of December 31, 2018 is now back in line with 14% target range.

- Effective April 25, 2018, the Group **successfully completed the refinancing of its Senior Credit Facilities** reducing annual cash interest expense by approximately US$9 million in the first year following the refinancing, extending the debt maturity profile by approximately two years and increasing liquidity by approximately US$197 million.

- **Net debt position of US$1,508.2 million** as of December 31, 2018, with US$427.7 million of cash and cash equivalents and US$1,935.8 million of debt (excluding deferred financing costs of US$16.4 million).

- The Company was **in compliance with all debt covenants** as of December 31, 2018. Pro-forma total net leverage ratio[1] of 2.45:1.00 compared to 2.74:1.00 as of December 31, 2017.

(1) Per the terms of the debt agreement, proforma total net leverage ratio is calculated as (total loans and borrowings – total unrestricted cash)/Last twelve months Adjusted EBITDA.

Financial Highlights (cont.)

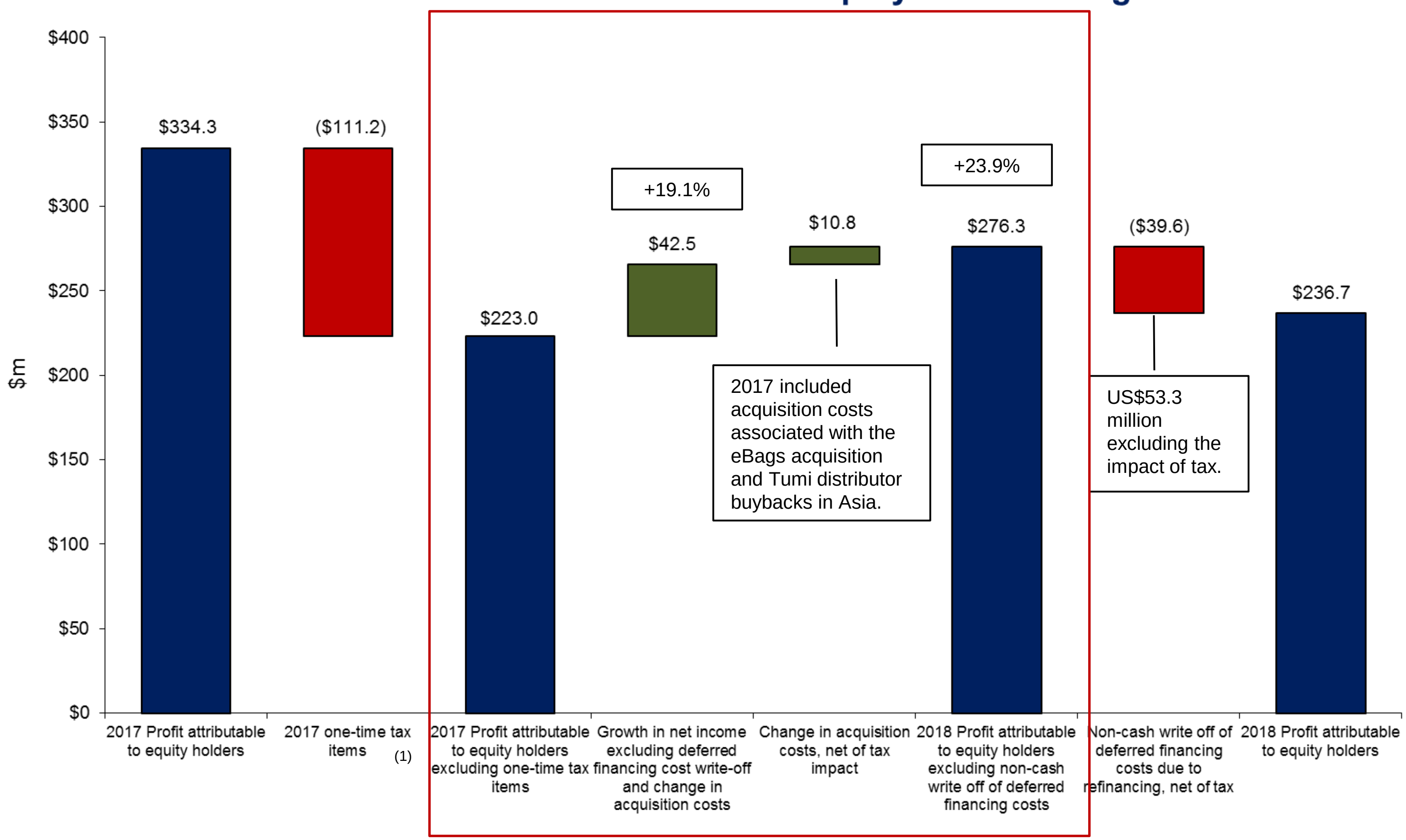
- **Capital expenditures of US$100.6 million** in 2018 was largely focused on the Group's continuing strategy to pursue targeted retail expansion and store modifications and lead the industry in new product innovations.

- The operational effective **tax rate was 25.2%** in 2018 compared to 26.3% in 2017 (2017 excludes the one time tax impacts from U.S. tax reform and Tumi Europe legal entity reorganization). The decrease in the operational effective tax rate was mainly due to profit mix between high and low tax jurisdictions.

- On March 13, 2019, the Company's Board of Directors recommended that a **cash distribution in the amount of US$125.0 million**, or approximately US$0.0873 per share, be made to the Company's shareholders, **up 13.6%** from the US$110.0 million distribution paid in 2018.

Excluding one-time items in 2017 and 2018, profit attributable to equity holders increased by US$53.3 million, or 23.9%, from strong operating income.

2017 to 2018 Profit attributable to equity holders bridge



(1) 2017 one-time tax items consist of US$118.8 million U.S. tax reform impact on deferred taxes and US$(7.6) million tax impact of Tumi legal entity reorganization.

Samsonite

Balance Sheet

US$m	December 31, 2017	December 31, 2018	$ Chg Dec-18 vs. Dec-17	% Chg Dec-18 vs. Dec-17
Cash and cash equivalents	344.5	427.7	83.2	24.2%
Trade and other receivables, net	411.5	420.9	9.5	2.3%
Inventories, net	583.0	622.6	39.6	6.8%
Other current assets	156.5	146.5	(10.0)	-6.4%
Non-current assets	3,575.0	3,524.0	(51.1)	-1.4%
Total Assets	**5,070.4**	**5,141.6**	**71.2**	**1.4%**
Current liabilities (excluding debt)	929.8	855.5	(74.2)	-8.0%
Non-current liabilities (excluding debt)	411.3	375.6	(35.8)	-8.7%
Total borrowings	1,897.0	1,919.4	22.5	1.2%
Total equity	1,832.4	1,991.1	158.7	8.7%
Total Liabilities and Equity	**5,070.4**	**5,141.6**	**71.2**	**1.4%**
Cash and cash equivalents	344.5	427.7	83.2	24.2%
Total borrowings excluding deferred financing costs	(1,953.5)	(1,935.8)	17.7	-0.9%
Total Net Cash (Debt)[1]	**(1,609.1)**	**(1,508.2)**	**100.9**	**-6.3%**

(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, pro-forma total net leverage ratio is calculated as (total loans and borrowings – total unrestricted cash)/Last twelve months Adjusted EBITDA.

- Net debt decreased by US$100.9 million in 2018. Cash flows from operations were US$307.4 million offset by outflows for capital expenditures of US$100.6 million and a cash distribution to equity holders of US$110.0 million.
- Pro-forma total net leverage ratio[3] of 2.45:1.00, improved from 2.74:1.00 at end of 2017.
- US$623.8 million of availability on the US$650.0 million revolving credit facility.
- Working capital efficiency of 13.6% as of December 31, 2018 is now back within target range.

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Working Capital

Working Capital (US$M)

US$m		December 31, 2017		December 31, 2018		$ Chg Dec-18 vs. Dec-17	% Chg Dec-18 vs. Dec-17
Working Capital Items							
Inventories	$	583.0	$	622.6	$	39.6	6.8%
Trade and Other Receivables	$	411.5	$	420.9	$	9.5	2.3%
Trade Payables	$	554.0	$	525.4	$	(28.7)	-5.2%
Net Working Capital	**$**	**440.4**	**$**	**518.1**	**$**	**77.7**	**17.6%**
% of Net Sales		12.4%		13.6%			
Turnover Days							
Inventory Days		136		138			
Trade and Other Receivables Days		42		40			
Trade Payables Days		129		116			
Net Working Capital Days		**49**		**62**			

(1) December 31, 2017 net working capital as a percentage of net sales and turnover days are adjusted for pro-forma full year net sales and COGS of eBags.

- 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

- Working capital efficiency of 13.6% of net sales at December 31, 2018, while 120bp higher than prior year, has improved from being 230bp higher at June 30, 2018.
- Inventory turnover of 138 days as of December 31, 2018 was 2 days higher than prior year. The business continues to focus on further inventory level reductions.
- Trade and other receivables turnover of 40 days as of December 31, 2018 was 2 days lower than prior year due to a higher proportion of sales through direct-to-consumer channels.
- Trade payables turnover of 116 days as of December 31, 2018 was 13 days lower than prior year. This is due to the timing of product purchases as Q4 2017 purchasing was higher than usual to provide inventory coverage for the global *American Tourister* marketing campaign launched in Q1 2018. Purchasing was lower than usual in Q4 2018 as the business continued to manage down inventory levels.

Samsonite

Capital Expenditures

Capital Expenditure by project type

US$m	2017	2018
Retail	51.7	50.5
Product Development / R&D/ Supply	30.2	29.2
Information Services and Facilities	9.5	18.6
Other	3.3	2.3
Total Capital Expenditures	**$94.6**	**$100.6**

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

- 2018 retail capex consisted of new stores and remodels in Asia of US$18.2 million, Europe of US$16.4 million, North America of US$12.0 million and Latin America of US$3.9 million.
- Capex on Product Development / R&D / Supply includes US$6.7 million on tooling and equipment for *Speck* in North America, US$6.5 million towards the cost of a new European warehouse and US$4.3 million on new machinery in our manufacturing facility in Hungary.
- Information Services and Facilities includes US$3.8 million for Tumi North America office relocations and renovations, as well as US$9.6 million for various IT projects and upgrades around the world.

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Outlook and Company Strategy

"UNWTO estimates that worldwide international tourist arrivals (overnight visitors) increased 6% to 1.4 billion in 2018, clearly above the 3.7% growth registered in the global economy."[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:

- 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 backpacks and 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.
- Continue to develop the Company into a well-diversified, multi-brand, multi-category and multi-channel luggage, bag and accessories business.

[1] Source: UNWTO Press release PR 19003 21 Jan 19

Key Initiatives

- Continue to rapidly expand *Tumi's* brand presence in international markets.
- Monitor sales trends with focus on increasing Adjusted EBITDA margin
  - Improve the profitability of the eBags business.
  - Increase bricks-and-mortar retail profitability while continuing targeted retail expansion in under-penetrated markets.
- Improve net working capital efficiency by bringing inventory turnover days back in line with prior years.
- Diversify supplier base into countries with more favorable product costing while maintaining high quality standards.
- Continue to weave environmental and social governance (ESG) practices into the fabric of the business.
- Evaluate additional acquisition opportunities.

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