Samsonite International S.A. Announces Results for the Six Months Ended June 30, 2023

Consolidated net sales surpassed first half 2019 levels by 16.2%[1, 2, 3] during the first half of 2023

Gross margin expanded 310 basis points year-over-year during the first half of 2023

Achieved record profitability with first half 2023 Adjusted EBITDA margin[4] of 18.8%, up 340 basis points year-on-year, and up 660 basis points versus the first half of 2019

HONG KONG, August 16, 2023 – 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 condensed consolidated interim financial information for the six months ended June 30, 2023.

In this press release, certain financial results for the six months ended June 30, 2023, are compared to both the six months ended June 30, 2022, and the six months ended June 30, 2019. Comparisons to the six months ended June 30, 2019, are provided because it is the most recent comparable period 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 thrilled with Samsonite's performance in the first half of 2023, which reflects growing demand for our products driven by our increased marketing investment and continued travel recovery across all of our regions, particularly in Asia. Samsonite's net sales recovery noticeably accelerated during the first half of 2023, underscoring consumers' enduring enthusiasm for travel and the potential upside for the business as travel continues to grow in China."

"Gross margin performance in the first half of 2023 was supported by increased contribution from the higher margin Asia and *Tumi* businesses. Our efforts to streamline our cost base in 2020 and 2021, along with our ongoing cost discipline, have fundamentally transformed the margin profile of our business, enabling us to deliver strong improvement in profitability both year-over-year and versus the first half of 2019. As a result, we achieved record Adjusted EBITDA margin[4] of 18.8% in the first half of 2023, up 660 basis points versus the first half of 2019."

"As we look out to the remainder of 2023, the summer travel season is expected to be strong due to robust pent-up demand in North America and Europe, the recent reopening of China and other major Asian markets, and the continued recovery in international flight capacity. In particular, the recovery in outbound travel from China is still in its early stages and is expected to accelerate in the coming months, driving further net sales growth in Asia, Europe and North America. We've seen this positive momentum reflected in our net sales performance in July 2023."

Mr. Gendreau concluded, "With substantial liquidity of US$1.3 billion[5], we are confident that Samsonite has the financial capacity and flexibility to support its long-term growth. We intend to continue investing in product innovation and sustainability initiatives, additional enhancements to our global retail store network, and marketing to drive continued net sales growth. At the same time, we are managing discounting and promotional activity and our non-marketing SG&A expenses to drive positive operating leverage and grow net sales at the fundamentally higher margin profile we've set for the business. We are confident that our diverse geographic footprint, complementary brands, and commitment to sustainability and innovation will continue to help strengthen Samsonite's market position and drive sustainable and profitable long-term growth."

Table 1: Key Consolidated Financial Highlights for the Six Months Ended June 30, 2023

US$ millions, except per share data	**Six months ended June 30, 2023**	Six months ended June 30, 2022	Percentage increase 2023 vs. 2022	Percentage increase 2023 vs. 2022 excl. foreign currency effects[1]
Net sales	**1,776.2**	1,270.2	39.8%	44.5%
Gross profit	**1,043.6**	707.4	47.5%	52.9%
Gross profit margin	**58.8%**	55.7%		
Operating profit	**312.1**	159.9	95.3%	102.0%
Profit attributable to the equity holders	**152.5**	56.3	171.5%	185.3%
Adjusted Net Income[6]	**170.9**	83.3	104.9%	114.6%
Adjusted EBITDA[7]	**334.3**	195.6	70.9%	78.8%
Adjusted EBITDA margin[4]	**18.8%**	15.4%		
Basic earnings per share – US$ per share	**0.106**	0.039	170.4%	184.1%
Diluted earnings per share – US$ per share	**0.105**	0.039	169.3%	183.0%
Adjusted basic and diluted earnings per share[8] – US$ per share	**0.118**	0.058	103.6%	112.9%

2023 Second Quarter Highlights

For the three months ended June 30, 2023, the Group registered consolidated net sales of US$924.1 million, an increase of 36.1%[1, 2] compared to the second quarter of 2022. Gross profit margin expanded to 59.4% in the second quarter of 2023, an increase of 290 basis points year-on-year, driven by increased net sales mix from Asia and the *Tumi* brand, as well as overall lower promotional activity. The Group increased its investment in marketing as planned, with marketing expenses rising to 6.9% of net sales in the second quarter of 2023 compared to 4.8% of net sales in the second quarter of 2022. The team remained disciplined in managing fixed selling, general and administrative ("SG&A") expenses, enabling Samsonite to achieve a 45.4% increase in Adjusted EBITDA[7] to US$177.9 million and a 170 basis point expansion in Adjusted EBITDA margin[4] to 19.3% during the second quarter of 2023, even as marketing spend as a percentage of net sales increased by 210 basis points compared to the corresponding period in 2022. Driven by the increase in Adjusted EBITDA[7], Samsonite recorded Adjusted Net Income[6] of US$89.6 million during the three months ended June 30, 2023, a 49.1% increase from the US$60.0 million recorded in the second quarter of 2022.

Compared to the corresponding period in 2019, Samsonite's net sales for the second quarter of 2023 increased by 14.6%[1, 2, 3]; gross profit margin increased by 400 basis points; Adjusted EBITDA[7] and Adjusted EBITDA margin[4] by 38.1% and 540 basis points, respectively; and Adjusted Net Income[6] by 28.5%; despite marketing spend as a percentage of sales rising by 110 basis points. This remarkable outcome underscores the positive impact of the fixed SG&A cost savings from the Group's restructuring actions, and its ongoing discipline in controlling expenses as net sales continued to recover.

2023 First Half Results

The Group's performance for the six months ended June 30, 2023, is discussed in greater detail below.

Net Sales

The Group's net sales improvement was driven by a robust recovery in leisure and business travel and the resulting increased demand for the Group's products. There was a noticeable acceleration in the Group's net sales recovery in all regions during the first half of 2023, particularly in Asia where China, the last major market in the region to reopen, lifted restrictions at the beginning of 2023.

First Half 2023 vs First Half 2022

For the six months ended June 30, 2023, the Group recorded net sales of US$1,776.2 million, an increase of 44.5%[1] compared to the US$1,270.2 million recorded during the first half of 2022, as international travel continued to recover globally, particularly in Asia, and supported by substantial investments in marketing behind Samsonite's industry-leading brands and product assortments, as well as the strength of the Group's direct-to-consumer business. When excluding the net sales in Russia, the Group's net sales increased by US$515.8 million, or 45.7%[1, 2], year-on-year, during the first half of 2023.

First Half 2023 vs First Half 2019

Compared to the corresponding period in 2019, the Group's net sales for the six months ended June 30, 2023, increased by 10.9%[1], and by 16.2%[1, 2, 3] when excluding the net sales in Russia and by Speck. This is a significant improvement compared to the second half of 2022, when the Group's net sales declined by 6.3%[1] versus the second half of 2019, and by 0.8%[1, 2, 3] when excluding the net sales in Russia and by Speck.

Net Sales Performance by Region

Table 2: Net Sales by Region

Region[9]	**Six months ended June 30, 2023 US$ millions**	Six months ended June 30, 2022 US$ millions	Percentage increase 2023 vs. 2022	Percentage increase 2023 vs. 2022 excl. foreign currency effects[1]
Asia	**693.9**	393.3	76.4%	86.7%
North America	**611.3**	489.8	24.8%	25.3%
Europe	**365.7**	301.2	21.4%	26.1%
Latin America	**104.6**	85.0	23.2%	26.5%

Asia

First Half 2023 vs First Half 2022

For the six months ended June 30, 2023, the Group recorded net sales of US$693.9 million in Asia, an increase of US$300.6 million, or 86.7%[1], compared to net sales of US$393.3 million in the first half of 2022. This drove the share of total net sales of Asia, the Group's most profitable region, to increase to 39.1% in the first half of 2023 versus 31.0% in the first half of 2022. The Group's net sales recovery in Asia noticeably accelerated during the first half of 2023, as China, the last major market in the region to reopen, lifted restrictions at the beginning of 2023. During the first half of 2023, the Group's net sales in China increased by 99.6%[1], in India by 38.4%[1], in Japan by 89.3%[1], in South Korea by 77.3%[1] and in Hong Kong[10] by 114.9%, year-on-year.

First Half 2023 vs First Half 2019

Compared to the first half of 2019, the Group's net sales for the first half of 2023 in Asia increased by 18.0%[1]. Net sales for the first half of 2023 in India and Japan increased by 79.3%[1] and 8.2%[1], respectively, compared to the first half of 2019. Net sales performance in China meaningfully improved due to the Chinese government lifting travel restrictions and relaxing social distancing measures. The Group's net sales in China for the first half of 2023 decreased by 0.1%[1] when compared to the first half of 2019, versus a decline of 44.2%[1] during the second half of 2022 when compared to the corresponding period in 2019. Net sales performances in South Korea (-8.4%[1]) and Hong Kong[10] (-26.0%[1]) are expected to improve as Chinese group travel recovers.

North America

First Half 2023 vs First Half 2022

For the six months ended June 30, 2023, the Group recorded net sales of US$611.3 million in North America, an increase of 25.3%[1] year-on-year. The Group's net sales in the United States and Canada increased by 23.4% and 64.7%[1], respectively, in the first half of 2023 compared to the corresponding period in 2022.

First Half 2023 vs First Half 2019

For the six months ended June 30, 2023, the Group recorded a net sales increase of 1.3%[1, 3] in North America versus the first half of 2019 when excluding the net sales by Speck. Further adjusting for the discontinuation of third-party brand sales on the ebags e-commerce platform in 2020, net sales in North America for the first half of 2023 increased by 7.1%[1, 3] compared to the corresponding period in 2019. The Group's net sales, as reported, decreased by 6.5%[1] in North America during the first half of 2023 when compared to the corresponding period in 2019.

When excluding the net sales by Speck for the first half of 2019, net sales in the United States increased by 0.3% for the six months ended June 30, 2023, compared to the six months ended June 30, 2019. Further adjusting for the discontinuation of third-party brand sales on the ebags e-commerce platform in 2020, net sales in the United States increased by 6.4% for the six months ended June 30, 2023, compared to the corresponding period in 2019. Net sales in Canada increased by 20.1%[1] during the first half of 2023 compared to the first half of 2019.

Europe

First Half 2023 vs First Half 2022

For the six months ended June 30, 2023, the Group recorded net sales of US$365.7 million in Europe, an increase of 26.1%[1] (+30.3%[1, 2] when excluding the net sales in Russia) compared to the corresponding period in 2022, driven by year-on-year net sales increases of 32.6%[1] in Germany, 45.2%[1] in Italy, 34.0%[1] in France, 13.3%[1] in the United Kingdom[11], and 25.1%[1] in Spain.

First Half 2023 vs First Half 2019

For the six months ended June 30, 2023, the Group's net sales in Europe were 16.4%[1] higher than the first half of 2019 (+26.6%[1, 2] when excluding the net sales in Russia). Most of the Group's key markets in Europe recorded net sales increases for the first half of 2023 when compared to the corresponding period in 2019, including: Spain (+13.3%[1]), Italy (+5.8%[1]), France (+3.3%[1]) and the United Kingdom[11] (+0.5%[1]). These increases were partially offset by a net sales decrease in Germany (-7.9%[1]) for the first half of 2023 when compared to the first half of 2019.

Latin America
First Half 2023 vs First Half 2022
For the six months ended June 30, 2023, the Group recorded net sales of US$104.6 million in Latin America, an increase of 26.5%[1] compared to the corresponding period in 2022, driven by year-on-year net sales increases of 14.1%[1] in Chile, 31.8%[1] in Mexico, and 16.1%[1] in Brazil.

First Half 2023 vs First Half 2019
Samsonite's net sales in Latin America for the six months ended June 30, 2023, increased by 69.0%[1] compared to the corresponding period in 2019, with all of the Group's key markets in Latin America recording net sales increases for the first half of 2023 when compared to the corresponding period in 2019, including: Chile (+33.8%[1]), Mexico (+14.7%[1]) and Brazil (+89.1%[1]).

Net Sales Performance by Brand

Table 3: Net Sales by Brand

Brand	**Six months ended June 30, 2023 US$ millions**	Six months ended June 30, 2022 US$ millions	Percentage increase 2023 vs. 2022	Percentage increase 2023 vs. 2022 excl. foreign currency effects[1]
Samsonite	**880.3**	620.0	42.0%	47.1%
Tumi	**421.1**	283.5	48.5%	51.7%
American Tourister	**320.8**	234.5	36.8%	42.5%
Other[12]	**154.1**	132.2	16.5%	20.6%

First Half 2023 vs First Half 2022
All of the Group's core brands made strong gains during the six months ended June 30, 2023.

For the six months ended June 30, 2023, net sales of the *Samsonite* brand increased by US$260.3 million, or 47.1%[1], year-on-year, mainly driven by Asia (up US$143.9 million, or 102.4%[1]), North America (up US$64.8 million, or 28.9%[1]) and Europe (up US$44.5 million, or 27.6%[1]), with Latin America (up US$7.2 million, or 27.6%[1]) also registering strong year-on-year net sales gains.

Net sales of the *Tumi* brand increased by US$137.6 million, or 51.7%[1], year-on-year, in the first half of 2023, with strong growth across all regions: Asia (up US$59.6 million, or 86.6%[1]), North America (up US$58.5 million, or 33.5%[1]), Europe (up US$17.2 million, or 69.5%[1]) and Latin America (up US$2.3 million, or 76.4%[1]). As a result, the *Tumi* brand's share of the Group's net sales increased to 23.7% in the first half of 2023 from 22.3% in the first half of 2022.

Net sales of the *American Tourister* brand increased by US$86.3 million, or 42.5%[1], year-on-year, during the six months ended June 30, 2023, mainly driven by strong growth in Asia (up US$83.4 million, or 84.8%[1]), with Europe (up US$2.7 million, or 7.1%[1]) and Latin America (up US$3.0 million, or 27.0%[1]) also recording robust year-on-year net sales gains. Net sales of the *American Tourister* brand in North America decreased by US$2.7 million, or 5.1%[1], year-on-year due to a shift in timing of shipments to certain wholesale customers.

First Half 2023 vs First Half 2019
Compared to the first half of 2019, net sales of the *Samsonite*, *Tumi* and *American Tourister* brands increased by 22.8%[1], 21.7%[1] and 10.5%[1] in the first half of 2023, respectively.

Net Sales Performance by Product Category

Table 4: Net Sales by Product Category

Product Category	**Six months ended June 30, 2023 US$ millions**	Six months ended June 30, 2022 US$ millions	Percentage increase 2023 vs. 2022	Percentage increase 2023 vs. 2022 excl. foreign currency effects[1]
Travel	**1,173.9**	814.3	44.2%	48.9%
Non-travel[13]	**602.4**	455.8	32.1%	36.8%

The Group's net sales in the travel product category continued to improve as the ongoing recovery in leisure and business travel led to an increase in demand for the Group's products. Net sales in the travel product category increased by 48.9%[1] year-on-year and accounted for 66.1% of total net sales in the first half of 2023, up from 64.1% of total net sales in the first half of 2022. Total non-travel[13] product category net sales increased by 36.8%[1] year-on-year and accounted for 33.9% of total net sales in the first half of 2023, compared to 35.9% of total net sales in the first half of 2022.

Net Sales Performance by Distribution Channel

Table 5: Net Sales by Distribution Channel

Distribution Channel	**Six months ended June 30, 2023 US$ millions**	Six months ended June 30, 2022 US$ millions	Percentage increase 2023 vs. 2022	Percentage increase 2023 vs. 2022 excl. foreign currency effects[1]
Wholesale	**1,106.5**	812.3	36.2%	41.0%
DTC	**669.0**	456.9	46.4%	51.0%

The Group’s wholesale net sales increased by 41.0%[1] to US$1,106.5 million (representing 62.3% of net sales) for the six months ended June 30, 2023, from US$812.3 million (representing 63.9% of net sales) in the first half of 2022. Net sales to e-retailers, which are included in the Group's wholesale channel, increased by US$24.9 million, or 26.8%[1], during the first half of 2023 compared to the corresponding period in 2022.

During the six months ended June 30, 2023, the Group’s net sales in the direct-to-consumer (“DTC”) channel, which includes company-operated retail stores and DTC e-commerce, increased by US$212.1 million, or 51.0%[1], to US$669.0 million (representing 37.7% of net sales) from US$456.9 million (representing 36.0% of net sales) in the first half of 2022. The Group’s DTC retail net sales increased by US$153.1 million, or 50.0%[1], to US$489.0 million and comprised 27.5% of first half 2023 net sales, compared to US$335.8 million, or 26.4% of net sales, during the first half of 2022. Meanwhile, DTC e-commerce net sales increased by US$58.9 million, or 53.7%[1], to US$180.0 million (representing 10.1% of net sales) during the first half of 2023, compared US$121.1 million (representing 9.5% of net sales) during the first half of 2022.

During the six months ended June 30, 2023, the Group added 32 company-operated retail stores, partially offset by the closure of 16 company-operated retail stores. This resulted in a net increase of 16 company-operated retail stores during the first half of 2023, compared to a net reduction of 42 company-operated retail stores during first half of 2022 (including 37 company-operated retail stores that were located in Russia). The total number of company-operated retail stores was 1,001 as of June 30, 2023, compared to 963 company-operated retail stores as of June 30, 2022, and 1,278 as of June 30, 2019.

During the six months ended June 30, 2023, US$312.7 million of the Group’s net sales were through e-commerce channels (comprising US$180.0 million of net sales from the Group’s DTC e-commerce website, which are included within the DTC channel, and US$132.7 million of net sales to e-retailers, which are included within the wholesale channel), an increase of US$83.9 million, or 41.0%[1], compared to the US$228.8 million during the first half of 2022. E-commerce comprised 17.6% of the Group's first half 2023 net sales, compared to 18.0% in the first half of 2022.

Gross Profit

The Group’s gross profit increased by US$336.2 million, or 47.5%, to US$1,043.6 million for the six months ended June 30, 2023, from US$707.4 million for the first half of 2022. Gross profit margin increased by 310 basis points to 58.8% for the first half of 2023 from 55.7% for the corresponding period in 2022, with all regions reporting year-on-year gross profit margin gains and Asia, the region with the highest gross profit margin, increasing its share of total net sales. This increase in gross profit margin was also driven by an increased proportion of total net sales attributable to the *Tumi* brand, changes in channel net sales mix, and overall lower promotional activity.

Investment in Marketing

The Group substantially increased marketing activities across all regions as planned, spending US$114.2 million on marketing during the six months ended June 30, 2023, an increase of US$56.5 million, or 97.8%, compared to US$57.7 million for the first half of 2022. As a percentage of net sales, marketing expenses increased by 190 basis points to 6.4% of net sales for the six months ended June 30, 2023, from 4.5% for the six months ended June 30, 2022.

Samsonite's relentless commitment to innovation and sustainability has enabled the Group to field best-in-class products across its brands, and the Group is leveraging its sizeable marketing spend to message to consumers and differentiate itself from the competition. Samsonite's increased investment in advertising is driving excitement around the Group's brands globally, and the Group intends to continue with its investment in marketing to capitalize on the ongoing recovery in leisure and business travel and drive further net sales growth. The Group is targeting to increase marketing spend to about 6.5% of net sales in 2023 from the 5.4% spent in 2022, and to deploy additional dollars in digital channels to support the *Tumi* and *Samsonite* brands, as well as accelerate growth of the Group's e-commerce business.

Distribution Expenses

Distribution expenses increased by US$113.6 million, or 30.2%, to US$489.3 million for the six months ended June 30, 2023, compared to US$375.7 million in the first half of 2022. Distribution expenses represented 27.5% of net sales in the first half of 2023, 210 basis points lower compared to 29.6% during the corresponding period in 2022, primarily due to the increase in net sales as well as disciplined expense management.

General and administrative expenses

General and administrative expenses increased by US$22.3 million, or 21.3%, to US$127.1 million for the six months ended June 30, 2023, from US$104.8 million in the first half of 2022. General and administrative expenses represented 7.2% of net sales in the first half of 2023, 100 basis points lower compared to 8.2% during the corresponding period in 2022, reflecting the Group's ongoing attention to controlling expenses as sales increased year-on-year.

Operating Profit

The Group reported an operating profit of US$312.1 million for the six months ended June 30, 2023, compared to US$159.9 million for the corresponding period in 2022, an increase of US$152.3 million, or 95.3%, year-on-year.

Net Finance Costs and Income Tax Expense

Net finance costs increased by US$18.8 million, or 30.2%, to US$81.0 million for the six months ended June 30, 2023, from US$62.2 million for the corresponding period in 2022. This increase was primarily attributable to an increase in interest expense on loans and borrowings of US$9.5 million driven by higher interest rates year-on-year, a non-cash charge of US$4.4 million to derecognize the deferred financing costs associated with the refinancing of the Group's senior credit facilities, an increase in foreign exchange losses of US$2.5 million and an increase in redeemable non-controlling interest put option expenses of US$2.2 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$59.7 million for the six months ended June 30, 2023, compared to income tax expense of US$29.2 million for the first half of 2022.

Profit Attributable to the Equity Holders

The Group recorded profit attributable to the equity holders of US$152.5 million for the six months ended June 30, 2023, an increase of US$96.3 million, or 171.5%, from US$56.3 million for the corresponding period in 2022.

Adjusted EBITDA and Adjusted Net Income

First Half 2023 vs First Half 2022

For the six months ended June 30, 2023, the Group recorded Adjusted EBITDA[7] of US$334.3 million, an increase of US$138.7 million, or 70.9%, compared to US$195.6 million in the first half of 2022.

For the six months ended June 30, 2023, the Group's net sales rose by US$506.1 million year-on-year to US$1,776.2 million, but fixed SG&A expenses only increased by US$75.3 million to US$408.2 million due to the Group's ongoing focus on controlling expenses. As a result, fixed SG&A expenses amounted to 23.0% of net sales in the first half of 2023, 320 basis points lower than the 26.2% in the first half of 2022. Together with the 310 basis point year-on-year increase in gross profit margin, Samsonite's Adjusted EBITDA margin[4] expanded by 340 basis points to 18.8% in the first half of 2023 from 15.4% in the first half of 2022, despite marketing spend as a percentage of net sales increasing by 190 basis points year-on-year.

Adjusted Net Income[6] increased by US$87.6 million, or 104.9%, to US$170.9 million for the six months ended June 30, 2023, compared to US$83.3 million for the first half of 2022.

First Half 2023 vs First Half 2019

Compared to the first half of 2019, Samsonite's gross profit margin increased by 280 basis points, marketing expenses as a percentage of sales increased by 50 basis points, and fixed SG&A expenses as a percentage of net sales decreased by 520 basis points, resulting in the Group's Adjusted EBITDA margin[4] increasing by 660 basis points for the first half of 2023. In dollar terms, the Group's Adjusted EBITDA[7] for the first half of 2023 increased by US$120.8 million from the US$213.5 million recorded in the first half 2019, despite reported net sales only rising by US$20.5 million in the first half of 2023 versus the corresponding period in 2019. Adjusted Net Income[6] was US$73.8 million higher than the US$97.0 million during the first half of 2019. This remarkable improvement from 2019 highlights the Group's strong positive operating leverage and fundamentally enhanced margin profile.

Investment in Inventories and Working Capital

The Group continued to invest in working capital, particularly inventories, to support net sales growth. Inventories as of June 30, 2023, were US$740.4 million, an increase of US$52.8 million compared to US$687.6 million at the end of 2022, and US$271.6 million higher than as of June 30, 2022. Inventories are expected to gradually decrease with continued strong sales and tapering product purchases.

Trade and other receivables increased by US$23.5 million to US$314.4 million as of June 30, 2023, compared to US$290.9 million at the end of 2022. Meanwhile, accounts payable decreased by US$45.8 million to US$537.5 million as of June 30, 2023, from US$583.3 million at the end of 2022 due to the timing of payments to suppliers. As a result, net working capital was US$517.3 million as of June 30, 2023, an increase of US$122.0 million from US$395.3 million as of December 31, 2022.

Spending on capital expenditures and software purchases

During the first half of 2023, the Group selectively opened 32 new retail stores in locations that offer attractive opportunities for its brands, particularly in Asia and for the *Tumi* brand in Europe. In comparison, the Group opened 19 new retail stores in the first half of 2022. As a result, spending on capital expenditures (including software purchases) increased by US$9.9 million year-on-year to US$25.7 million[14] during the first half of 2023 compared to the US$15.7 million[14] spent in the first half of 2022. The Group intends to continue to increase spending on capital expenditures and software during the rest of 2023 to upgrade and expand its retail store fleet and to invest in core strategic functions to support continued sales growth.

Balance Sheet and Cash Flows

Even as the Group continued to invest in working capital, it recorded cash flows generated from operating activities of US$156.6 million for the six months ended June 30, 2023, driven by strong Adjusted Net Income[6] performance. In comparison, cash flows generated from operating activities amounted to US$62.4 million for the six months ended June 30, 2022.

The Group remained focused on cash management and debt reduction. In June 2023, the Group refinanced its senior credit facilities, which allowed the Group to extend debt maturities by several years, reduce the aggregate principal amount of debt outstanding by US$65.0 million, and lower the annual cash interest payments by approximately US$5 million in the first full year following the refinancing. The deal was well received in the debt markets and underscores investors' confidence in the strength of the Group's business and its bright long-term prospects.

Following the completion of the refinancing, the Group had net debt of US$1,336.7 million[15] as of June 30, 2023, compared to US$1,383.7 million[15] at the end of 2022, and US$1,305.3 million[15] as of December 31, 2019. The reduction in net debt, together with the strong recovery in Adjusted EBITDA[7], enabled the Group to significantly lower its net leverage ratio[16] to 2.15:1 as of June 30, 2023, compared to 2.85:1 as of December 31, 2022 and lower than the 2.63:1 as of December 31, 2019 before the pandemic. The Group had total liquidity of US$1,344.3 million[5] as of June 30, 2023, compared to US$1,481.3 million[5] as of December 31, 2022.

In view of the ongoing recovery in net sales and significantly enhanced profitability, the Company intends to resume annual cash distributions in 2024, subject to its Dividend and Distribution Policy.

2023 First Half Results – Briefing for Analysts and Investors:

Date:	Thursday, August 17, 2023
Time:	09:00 Hong Kong
Venue:	Nathan Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong
Webcast Link:	https://edge.media-server.com/mmc/p/qy49pt2w

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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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Notes:

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 corresponding 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, and the Group subsequently completed the disposition of its Russian operations on July 1, 2022. As such, when comparing the Group's net sales for the three months ended June 30, 2023, with its net sales for the corresponding periods in 2022 and 2019, net sales of the Group's former Russian operations for the second quarters of 2022 and 2019 are excluded. When comparing the Group's net sales for the six months ended June 30, 2023, with its net sales for the corresponding periods in 2022 and 2019, net sales of the Group's former Russian operations for January through June 2022 and January through June 2019 are excluded.

3 On July 30, 2021, a wholly-owned subsidiary of the Company sold Speculative Product Design, LLC ("Speck"), including the Speck brand. As such, when comparing the Group's net sales for the three months ended June 30, 2023, with its net sales for the corresponding period in 2019, net sales by Speck for the second quarter of 2019 are excluded. When comparing the Group's net sales for the six months ended June 30, 2023, with its net sales for the corresponding period in 2019, net sales by Speck for January through June 2019 are excluded.

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

5 Total liquidity is calculated as the sum of cash and cash equivalents per the condensed consolidated statements of financial position plus available capacity under the revolving credit facility. As of June 30, 2023, the Group had total liquidity of US$1,344.3 million, comprising cash and cash equivalents of US$599.0 million and US$745.4 million available to be borrowed on the Group's revolving credit facility. In

comparison, as of December 31, 2022, the Group had total liquidity of US$1,481.3 million, comprising cash and cash equivalents of US$635.9 million and US$845.4 million available to be borrowed on the Group's revolving credit facility.

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

7 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.

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

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

10 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.

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

12 Other includes certain other brands owned by the Group, such as *Gregory, 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.

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

14 For the six months ended June 30, 2023, the Group spent US$20.9 million and US$4.8 million on capital expenditures and software purchases, respectively. In comparison, for the six months ended June 30, 2022, the Group spent US$12.6 million and US$3.1 million on capital expenditures and software purchases, respectively.

15 As of June 30, 2023, the Group had cash and cash equivalents of US$599.0 million and outstanding financial debt of US$1,935.6 million (excluding deferred financing costs of US$18.7 million), resulting in a net debt position of US$1,336.7 million. In comparison, as of December 31, 2022, the Group had cash and cash equivalents of US$635.9 million and outstanding financial debt of US$2,019.6 million (excluding deferred financing costs of US$7.8 million), resulting in a net debt position of US$1,383.7 million. As of December 31, 2019, the Group had cash and cash equivalents of US$462.6 million and outstanding financial debt of US$1,768.0 million (excluding deferred financing costs of US$12.8 million), resulting in a net debt position of US$1,305.3 million.

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

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

If one or more of these risks or uncertainties materialize, or if management's underlying beliefs and assumptions prove incorrect, actual results may differ materially from those contemplated by a forward-looking statement. Among the factors that could cause actual results to differ materially are: the effect of worldwide economic conditions; the effect of political or social unrest and armed conflict; the effects of inflation; a general economic downturn or generally reduced consumer spending; 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.

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

Rounding

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