Samsonite International S.A. Announces Results for the Three and Nine Month Periods Ended September 30, 2021

Sales and Profitability Recovery Accelerated during the Third Quarter of 2021

HONG KONG, November 12, 2021 – Samsonite International S.A. ("Samsonite" or "the Company", together with its consolidated subsidiaries, "the Group"; SEHK stock code: 1910), a leader in the global lifestyle bag industry and the world's best-known and largest travel luggage company, today published its unaudited consolidated financial results for the three and nine month periods ended September 30, 2021[1].

Overview

Commenting on the results, Mr. Kyle Gendreau, Chief Executive Officer, said, "We are pleased that Samsonite's net sales recovery noticeably accelerated during the three months ended September 30, 2021. All of our regions achieved net sales improvements, with overall net sales coming in 37.6%[2] below the third quarter of 2019 when excluding the net sales of Speck for August and September 2019[3]. This is a considerable improvement compared to the second quarter of 2021 and the first quarter of 2021, when net sales were lower than the corresponding periods in 2019 by 52.2%[2] and 57.3%[2], respectively."

"The Group's gross margin continued to improve from 52.4% in the second quarter of 2021 to 55.5% in the third quarter of 2021, 10.6 percentage points higher compared to the same period last year, and roughly level with the 55.7% recorded in the third quarter of 2019 before COVID-19. Together with the savings from our comprehensive cost reduction and restructuring measures implemented in 2020 and ongoing expense controls, Samsonite's Adjusted EBITDA[4] increased to US$72.2 million in the third quarter of 2021, up by US$60.7 million from the US$11.5 million recorded in the second quarter of 2021. Our Adjusted EBITDA margin[5] expanded to 13.0% during the third quarter of 2021, an increase of 10.4 percentage points from the 2.6% recorded in the second quarter of 2021, and just 150 basis points lower than the 14.5% recorded during the third quarter of 2019, despite a significantly lower sales base. The strong recovery in our Adjusted EBITDA[4] enabled Samsonite to record Adjusted Net Income[6] of US$8.7 million for the three months ended September 30, 2021, the first quarter that the Group achieved positive Adjusted Net Income[6] since the fourth quarter of 2019."

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1 In this press release, certain financial results for the three and nine months ended September 30, 2021 are compared to both the three and nine months ended September 30, 2020 and the three and nine months ended September 30, 2019. Comparisons to the three and nine months ended September 30, 2019 are provided because they are the most recently ended comparable periods during which the Company's results were not affected by COVID-19. During the three and nine months ended September 30, 2020, COVID-19 had a significant effect on the Company's financial results.

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

3 On July 30, 2021, the Group completed the sale of the Speck business, including the *Speck* brand, for US$35.3 million.

4 Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. The Group believes these measures provide additional information that is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business.

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

6 Adjusted Net Income (Loss), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact the Group's reported profit (loss) 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.

For the nine months ended September 30, 2021, Samsonite recorded net sales of US$1,356.6 million, an increase of 17.7%[2] year-on-year, and 49.5%[2] below the comparable period in 2019. When excluding the net sales of Speck for August and September 2020[3], the Group's third quarter 2021 net sales increased by 20.3%[2] year-on-year and were lower by 48.9%[2] compared to the nine months ended September 30, 2019 when excluding the net sales of Speck for August and September 2019[3]. The Group's gross margin expanded by 460 basis points year-on-year to 52.7% for the first nine months of 2021. Driven by increased net sales and gross profit, along with actions to reduce our fixed and variable cost structure, the Group recorded Adjusted EBITDA[4] earnings of US$55.3 million for the nine months ended September 30, 2021, an improvement of US$228.9 million from the Adjusted EBITDA[4] loss of US$173.6 million for the same period in 2020. Adjusted Net Loss[6] was US$95.0 million for the nine months ended September 30, 2021, an improvement of US$176.8 million from the Adjusted Net Loss[6] of US$271.8 million for the first nine months of 2020.

Mr. Gendreau continued, "In addition to the comprehensive cost reduction and restructuring measures implemented in 2020 and ongoing expense management, we also continued to focus on conserving cash, limiting capital expenditures and software purchases, as well as maintaining close control on working capital, particularly inventories. These actions enabled Samsonite to achieve total cash generation[7] of US$116.1 million during the three months ended September 30, 2021, a significant improvement of US$143.4 million from total cash burn[7] of (US$27.3) million during the second quarter of 2021."

"We are encouraged by the continued sales improvement across all regions, and the strong positive Adjusted EBITDA[4] and cash generation that we achieved during the third quarter of 2021. We are especially pleased to see our Adjusted EBITDA[4] back in the black for the first nine months of 2021 on sales that are only about half of pre-COVID levels. I want to thank our teams globally for helping to attain approximately US$200.0 million in annualized run-rate fixed cost savings from implementing our comprehensive cost reduction program in 2020 and into 2021, as well as their continued focus on controlling expenses and conserving cash. Samsonite's positive momentum has continued into the fourth quarter of 2021. Excluding the net sales of Speck for October 2020 and 2019, the Group's October 2021 net sales were up by 80.7%[2] year-on-year, and the decrease versus October 2019 further narrowed to 28.9%[2], with net sales performance improving across all of our regions."

"We intend to continue capitalizing on the recovery in global travel, which so far has been driven mainly by the resumption of domestic travel in our key markets and is expected to accelerate as restrictions on international travel begin to be relaxed. The United States has just lifted restrictions on flights from a host of countries, including Brazil, China, India, most of the European Union and the United Kingdom, beginning on November 8, 2021. As vaccination rates continue to increase around the world, other countries also are expected to start relaxing restrictions on foreign travel, driving the next phase in our recovery. We are poised to meet increased consumer demand with an extensive assortment of new products, and we have begun to selectively increase advertising spend to drive sales in markets where travel is recovering more quickly."

Notable recent product launches include the Lite Box, Armage II and Stackd collections under the *Samsonite* brand. Lite Box, made with the CURV®* material in the Company's European manufacturing facility, is among the lightest and sturdiest suitcases on the market. The Armage II softside suitcase is manufactured using Recyclex™ material technology and equipped with Antimicrobial Handle technology, while Stackd features a 100% polycarbonate shell

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[7] Total cash generation (burn) is calculated as the total increase (decrease) in cash and cash equivalents per the consolidated statements of cash flows less total cash flow attributable to (i) total loans and borrowings, (ii) deferred financing costs and (iii) proceeds from the sale of Speck.

* CURV® is a registered trademark of CANCO Hungary Ltd.

with an eco-friendly Recyclex™ interior. Meanwhile, the new TUMI | Missoni collection, a collaboration with the Italian luxury fashion house Missoni, has been very well received by consumers.

Mr. Gendreau concluded, "Challenges remain with the risk of new COVID cases related to the Delta variant and the ongoing travel restrictions in certain markets, particularly within Asia where the pace of vaccination had been slower, though the rollout of vaccines in the region is accelerating. Separately, our gross margin remains under pressure with global freight and raw material costs rising and the Generalized System of Preferences program in the U.S. still not yet renewed. Like many global companies, we also are facing supply chain challenges, including shipping delays and port congestion, which could affect product availability over the near term. While the impact on our supply chain from power restrictions in China has been limited so far, we are monitoring the situation closely. As such, we will continue to exercise caution in operating our business. With the Group's third quarter 2021 gross margin back to our pre-COVID level, we are focused on managing product cost increases and pricing to maintain our gross margin. Our sourcing teams are working closely with suppliers to adjust our orders and production to mitigate risks in the supply chain. We also will maintain discipline in controlling expenses, including capital expenditures and software investments, for the remainder of 2021. Our liquidity remains substantial at US$1.3 billion[8] as of September 30, 2021, and we are confident in our progress and strong positive momentum as we position Samsonite for long term success."

[8] As of September 30, 2021, the Group had total liquidity of US$1,323.1 million, comprising cash and cash equivalents of US$1,153.5 million and US$169.5 million available to be borrowed on the Group's amended revolving credit facility.

Table 1: Key Financial Highlights for the Three Months Ended September 30, 2021

US$ millions, except per share data	**Three months ended September 30, 2021**	Three months ended September 30, 2020	Percentage increase (decrease) 2021 vs. 2020	Percentage increase (decrease) 2021 vs. 2020 excl. foreign currency effects[2]
Net sales	**557.1**	326.6	70.6%	68.9%
Operating profit (loss)[9]	**50.7**	(80.5)	*nm*	*nm*
Operating profit (loss) excluding impairment charges, restructuring charges and certain other expenses[9, 10]	**57.7**	(65.8)	*nm*	*nm*
Loss attributable to the equity holders[9]	**(5.2)**	(110.7)	(95.3)%	(94.9)%
Adjusted Net Income (Loss)[6]	**8.7**	(98.7)	*nm*	*nm*
Adjusted EBITDA[4]	**72.2**	(50.7)	*nm*	*nm*
Adjusted EBITDA Margin[5]	**13.0%**	(15.5)%		
Basic and diluted loss per share[9] – US$ per share	**(0.004)**	(0.077)	(95.3)%	(94.9)%
Adjusted basic and diluted earnings (loss) per share[11] – US$ per share	**0.006**	(0.069)	*nm*	*nm*

nm – Not meaningful.

9 Results for the three months ended September 30, 2021 included total restructuring charges of US$5.6 million (including US$0.2 million of restructuring charges in cost of sales) and a loss on the sale of Speck of US$1.3 million. Results for the three months ended September 30, 2020 included total restructuring charges of US$9.0 million (including US$3.7 million of restructuring charges in cost of sales) and total non-cash impairment charges of US$5.6 million (including US$1.3 million of non-cash impairment charges in cost of sales) primarily related to lease right-of-use assets at certain retail locations.

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

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

Table 2: Key Financial Highlights for the Nine Months Ended September 30, 2021

US$ millions, except per share data	**Nine months ended September 30, 2021**	Nine months ended September 30, 2020	Percentage increase (decrease) 2021 vs. 2020	Percentage increase (decrease) 2021 vs. 2020 excl. foreign currency effects[2]
Net sales	**1,356.6**	1,129.0	20.2%	17.7%
Operating loss[12]	**(35.7)**	(1,143.2)	(96.9)%	(97.0)%
Operating profit (loss) excluding impairment charges, restructuring charges and certain other expenses[10, 12]	**7.5**	(222.8)	*nm*	*nm*
Loss attributable to the equity holders[12]	**(147.7)**	(1,084.5)	(86.4)%	(86.6)%
Adjusted Net Loss[6]	**(95.0)**	(271.8)	(65.0)%	(65.7)%
Adjusted EBITDA[4]	**55.3**	(173.6)	*nm*	*nm*
Adjusted EBITDA Margin[5]	**4.1%**	(15.4)%		
Basic and diluted loss per share[12] – US$ per share	**(0.103)**	(0.757)	(86.4)%	(86.6)%
Adjusted basic and diluted loss per share[11] – US$ per share	**(0.066)**	(0.190)	(65.1)%	(65.7)%

nm – Not meaningful.

[12] Results for the nine months ended September 30, 2021 included total restructuring charges of US$11.6 million (including US$0.3 million of restructuring charges in cost of sales), a loss on the sale of Speck of US$1.3 million and total non-cash impairment charges of US$30.2 million. Of this amount, US$5.5 million was attributable to lease right-of-use assets due to the under-performance of certain retail locations. The Group recognized non-cash impairment charges during the nine months ended September 30, 2021 totaling US$24.7 million related to impairments of goodwill and other intangible assets associated with the sale of Speck. Results for the nine months ended September 30, 2020 included total restructuring charges of US$37.8 million (including US$3.7 million of restructuring charges in cost of sales) and total non-cash impairment charges of US$882.7 million (including US$1.3 million of non-cash impairment charges in cost of sales) comprised of US$732.0 million related to goodwill and tradename intangible assets and US$150.7 million primarily related to lease right-of-use assets and property, plant and equipment due to the under-performance of certain retail locations.

The Group's performance for the three months ended September 30, 2021 is discussed in greater detail below.

For the Three Months Ended September 30, 2021

Net Sales

The Group's net sales continued to recover during the third quarter of 2021, with all regions achieving net sales improvements. For the three months ended September 30, 2021, the Group recorded net sales of US$557.1 million, an increase of 68.9%[2] year-on-year. The Group's third quarter 2021 net sales increased by 82.8%[2] compared to the third quarter of 2020 when excluding the net sales of Speck for August and September 2020[3] following its disposal on July 30, 2021.

The Group experienced sequential quarterly net sales improvement during the first three quarters of 2021 when compared to the corresponding quarters in 2019. During the third quarter of 2021, the Group's net sales decline compared to the third quarter of 2019 narrowed to 37.6%[2] when excluding the net sales of Speck for August and September 2019[3] and to 39.9%[2] when such net sales are included. This encouraging trend continued from the second quarter of 2021, when the decline in the Group's net sales narrowed to 52.2%[2] when compared to the second quarter of 2019, and from the first quarter, when the Group's net sales decreased by 57.3%[2] compared to the first quarter of 2019.

The Group's positive sales trend continued into the fourth quarter of 2021. When excluding the net sales of Speck for October 2020[3] and October 2019[3], the Group's net sales for the month ended October 31, 2021 increased by 80.7%[2] compared to October 2020 and were lower by 28.9%[2] compared to October 2019. Including such net sales, the Group's net sales for the month ended October 31, 2021 increased by 62.4%[2] compared to October 2020 and were lower by 31.6%[2] compared to October 2019.

Net Sales Performance by Region

North America

For the three months ended September 30, 2021, the Group recorded net sales of US$214.9 million in North America, an increase of 123.5%[2] year-on-year when excluding the net sales of Speck for August and September 2020[3], and an increase of 77.5%[2] when such net sales are included. The Group's sales performance in North America continued to improve during the third quarter of 2021 due to the continued progress in vaccination rollout, resulting in the relaxation of social-distancing restrictions, markets reopening and domestic travel rebounding in both the United States and Canada. For the three months ended September 30, 2021, the Group's net sales in the United States increased by 124.9% year-on-year when excluding the net sales of Speck for August and September 2020[3], and by 76.7% when such net sales are included. The Group's net sales in Canada increased by 97.3%[2] year-on-year during the third quarter of 2021.

The Group experienced net sales improvement in North America during each of the first three quarters of 2021 when compared to the corresponding quarters in 2019. During the third quarter of 2021, the Group's net sales were lower by 29.9%[2] for the third quarter of 2021 compared to the third quarter in 2019 when excluding the net sales of Speck for August and September 2019[3] and by 36.7%[2] when such net sales are included. This encouraging trend continued from the second quarter of 2021, when the decline in the Group's net sales narrowed to 44.3%[2] when compared to the second quarter of 2019; and from the first quarter of 2021, when the Group's net sales were lower by 57.9%[2] compared to the first quarter of 2019.

The Group's net sales in North America continued to improve going into the fourth quarter of 2021. When excluding the net sales of Speck in North America for October 2020[3] and October 2019[3], the Group's net sales for the month ended October 31, 2021 increased by 122.3%[2] compared to October 2020 and were lower by 28.3%[2]

compared to October 2019. Including such net sales, net sales in North America for the month ended October 31, 2021 increased by 60.8%[2] compared to October 2020 and were lower by 35.3%[2] compared to October 2019.

Asia

For the three months ended September 30, 2021, the Group recorded net sales of US$174.0 million in Asia, an increase of 38.2%[2] compared to the corresponding period in the previous year, driven by year-on-year net sales increases of 31.2%[2] in China, 372.4%[2] in India, 26.2%[2] in Hong Kong[13], 9.0%[2] in South Korea and 107.5%[2] in Australia, partially offset by an 8.2%[2] year-on-year net sales decrease in Japan.

The Group's net sales recovery in Asia resumed during the three months ended September 30, 2021, after temporarily slowing during the second quarter of 2021 due to a resurgence of COVID-19 cases, particularly in India, and the delayed rollout of vaccines in key markets such as Japan and South Korea. Driven by a sharp reduction in new COVID-19 cases in India, resulting in the reopening of markets and increased demand for domestic travel, the Group's third quarter 2021 net sales in Asia came in 48.7%[2] lower than the third quarter of 2019, despite a slight deceleration in China due to a rise in new COVID-19 cases leading to localized lockdown in parts of the country. This is a considerable improvement from the 56.0%[2] decline in the second quarter of 2021 versus the second quarter of 2019, and better than the 49.9%[2] decline in the first quarter of 2021 compared to the first quarter of 2019.

The Group's net sales in Asia continued to improve going into the fourth quarter of 2021, increasing by 31.8%[2] year-on-year during the month ended October 31, 2021. Compared to October 2019, the decline in net sales narrowed to 32.1%[2] during October 2021.

Europe

For the three months ended September 30, 2021, the Group recorded net sales of US$139.5 million in Europe, an increase of 87.4%[2] compared to the third quarter of 2020, with the Group's main markets in Europe all achieving year-on-year net sales gains, including 84.4%[2] in Germany, 45.6%[2] in Italy, 67.5%[2] in France, 200.3%[2] in the United Kingdom[14] and 64.2%[2] in Russia.

The Group experienced net sales improvement in Europe during each of the first three quarters of 2021 when compared to the corresponding quarters in 2019. After slowing down in early 2021 due to a resurgence in COVID-19 cases, the Group's sales recovery in Europe significantly accelerated during the three months ended September 30, 2021, with net sales 35.5%[2] lower compared to the third quarter of 2019. This is a considerable improvement from the 60.4%[2] decline in the second quarter of 2021 compared to the second quarter of 2019, as travel restrictions began to ease in June 2021; and from the 70.9%[2] decline in the first quarter of 2021 when compared to the first quarter of 2019, when net sales recovery was temporarily slowed by a resurgence in COVID-19 cases.

The Group's net sales in Europe continued to improve going into the fourth quarter of 2021, increasing by 116.1%[2] year-on-year during the month ended October 31, 2021. Compared to October 2019, the Group's October 2021 net sales in Europe were lower by 31.6%[2].

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[13] Net sales reported for Hong Kong include net sales made domestically, net sales made in Macau as well as net sales to distributors in certain other Asian markets where the Group does not have a direct presence.

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

Latin America
For the three months ended September 30, 2021, the Group recorded net sales of US$28.2 million in Latin America, an increase of 229.8%[2] compared to the corresponding period in 2020, driven by year-on-year net sales increases of 302.7%[2] in Chile and 172.1%[2] in Mexico.

The Group experienced net sales improvement in Latin America during each of the first three quarters of 2021 when compared to the corresponding quarters in 2019. After slowing down in early 2021 due to a resurgence in COVID-19 cases, the Group's sales recovery in Latin America significantly accelerated during the three months ended September 30, 2021, with net sales 14.6%[2] lower compared to the third quarter of 2019. This is a considerable improvement from the 48.9%[2] decline in the second quarter of 2021 when compared to the second quarter of 2019, and the 51.1%[2] decline in the first quarter of 2021 when compared to the first quarter of 2019.

The Group's net sales in Latin America continued to improve going into the fourth quarter of 2021, increasing by 137.2%[2] year-on-year for the month ended October 31, 2021. Compared to October 2019, October 2021 net sales in Latin America were up by 3.8%[2].

Table 3: Net Sales by Region

Region[15]	**Three months ended September 30, 2021 US$ millions**	Three months ended September 30, 2020 US$ millions	Percentage increase (decrease) 2021 vs. 2020	Percentage increase (decrease) 2021 vs. 2020 excl. foreign currency effects[2]
North America[16]	**214.9**	120.8	77.9%	77.5%
Asia	**174.0**	122.9	41.5%	38.2%
Europe	**139.5**	74.2	88.1%	87.4%
Latin America	**28.2**	8.5	232.9%	229.8%

Net Sales Performance by Brand and Product Category
For the three months ended September 30, 2021, net sales of the Group's core travel brands *Samsonite, Tumi* and *American Tourister* increased by 85.8%[2], 92.3%[2] and 111.4%[2] year-on-year, respectively. As a result, net sales in the travel product category increased by 137.2%[2] year-on-year and accounted for 59.9% of total net sales during the third quarter of 2021, up from 42.6% of total net sales during the same period in 2020.

Third quarter 2021 net sales of the *Gregory* brand increased by 5.2%[2] compared to the same period in the previous year, while net sales of the *High Sierra* brand increased by 87.1%[2] year-on-year. Total non-travel[17] category net sales increased by 18.2%[2] and accounted for 40.1% of total net sales for the three months ended September 30, 2021. The Group completed the sale of Speck on July 30, 2021. When excluding the non-travel net sales of Speck for August and September 2020, non-travel net sales increased by 36.2%[2] for the three months ended September 30, 2021 compared to the same period in the previous year.

[15] 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.

[16] On July 30, 2021, the Group completed the sale of the Speck business. When excluding the net sales of Speck for August and September 2020[3], net sales in North America increased by 123.5%[2] for the three months ended September 30, 2021 compared to the same period in the previous year.

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

Table 4: Net Sales by Brand

Brand	**Three months ended September 30, 2021 US$ millions**	Three months ended September 30, 2020 US$ millions	Percentage increase (decrease) 2021 vs. 2020	Percentage increase (decrease) 2021 vs. 2020 excl. foreign currency effects[2]
Samsonite	**259.6**	138.0	88.1%	85.8%
Tumi	**134.9**	69.7	93.6%	92.3%
American Tourister	**100.3**	46.9	113.9%	111.4%
Gregory	**16.6**	15.9	4.1%	5.2%
High Sierra	**8.4**	4.5	88.1%	87.1%
***Speck*[3]**	**4.3**	33.3	(87.2)%	(87.2)%
Other[18]	**33.1**	18.3	80.5%	79.4%

Table 5: Net Sales by Product Category

Product Category	**Three months ended September 30, 2021 US$ millions**	Three months ended September 30, 2020 US$ millions	Percentage increase (decrease) 2021 vs. 2020	Percentage increase (decrease) 2021 vs. 2020 excl. foreign currency effects[2]
Travel	**333.5**	139.2	139.5%	137.2%
Non-travel[17]	**223.7**	187.4	19.3%	18.2%

Performance by Distribution Channel

For the three months ended September 30, 2021, the Group's direct-to-consumer ("DTC") e-commerce net sales increased by 31.2%[2] year-on-year to US$58.3 million and comprised 10.5% of third quarter 2021 net sales, compared to US$43.8 million (representing 13.4% of net sales) during the third quarter of 2020. Meanwhile, wholesale net sales to e-retailers increased by 102.1%[2] to US$57.1 million and comprised 10.3% of net sales during the third quarter of 2021, compared to 8.6% of net sales during the third quarter of 2020. Overall, the Group's third quarter 2021 e-commerce net sales (including DTC e-commerce net sales and wholesale net sales to e-retailers) increased by 58.8%[2] year-on-year to US$115.4 million and comprised 20.7% of third quarter 2021 net sales, compared to 22.0% of net sales during the third quarter of 2020.

The Group's DTC retail net sales increased by 101.0%[2] year-on-year and comprised 28.3% of third quarter 2021 net sales, compared to 23.9% of net sales during the third quarter of 2020, due to governments relaxing social-distancing restrictions and markets around the world reopening, which has led many consumers to begin to shop in person again instead of online. During the three months ended September 30, 2021, the Group permanently closed 15 company-operated stores. This was partially offset by the addition of 4 stores, resulting in a net reduction of 11 company-operated stores during the third quarter of 2021. The total number of company-operated retail stores was 1,016 as of September 30, 2021 compared to 1,199 company-operated retail stores as of September 30, 2020.

The Company has not presented its 2021 comparable store sales metrics as it believes that such metrics are not representative of the underlying trends in the Company's business due to the temporary closure of many company-operated stores in 2020 as a result of COVID-19.

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

Overall, the Group's net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, increased by 75.9%[2] to US$215.9 million (representing 38.8% of net sales) for the three months ended September 30, 2021 from US$121.9 million (representing 37.3% of net sales) for the third quarter of 2020.

The Group's total wholesale net sales increased by 64.7%[2] to US$340.7 million (representing 61.1% of net sales) during the three months ended September 30, 2021 from US$204.4 million (representing 62.6% of net sales) in the third quarter of 2020.

Table 6: Net Sales by Distribution Channel

Distribution Channel	**Three months ended September 30, 2021 US$ millions**	Three months ended September 30, 2020 US$ millions	Percentage increase (decrease) 2021 vs. 2020	Percentage increase (decrease) 2021 vs. 2020 excl. foreign currency effects[2]
Wholesale	**340.7**	204.4	66.6%	64.7%
DTC				
Retail	**157.6**	78.1	101.8%	101.0%
DTC e-commerce	**58.3**	43.8	33.0%	31.2%
Total DTC	**215.9**	121.9	77.1%	75.9%

Gross Profit

The Group's gross profit margin expanded to 55.5% for the three months ended September 30, 2021, up from 52.4% in the second quarter of 2021 and 48.7% in the first quarter of 2021, despite ongoing pressures from increasing raw material prices and shipping costs. In addition, the expiration of the U.S. Generalized System of Preferences program ("GSP") in January 2021 has resulted in increased duty costs on goods imported to the U.S. from countries that were beneficiaries of GSP, which has negatively impacted gross profit margin by 90 basis points for the three months ended September 30, 2021. The Group has leveraged its long-standing relationships with suppliers to mitigate the effects of cost increases and has implemented price increases in certain markets to offset the resulting margin pressure. The devaluation of many currencies to the US Dollar has also negatively impacted gross profit margin for the third quarter of 2021.

Operating Profit (Loss)

The Group spent US$21.5 million on marketing during the three months ended September 30, 2021, an increase of US$10.9 million compared to the third quarter of 2020, and a decrease of US$23.9 million compared to the third quarter of 2019. Marketing expenses made up 3.9% of net sales for the third quarter of 2021, 60 basis points higher than the 3.3% for the third quarter of 2020, and 100 basis points lower than the 4.9% for the third quarter of 2019. While the Group has selectively increased advertising and promotion spend to drive sales in markets where travel is recovering more quickly, it continues to carefully manage marketing expenses.

As a result of the savings from the Group's comprehensive cost reduction program implemented during 2020, along with its ongoing focus on controlling expenses, the Group reduced its non-marketing fixed operating expenses to US$159.2 million for the three months ended September 30, 2021, a decrease of US$91.9 million compared to the third quarter of 2019.

The Group recorded an operating profit of US$50.7 million for the three months ended September 30, 2021 compared to an operating loss of US$80.5 million for the third quarter of 2020. The Group recorded an operating profit of US$57.7 million for the three months ended September 30, 2021 when excluding the restructuring charges and the loss on the sale of Speck recognized during the third quarter of 2021[9], compared to an operating loss of US$65.8 million for the three months ended September 30, 2020 when excluding the non-cash impairment charges and the restructuring charges recognized during the third quarter of 2020[9].

Net Finance Costs and Income Tax Expense (Benefit)

Net finance costs decreased by US$0.2 million, or 0.5%, to US$30.0 million for the three months ended September 30, 2021 from US$30.2 million for the same period in 2020, primarily due to a decrease in interest expense on loans and borrowings of US$6.7 million year-on-year attributable to the repayment of principal in the amount of US$365.0 million under the Company's amended senior credit facilities during the first nine months of 2021. The decrease in net finance costs was partially offset by a US$9.6 million year-on-year increase in non-cash expenses related to redeemable non-controlling interest put options due to improved performance in the Group's joint venture markets.

The Group recorded an income tax expense of US$23.2 million for the three months ended September 30, 2021 compared to US$6.8 million for the same period in 2020.

Profit (Loss) Attributable to Equity Holders

The Group incurred a loss attributable to the equity holders of US$5.2 million for the three months ended September 30, 2021 compared to a loss attributable to the equity holders of US$110.7 million for the third quarter of 2020.

For the three months ended September 30, 2021, the Group incurred a loss attributable to the equity holders of US$0.7 million when excluding the restructuring charges and the loss on the sale of Speck recognized during the three months ended September 30, 2021[9], net of the related tax impact, compared to a loss attributable to the equity holders of US$98.7 million for the corresponding period in the previous year when excluding the non-cash impairment charges and the restructuring charges recognized during the three months ended September 30, 2020[9], both of which are net of the related tax impact.

Adjusted EBITDA and Adjusted Net Income (Loss)

For the three months ended September 30, 2021, the Group recorded Adjusted EBITDA[4] earnings of US$72.2 million, an improvement of US$122.9 million compared to the third quarter of 2020. Adjusted EBITDA margin[5] was 13.0% for the three months ended September 30, 2021 compared to (15.5)% for the three months ended September 30, 2020 due primarily to improved net sales and gross profit, along with actions taken by management to reduce the fixed and variable cost structure of the business.

The Group recorded Adjusted Net Income[6] of US$8.7 million for the three months ended September 30, 2021, a year-on-year improvement of US$107.4 million compared to an Adjusted Net Loss[6] of US$98.7 million for the corresponding period in 2020.

Balance Sheet and Cash Flows

The Group maintained close control on working capital, particularly inventories, which were US$332.6 million as of September 30, 2021, a US$123.3 million reduction when compared to inventories of US$455.9 million at the end of 2020, and US$194.7 million lower than inventories of US$527.4 million as of September 30, 2020. As a result, net working capital was US$266.2 million as of September 30, 2021, reflecting a US$90.5 million decrease from US$356.7 million as of December 31, 2020, and a US$194.2 million reduction from US$460.3 million as of September 30, 2020.

The Group spent US$1.8 million[19] on capital expenditures (including software purchases) during the third quarter of 2021, just US$0.5 million more compared to US$1.3 million[19] during the same period in the previous year, as the Group continues to carefully control capital expenditures and software purchases.

The Group generated US$157.1 million of cash from operating activities during the three months ended September 30, 2021, an improvement of US$157.9 million compared to US$0.8 million of cash used in operating activities in the third quarter of 2020. Total cash generation[7] was US$116.1 million during the three months ended September 30, 2021, an improvement of US$183.8 million compared to total cash burn[7] of (US$67.7) million for the corresponding period in the previous year.

As of September 30, 2021, the Group had cash and cash equivalents of US$1,153.5 million and outstanding financial debt of US$2,812.2 million (excluding deferred financing costs of US$13.8 million), resulting in a net debt position of US$1,658.7 million compared to a net debt position of US$1,735.5 million[20] at the end of 2020. Including US$169.5 million available to be borrowed on the Group's amended revolving credit facility, the Group had total liquidity of US$1,323.1 million as of September 30, 2021 compared to US$1,518.3 million[21] as of December 31, 2020.

2021 Third Quarter Results – Earnings Call for Analysts and Investors:

Date:	Friday, November 12, 2021
Time:	09:00 New York / 14:00 London / 22:00 Hong Kong
Webcast Link:	http://webcast.live.wisdomir.com/samsonite_21q3/index_en.php
Dial-in Details:	https://corporate.samsonite.com/on/demandware.static/-/Sites-InvestorRelations-Library/default/dw2f20b086/PDF/press-release/2021/E_Samsonite_3Q2021%20Results%20Date%20&%20Conference%20Call%20(FINAL%202021-11-02).pdf

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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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[19] The Group spent US$1.2 million and US$0.6 million on capital expenditures and software purchases, respectively, during the three months ended September 30, 2021. In comparison, the Group spent US$0.4 million and US$0.9 million on capital expenditures and software purchases, respectively, during the third quarter of 2020.

[20] As of December 31, 2020, the Group had cash and cash equivalents of US$1,495.0 million and outstanding financial debt of US$3,230.5 million (excluding deferred financing costs of US$39.9 million), putting the Group in a net debt position of US$1,735.5 million.

[21] As of December 31, 2020, the Group had total liquidity of US$1,518.3 million, comprising cash and cash equivalents of US$1,495.0 million and US$23.4 million available to be borrowed on the Group's amended revolving credit facility.

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Non-IFRS Measures

The Company has presented certain non-IFRS measures in this press release because each of these measures provides additional information that management believes is useful in gaining a more complete understanding of the Group's operational performance and of the trends impacting its business to securities analysts, investors and other interested parties. 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, operating profit (loss), Adjusted Net Income (Loss), Adjusted EBITDA, Adjusted EBITDA margin, cash flow, liquidity and capital resources, potential impairments, growth, strategies, plans, achievements, distributions, organizational structure, future store openings or closings, market opportunities and general market and industry conditions. The Company generally identifies forward-looking statements by words such as "expect", "seek", "believe", "plan", "intend", "estimate", "project", "anticipate", "may", "will", "would" and "could" or similar words or statements. Forward-looking statements are based on beliefs and assumptions made by management using currently available information. These statements are only predictions and are not guarantees of future performance, actions or events. Forward-looking statements are subject to risks and uncertainties. These risks, uncertainties and other factors also include the potential effects of the COVID-19 pandemic on the Company's future financial and operational results, which could vary significantly depending on the duration and severity of the COVID-19 pandemic worldwide and the pace and extent of recovery following the COVID-19 pandemic.

If one or more of these risks or uncertainties materialize, or if management's underlying beliefs and assumptions prove to be incorrect, actual results may differ materially from those contemplated by a forward-looking statement. Among the factors that could cause actual results to differ materially are: the effect of worldwide economic conditions; the length and severity of the COVID-19 pandemic; lower levels of consumer spending resulting from COVID-19; a general economic downturn or generally reduced consumer spending, including as a result of COVID-19; the pace and extent of recovery following COVID-19; significant changes in consumer spending patterns or preferences; interruptions or delays in the supply of finished goods or key components; the performance of the Group's products within the prevailing retail environment; financial difficulties encountered by customers and related bankruptcy and collection issues; and risks related to the success of the Group's restructuring programs. Given the inherent uncertainty about the future impacts of COVID-19, it is not possible for the Company *to reliably predict the extent to which its business, results of operations, financial condition or liquidity will ultimately be impacted (see the Management Discussion and Analysis - Impact of COVID-19 section of the Company's third quarter 2021 financial and business review for further discussion).*

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

Rounding

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