For Immediate Release

Samsonite International S.A. Announces Results for the Three and Nine Month Periods Ended September 30, 2019

HONG KONG, November 14, 2019 – Samsonite International S.A. ("Samsonite" or "the Company", together with its consolidated subsidiaries, "the Group"; SEHK stock code: 1910), the world's largest travel luggage company, today published its unaudited consolidated financial results for the three and nine month periods ended September 30, 2019.

Overview

Commenting on the results, Mr. Kyle Gendreau, Chief Executive Officer, said, "We are encouraged by our progress as we continued to reposition the business for long-term growth and profitability. For the three months ended September 30, 2019, all our regions achieved constant currency[1] net sales increases except North America. In addition, all our core brands achieved constant currency net sales gains during the quarter, underscoring the strong global brand equity of *Samsonite*, *Tumi* and *American Tourister* within their respective price segments. We attained these positive results despite headwinds in a number of key markets, including the United States ("U.S."), South Korea, the Hong Kong domestic market[2] and Chile."

For the three months ended September 30, 2019, the Group's overall net sales performance continued to stabilize, declining by 0.7%[1] year-on-year, which was consistent with the 0.7%[1] year-on-year decrease in the second quarter of 2019 and an improvement compared to the 2.4%[1] decrease in the first quarter of 2019. All regions recorded constant currency net sales gains during the third quarter of 2019 except North America (-7.6%[1]), with solid growth in Asia (+4.0%[1]; +12.0%[1] excluding net sales in South Korea and the Hong Kong domestic market), Europe (+3.7%[1]) and Latin America (+1.1%[1]; +2.9%[1] excluding Chile). Excluding the four markets mentioned above, the Group's net sales grew by 7.2%[1] during the third quarter of 2019.

The Group's core brands all recorded constant currency net sales gains during the third quarter of 2019: *Samsonite* (+1.0%[1]), *Tumi* (+0.6%[1]) and *American Tourister* (+4.3%[1]). Excluding the four markets mentioned above, net sales for the three brands increased by 5.0%[1], 12.0%[1] and 13.2%[1], respectively.

Mr. Gendreau remarked, "We remain focused on managing our cost base while continuing to invest in our growth initiatives to position Samsonite for long-term success. The Group's profitability was adversely affected by the combination of reduced net sales and lower gross profit margin, largely due to tariff pressure in the U.S. market, along with increased distribution expenses, as a percentage of net sales, related to the expansion in bricks-and-mortar retail that took place during 2017 and the first half of 2018, particularly in Europe. We responded with swift and targeted actions to tighten expense and working capital controls beginning in the second half of 2018. We accelerated these actions in 2019, and saw the benefits begin to emerge in the second and third quarters of 2019. In addition, we have temporarily trimmed advertising spending for the second half of 2019 to help mitigate the pressure on our profitability caused by headwinds in certain markets."

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 comparable period in the previous year to current period local currency results.

2 Excluding net sales made in Macau and to distributors in certain other Asian markets.

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The Group's Adjusted EBITDA[3,4] continued to improve compared to recent trends. The adoption of IFRS 16 significantly increases Adjusted EBITDA as traditionally reported (which excludes lease-related amortization and interest expense). For comparative purposes, the Group believes Adjusted EBITDA, including lease amortization and lease interest expenses is a more appropriate measure because the reduction in rent and equipment lease expenses are largely offset by the introduction of lease amortization and lease interest expenses. On this basis, the Group's Adjusted EBITDA amounted to US$133.9 million for the three months ended September 30, 2019. This represented a decrease of US$20.6 million, or 13.3%, from US$154.6 million reported for the same period in 2018. On the same basis, the Group's third quarter 2019 Adjusted EBITDA margin[5] decreased by 190 basis points to 14.5% from 16.4% for the same period in 2018. For the three months ended September 30, 2019, the Group's Adjusted Net Income[6] decreased by US$19.4 million, or 23.8%, to US$62.0 million from US$81.4 million for the same period in 2018.

Further excluding the impacts from IFRS 16[3] for better comparability, the Group's Adjusted EBITDA for the three months ended September 30, 2019 decreased by US$15.6 million, or 10.4%, compared to US$149.6 million for the same period in 2018 (as recast to adjust for IFRS 16 impacts)[3], an improvement following the 13.0%[3] year-on-year decline recorded in the second quarter of 2019 and the 27.6%[3] year-on-year decline recorded in the first quarter of 2019. As a result, the Group's Adjusted EBITDA margin decreased by 130 basis points[3] to 14.5% for the third quarter of 2019 from 15.8% for the third quarter of 2018 (as recast to adjust for IFRS 16 impacts)[3], extending the positive trend that began in the second quarter, which saw the year-on-year decline in the Group's Adjusted EBITDA margin narrowing to 150 basis points[3] (second quarter 2019 Adjusted EBITDA margin: 13.9%) compared to the 300 basis points[3] decline recorded in the first quarter of 2019 (first quarter 2019 Adjusted EBITDA margin: 10.2%). The Group expects its profit enhancement initiatives will continue to yield benefits for the remainder of this year and into 2020. On the same basis, third quarter 2019 Adjusted Net Income decreased by US$15.7 million, or 20.2%, from US$77.8 million for the same period in 2018 (as recast to adjust for IFRS 16 impacts)[3].

For the nine months ended September 30, 2019, the Group's net sales decreased by 1.2%[1] year-on-year to US$2,677.2 million. The Group's Adjusted EBITDA decreased by US$83.9 million, or 19.4%, to US$347.4 million for the first nine months of 2019 from US$431.4 million for the same period in 2018, and its Adjusted EBITDA margin decreased by 240 basis points to 13.0% for the first nine months of 2019 from 15.4% for the same period in 2018.

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[3] On January 1, 2019, the Group adopted IFRS 16, *Leases* ("IFRS 16"). The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information for the three and nine month periods ended September 30, 2018 in the "as reported" column in the Key Financial Highlights tables below have not been restated and continue to be reported under International Accounting Standards ("IAS") 17, *Leases* ("IAS 17") and IFRS Interpretations Committee ("IFRIC") 4, *Determining whether an Arrangement Contains a Lease* ("IFRIC 4"). The Group has included with respect to the three and nine month periods ended September 30, 2018 an "as adjusted for IFRS 16" column in the Key Financial Highlights tables below to present its financial performance for the three and nine month periods ended September 30, 2018 on a comparable basis. Such amounts reflect management's best estimate on its evaluation of the impact of IFRS 16 and are non-IFRS measures. For further details please refer to the Group's consolidated financial and business review as of and for the three and nine month periods ended September 30, 2019 filed with The Stock Exchange of Hong Kong Limited.

[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. Adjusted EBITDA includes the lease interest and amortization expense as a result of the Group's adoption of IFRS 16 on January 1, 2019. The inclusion of IFRS 16 lease interest and amortization expense in Adjusted EBITDA allows the non-IFRS measure to be more comparable with the previous period's Adjusted EBITDA disclosure. The Group believes Adjusted EBITDA 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, 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 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.

The Group's Adjusted Net Income decreased by US$42.1 million, or 20.9%, to US$159.0 million for the nine months ended September 30, 2019, from US$201.2 million for the same period in 2018.

Excluding the impacts from IFRS 16[3], for the nine months ended September 30, 2019, the Group's Adjusted EBITDA decreased by US$67.1 million, or 16.2%, from US$414.6 million for the same period in 2018 (as recast to adjust for IFRS 16 impacts)[3], while its Adjusted EBITDA margin declined by 180 basis points[3] from 14.8% for the same period in 2018 (as recast to adjust for IFRS 16 impacts)[3]. The Group's Adjusted Net Income decreased by US$29.9 million, or 15.8%, from US$189.0 million for the same period in 2018 (as recast to adjust for IFRS 16 impacts)[3].

The Group remains focused on enhancing working capital efficiency and cash flow generation, while deleveraging its balance sheet. The Group generated US$311.6 million of cash from operating activities during the nine months ended September 30, 2019 versus US$147.0 million for the same period in 2018.

Excluding the impacts from IFRS 16[3,7], cash generated from operating activities increased to US$190.7 million for the nine months ended September 30, 2019, an increase of US$43.7 million compared to the same period in 2018, notwithstanding the decline in profits year-on-year. This increase was driven by improved working capital management, resulting from a US$76.3 million reduction in cash outflows from changes in inventories (from US$89.7 million in the first nine months of 2018 to US$13.4 million in the first nine months of 2019). Separately, cash used in investing activities in the first nine months of 2019 decreased by US$28.1 million year-on-year, driven by a US$27.5 million year-on-year decrease in capital expenditures (from US$64.5 million in the first nine months of 2018 to US$37.0 million in the first nine months of 2019) mainly due to fewer new store openings.

As a result, the Group's net debt[8] position improved to US$1,482.4 million as of September 30, 2019, US$146.6 million lower than the same date a year ago, and US$25.8 million lower than at the end of 2018 despite having paid a US$125.0 million cash distribution to shareholders in July 2019. The Group's pro forma net leverage ratio[9] was 2.79:1.00 as of September 30, 2019 compared to 2.67:1.00 as of September 30, 2018 due to the decline in Adjusted EBITDA year-on-year. Separately, at September 30, 2019, the Group had US$647.0 million in liquidity available on its revolving credit facility.

Subsequent to September 30, 2019, the Group repaid and retired US$65.2 million principal amount on its Term Loan B Facility utilizing excess cash on hand from its strong cash flow from operations during the first nine months of 2019.

Outlook and Strategy

Commenting on the outlook, Mr. Gendreau said, "We expect continued uncertainty in the global outlook for the remainder of this year and into 2020 due to a number of geopolitical and macro-economic factors, including the ongoing trade negotiations between the U.S. and China, Brexit, economic growth slowing in parts of Europe and

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7 Reported cash generated from operating activities was US$311.6 million for the nine months ended September 30, 2019. This amount excluded principal payments on lease liabilities of US$120.9 million, which are now classified as cash flows from financing activities due to the adoption of IFRS 16 on January 1, 2019. To be comparable to 2018, cash flow from operating activities for the nine months ended September 30, 2019 would be US$190.7 million including principal payments on lease liabilities.

8 As of September 30, 2019, the Group had US$395.7 million of cash and cash equivalents and US$1,878.1 million of debt (excluding deferred financing costs of US$14.1 million), resulting in a net debt position of US$1,482.4 million.
As of December 31, 2018, the Group had 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), resulting in a net debt position of US$1,508.2 million.
As of September 30, 2018, the Group had US$341.5 million of cash and cash equivalents and US$1,970.5 million of debt (excluding deferred financing costs of US$17.2 million), resulting in a net debt position of US$1,629.0 million.

9 Pro forma total net leverage ratio is calculated as (total loans and borrowings less total unrestricted cash) / last twelve months Adjusted EBITDA.

the recent events in Hong Kong. Nevertheless, we will continue to invest in the business to position ourselves for long-term growth and improved profitability while maintaining our focus on controlling costs, managing working capital, generating cash and further strengthening the balance sheet."

"We will continue to execute our profit improvement initiatives, including increasing our bricks-and-mortar retail profitability, maintaining tight control on non-advertising SG&A expenses, and enhancing net working capital efficiency. We also will continue to diversify our sourcing base and to renegotiate prices and payment terms with vendors to manage the impact of the recent U.S. tariff increases. Many of these initiatives have already positively impacted our results in the second and third quarters of this year, and we expect they will contribute to improved results for the remainder of this year and into 2020."

Mr. Gendreau concluded, "At the same time, we will continue to invest in our long-term growth drivers, including further international expansion of the *Tumi* brand, our DTC e-commerce growth strategy, as well as research and development to drive further product innovations, while integrating ESG[10] practices into our operations to move steadily towards our goal to make Samsonite the most sustainable luggage company in the world."

[10] Environmental, Social and Governance.

Table 1: Key Financial Highlights for the Three Months Ended September 30, 2019

	As reported		As adjusted for IFRS 16[3]	As reported	
US$ millions, except per share data	**Three months ended September 30, 2019**	Three months ended September 30, 2018	Three months ended September 30, 2018	Percentage increase (decrease) 2019 vs. 2018	Percentage increase (decrease) 2019 vs. 2018 excl. foreign currency effects[1]
Net sales	**921.5**	945.2	945.2	(2.5)%	(0.7)%
Operating profit[11]	**104.9**	122.6	126.6	(14.3)%	(13.4)%
Profit attributable to the equity holders[12]	**53.0**	75.5	72.4	(29.6)%	(29.3)%
Adjusted Net Income[13]	**62.0**	81.4	77.8	(23.8)%	(23.2)%
Adjusted EBITDA[13]	**133.9**	154.6	149.6	(13.3)%	(11.8)%
Adjusted EBITDA Margin[13]	**14.5%**	16.4%	15.8%		
Basic earnings per share ("EPS")[14] – US$ per share	**0.037**	0.053	0.051	(29.6)%	(29.3)%
Diluted EPS[14] – US$ per share	**0.037**	0.052	0.050	(29.4)%	(29.0)%
Adjusted Basic and Adjusted Diluted EPS[15] – US$ per share	**0.043**	0.057	0.054	(23.5)%	(22.9)%

[11] Operating profit decreased by US$17.6 million, or 14.3% (-13.4% constant currency), for the three months ended September 30, 2019 to US$104.9 million. Operating profit for the three months ended September 30, 2019 decreased by US$18.3 million, or 14.5% (-13.4% constant currency), to US$108.3 million when excluding the non-cash charge for the impairment of lease right-of-use assets and property, plant and equipment attributable to certain retail locations and certain costs incurred to implement profit improvement initiatives during the three months ended September 30, 2019, compared to US$126.6 million for the same period in the previous year (as recast to adjust for IFRS 16 impacts)[3].

[12] Profit attributable to the equity holders decreased by US$22.3 million, or 29.6% (-29.3% constant currency), for the three months ended September 30, 2019 to US$53.0 million. Profit attributable to the equity holders for the three months ended September 30, 2019 decreased by US$16.2 million, or 22.4% (-21.8% constant currency), to US$56.1 million when excluding the non-cash charge for the impairment of lease right-of-use assets and property, plant and equipment attributable to certain retail locations and certain costs incurred to implement profit improvement initiatives, net of the related tax impact during the three months ended September 30, 2019, compared to US$72.4 million for the three months ended September 30, 2018 (as recast to adjust for IFRS 16 impacts)[3].

[13] When comparing the reported results for Adjusted Net Income and Adjusted EBITDA for the three months ended September 30, 2019 against the "as adjusted for IFRS 16" results[3] for the three months ended September 30, 2018, the year-on-year changes were:

- Adjusted Net Income decreased by 20.2% (-19.6% constant currency);
- Adjusted EBITDA decreased by 10.4% (-8.9% constant currency); and
- Adjusted EBITDA margin decreased by 130 basis points.

[14] Basic EPS decreased by 29.6% to US$0.037 for the three months ended September 30, 2019 from US$0.053 for the three months ended September 30, 2018. Diluted EPS decreased by 29.4% to US$0.037 for the three months ended September 30, 2019 from US$0.052 for the three months ended September 30, 2018. Basic EPS, as adjusted, decreased by 22.5% to US$0.039 for the three months ended September 30, 2019 when excluding the non-cash charge for the impairment of lease right-of-use assets and property, plant and equipment attributable to certain retail locations and certain costs incurred to implement profit improvement initiatives, net of the related tax impact during the three months ended September 30, 2019, compared to US$0.051 for the same period in the previous year. Diluted EPS, as adjusted, decreased by 22.1% to US$0.039 for the three months ended September 30, 2019 when excluding the same charges and costs as noted above, compared to US$0.050 for the same period in the previous year. Basic EPS, as adjusted, and Diluted EPS, as adjusted, for the three months ended September 30, 2018 have been recast to adjust for IFRS 16 impacts[3].

[15] Adjusted Basic EPS and Adjusted Diluted EPS, both non-IFRS measures, are calculated by dividing Adjusted Net Income by the weighted average number of shares used in the Basic EPS and Diluted EPS calculations, respectively.

Table 2: Key Financial Highlights for the Nine Months Ended September 30, 2019

	As reported		As adjusted for IFRS 16[3]	As reported	
US$ millions, except per share data	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	Nine months ended September 30, 2018	Percentage increase (decrease) 2019 vs. 2018	Percentage increase (decrease) 2019 vs. 2018 excl. foreign currency effects[1]
Net sales	**2,677.2**	2,793.9	2,793.9	(4.2)%	(1.2)%
Operating profit[16]	**229.0**	324.4	334.9	(29.4)%	(28.0)%
Profit attributable to the equity holders[17]	**102.2**	143.3	132.8	(28.6)%	(27.7)%
Adjusted Net Income[18]	**159.0**	201.2	189.0	(20.9)%	(19.9)%
Adjusted EBITDA[18]	**347.4**	431.4	414.6	(19.4)%	(17.1)%
Adjusted EBITDA Margin[18]	**13.0%**	15.4%	14.8%		
Basic EPS[19] – US$ per share	**0.071**	0.100	0.093	(28.8)%	(27.9)%
Diluted EPS[19] – US$ per share	**0.071**	0.099	0.092	(28.3)%	(27.4)%
Adjusted Basic EPS[15] – US$ per share	**0.111**	0.141	0.132	(21.2)%	(20.1)%
Adjusted Diluted EPS[15] – US$ per share	**0.111**	0.140	0.131	(20.6)%	(19.5)%

[16] Operating profit decreased by US$95.3 million, or 29.4% (-28.0% constant currency), for the nine months ended September 30, 2019 to US$229.0 million. Operating profit for the nine months ended September 30, 2019 decreased by US$63.1 million, or 18.8% (-17.3% constant currency), to US$271.9 million when excluding the non-cash charge for the impairment of lease right-of-use assets and property, plant and equipment attributable to certain retail locations and certain costs incurred to implement profit improvement initiatives during the nine months ended September 30, 2019, compared to US$334.9 million for the same period in the previous year (as recast to adjust for IFRS 16 impacts)[3].

[17] Profit attributable to the equity holders decreased by US$41.0 million, or 28.6% (-27.7% constant currency), for the nine months ended September 30, 2019 to US$102.2 million. Profit attributable to the equity holders for the nine months ended September 30, 2019 decreased by US$30.1 million, or 17.4% (-16.3% constant currency), to US$142.2 million when excluding the non-cash charge for the impairment of lease right-of-use assets and property, plant and equipment attributable to certain retail locations and certain costs incurred to implement profit improvement initiatives, net of the related tax impact during the nine months ended September 30, 2019, compared to US$172.3 million for the nine months ended September 30, 2018 (as recast to adjust for IFRS 16 impacts)[3] when excluding the non-cash charge of US$53.3 million and the related tax impact during the nine months ended September 30, 2018 to write-off deferred financing costs on the Group's borrowings of long-term debt following the refinancing of the Group's debt in April 2018.

[18] When comparing the reported results for Adjusted Net Income and Adjusted EBITDA for the nine months ended September 30, 2019 against the "as adjusted for IFRS 16" results[3] for the nine months ended September 30, 2018, the year-on-year changes were:
- Adjusted Net Income decreased by 15.8% (-14.7% constant currency);
- Adjusted EBITDA decreased by 16.2% (-13.7% constant currency); and
- Adjusted EBITDA margin decreased by 180 basis points.

[19] Basic EPS decreased by 28.8% to US$0.071 for the nine months ended September 30, 2019 from US$0.100 for the nine months ended September 30, 2018. Diluted EPS decreased by 28.3% to US$0.071 for the nine months ended September 30, 2019 from US$0.099 for the nine months ended September 30, 2018. Basic EPS, as adjusted, decreased by 17.7% to US$0.099 for the nine months ended September 30, 2019 when excluding the non-cash charge for the impairment of lease right-of-use assets and property, plant and equipment attributable to certain retail locations and certain costs incurred to implement profit improvement initiatives, net of the related tax impact during the nine months ended September 30, 2019, compared to US$0.121 for the same period in the previous year. Diluted EPS, as adjusted, decreased by 17.1% to US$0.099 for the nine months ended September 30, 2019 when excluding the same charges and costs as noted above, compared to US$0.120 for the same period in the previous year. Basic EPS, as adjusted, and Diluted EPS, as adjusted, for the nine months ended September 30, 2018 have been recast to adjust for IFRS 16 impacts[3] and exclude the non-cash charge of US$53.3 million and the related tax impact to write-off deferred financing costs on the Group's borrowings of long-term debt following the refinancing of the Group's debt in April 2018.

For Immediate Release

The Group's performance for the three months ended September 30, 2019 is discussed in greater detail below.

For the Three Months Ended September 30, 2019

Net Sales

Headwinds in certain of the Group's key markets, particularly the U.S., South Korea, the Hong Kong domestic market (excluding net sales made in Macau and to distributors in certain other Asian markets) and Chile, impacted the Group's third quarter of 2019 results. Excluding these four markets, the Group's net sales grew by 7.2%[1], driven by a 12.0%[1] increase in Asia (excluding net sales in South Korea and the Hong Kong domestic market) and a 3.7%[1] increase in Europe. Overall, the Group's net sales decreased by 0.7%[1] for the three months ended September 30, 2019 compared to the same period in 2018. Unfavorable foreign currency conversion had a negative translation impact of approximately US$17.1 million, resulting in a 2.5% year-on-year decrease in the Group's US Dollar reported net sales to US$921.5 million during the third quarter of 2019.

Net Sales Performance by Region

North America

The Group's net sales in North America decreased by 7.6%[1] year-on-year to US$338.8 million for the three months ended September 30, 2019. Continued uncertainty about the timing and outcome of trade negotiations between the U.S. and China, incremental tariffs imposed by the U.S. effective September 2018 and June 2019 on products sourced from China, along with reduced Chinese tourist traffic in gateway markets impacted the U.S. market. Weak demand for new personal electronic devices, partly due to a delay in the launch of certain devices, impacted net sales of the *Speck* brand. In addition, the Group's decision to reduce the sales of lower margin third party brands on its eBags e-commerce website also affected U.S. net sales performance. Excluding the contribution from eBags, the Group's net sales for the North American region decreased by 5.9%[1] year-on-year. Excluding the contributions from eBags and *Speck*, the Group's net sales in North America decreased by 4.4%[1] year-on-year.

Asia

The Group's net sales in Asia increased by 4.0%[1] year-on-year to US$333.1 million during the three months ended September 30, 2019. This increase was driven by robust constant currency net sales gains in China (+11.2%[1]), Japan (+12.4%[1]) and India (+24.8%[1]), partially offset by net sales declines in South Korea (-14.1%[1]) due to weak consumer sentiment and in Hong Kong[20] (-21.6%[1]) due to challenging domestic market conditions. Excluding net sales in South Korea and the Hong Kong domestic market, the Group's net sales for the Asia region increased by 12.0%[1] year-on-year.

Europe

The Group recorded net sales increase of 3.7%[1] in Europe to US$210.8 million during the third quarter of 2019. This constant currency net sales growth was driven by France (+6.8%[1]), Germany (+3.9%[1]), Russia (+17.6%[1]) and Turkey (+15.3%[1]). These gains were partially offset by declines in Italy (-0.7%[1]), the United Kingdom (-0.7%[1]) and Spain (-2.9%[1]), where increased economic and political uncertainty impacted consumer sentiment and sales.

Latin America

The Group's net sales in Latin America increased by 1.1%[1] for the three months ended September 30, 2019 compared to the same period in the prior year primarily due to increases in Mexico (+9.7%[1]), Argentina (+119.7%[1]), where the growth was due to the Argentinian government easing restrictions on imports, resulting in Argentinian consumers buying more products in their home country instead of traveling to neighboring countries like Chile,

[20] Total net sales reported for Hong Kong comprises net sales made in the domestic Hong Kong market, in Macau and to distributors in certain other Asian markets.

and Brazil (+1.1%[1]). These constant currency net sales gains were partially offset by a 3.0%[1] decrease in net sales in Chile due to weak domestic consumer sentiment. Excluding Chile, the Group's net sales for the Latin America region increased by 2.9%[1] year-on-year.

Table 3: Net Sales by Region

Region[21]	**Three months ended September 30, 2019 US$ millions**	Three months ended September 30, 2018 US$ millions	Percentage increase (decrease) 2019 vs. 2018	Percentage increase (decrease) 2019 vs. 2018 excl. foreign currency effects[1]
North America	**338.8**	366.8	(7.6)%	(7.6)%
Asia	**333.1**	324.2	2.7%	4.0%
Europe	**210.8**	213.3	(1.2)%	3.7%
Latin America	**38.2**	40.2	(5.1)%	1.1%

Net Sales Performance by Brand

Samsonite

During the third quarter of 2019, the *Samsonite* brand recorded net sales of US$422.1 million, an increase of 1.0%[1] year-on-year, despite headwinds in the U.S., South Korea, the Hong Kong domestic market and Chile. All regions except North America (-6.2%[1]) recorded constant currency net sales gains: Asia (+5.4%[1]; +9.4%[1] excluding South Korea and the Hong Kong domestic market), Europe (+3.3%[1]) and Latin America (+4.2%[1]). Excluding the four markets mentioned above, *Samsonite* brand net sales grew by 5.0%[1] year-on-year.

Tumi

The *Tumi* brand continued to achieve constant currency net sales growth in Asia (+3.6%[1]; +14.8%[1] excluding South Korea and the Hong Kong domestic market), Europe (+10.5%[1]) and Latin America (+13.0%[1]). Net sales of *Tumi* in North America decreased by 3.8%[1] year-on-year due to reduced Chinese tourist traffic impacting retail net sales in gateway markets in the U.S. Overall, the *Tumi* brand recorded net sales of US$182.8 million for the three months ended September 30, 2019, an increase of 0.6%[1] year-on-year. Excluding the U.S., South Korea and the Hong Kong domestic market, *Tumi* brand net sales grew by 12.0%[1] year-on-year.

American Tourister

The *American Tourister* brand recorded net sales of US$170.7 million during the third quarter of 2019, an increase of 4.3%[1] year-on-year, with increases all regions: Asia (+5.7%[1]; +20.3%[1] excluding South Korea and the Hong Kong domestic market), Europe (+1.9%[1]), North America (+1.6%[1]) and Latin America (+7.7%[1]). Excluding the U.S., South Korea, the Hong Kong domestic market and Chile, *American Tourister* brand net sales grew by 13.2%[1] year-on-year.

Speck, High Sierra* and *Gregory

During the third quarter of 2019, net sales of the *Speck* brand decreased by 14.1%[1] as a result of weak demand for new personal electronic devices, partly due to a delay in the launch of certain devices. Net sales of the *Gregory* brand increased by 21.3%[1] year-on-year driven by continued strong growth in Japan. Net sales of the *High Sierra* brand increased by 3.3%[1] year-on-year.

[21] 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.

Table 4: Net Sales by Brand

Brand	**Three months ended September 30, 2019 US$ millions**	Three months ended September 30, 2018 US$ millions	Percentage increase (decrease) 2019 vs. 2018	Percentage increase (decrease) 2019 vs. 2018 excl. foreign currency effects[1]
Samsonite	**422.1**	428.5	(1.5)%	1.0%
Tumi	**182.8**	183.2	(0.2)%	0.6%
American Tourister	**170.7**	166.8	2.3%	4.3%
Speck	**44.2**	51.5	(14.1)%	(14.1)%
Gregory	**18.0**	14.8	22.2%	21.3%
High Sierra	**14.9**	14.5	2.3%	3.3%
Other[22]	**68.8**	85.9	(20.0)%	(18.2)%

Performance by Distribution Channel

The Group continued to focus on growing its direct-to-consumer ("DTC") e-commerce while moderating the pace of its bricks-and-mortar retail expansion. The Group's DTC e-commerce net sales increased by 15.0%[1] during the third quarter of 2019, excluding the contribution from eBags (net sales through the eBags e-commerce website in the U.S. were impacted by the Group's ongoing efforts to reduce the sales of certain lower margin third party brands). Overall, the Group's DTC e-commerce net sales decreased by 0.4%[1] year-on-year.

Third quarter 2019 net sales in the DTC retail channel decreased by 0.3%[1] year-on-year largely due to a 3.6% year-on-year decrease in constant currency same store retail net sales[23]. This constant currency same store net sales decrease was driven by a 7.2% decline in North America due to reduced Chinese tourist traffic in gateway markets in the U.S.; and a 2.4% decline in Asia as a result of challenging market conditions in South Korea and Hong Kong. Constant currency same store net sales were down slightly by 0.9% in Europe, and up by 1.1% in Latin America during the third quarter of 2019.

The Group continued to exercise moderation in opening new company-operated retail stores in 2019. The Group added 7 net new company-operated retail stores during the third quarter of 2019, bringing the total number of company-operated retail stores to 1,285 as of September 30, 2019, compared to 1,236 company-operated retail stores as of September 30, 2018.

For the three months ended September 30, 2019, the Group's DTC channel net sales increased by 2.3%[1] year-on-year, excluding the contribution from eBags. Total net sales in the DTC distribution channel decreased by 0.4%[1] year-on-year, contributing US$341.7 million, or 37.1%, of the Group's net sales during the third quarter of 2019 versus 36.9% of net sales for the same period in 2018.

Net sales in the wholesale channel decreased by 0.9%[1] during the third quarter of 2019 compared to the same period in 2018, primarily due to decreases in North America and South Korea. Excluding these two markets, wholesale net sales increased by 4.9%[1] year-on-year.

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

[23] The Group's same store analysis includes existing company-operated retail stores which have been open for at least 12 months before the end of the relevant financial period.

For Immediate Release

Gross Profit

The Group's gross profit margin decreased to 55.7% for the three months ended September 30, 2019 from 57.4% for the same period in the previous year due largely to the impact of the second round of additional tariffs imposed by the U.S. on products sourced from China that went into effect at the end of the second quarter of 2019. The Group's gross margin was also negatively impacted by sales mix, higher raw materials costs in Europe and increased sales promotions in certain markets. Gross profit decreased by US$29.4 million, or 5.4%, to US$513.5 million for the three months ended September 30, 2019 from US$542.9 million for the same period in 2018 due to reduced sales and lower gross profit margin. The Group will continue to diversify its sourcing base and to renegotiate pricing with vendors for the U.S. market to counter the recent U.S. tariff increases while maintaining high quality standards.

Operating Profit

Distribution expenses decreased by US$2.3 million, or 0.8%, to US$303.6 million (representing 33.0% of net sales) for the three months ended September 30, 2019 from US$305.9 million (representing 32.4% of net sales) for the same period in 2018. Distribution expenses as a percentage of net sales increased primarily as a result of the effect of investments in the DTC distribution channel, particularly in connection with bricks-and-mortar retail stores that were opened in 2017 and the first half of 2018, along with the year-on-year decrease in net sales.

The Group spent US$45.4 million on marketing during the three months ended September 30, 2019 compared to US$55.7 million for the same period in 2018. As a percentage of net sales, marketing expenses decreased by 100 basis points to 4.9% for the third quarter of 2019 from 5.9% for the same period in 2018. The Group temporarily reduced advertising spend during the third quarter of 2019 to help offset the pressure on its profitability caused by headwinds in certain markets. This reduction was executed in a targeted manner to ensure continued support for its growth initiatives, including the *Tumi* brand's further international expansion, its DTC e-commerce growth strategy and planned new product introductions.

The Group continued to evaluate its retail store portfolio and implement profit improvement initiatives. As a result, the Group recognized a non-cash impairment charge totalling US$2.5 million[24] for the three months ended September 30, 2019, related to lease right-of-use assets and store fixed assets associated with unprofitable retail locations and the anticipated closure of some of these stores. The Group also incurred certain costs to implement profit improvement initiatives totalling US$0.8 million for the third quarter of 2019.

For the three months ended September 30, 2019, the Group's operating profit decreased by US$17.6 million, or 14.3%, year-on-year to US$104.9 million.

The Group's operating profit decreased by US$18.3 million, or 14.5%, to US$108.3 million when excluding the aforementioned non-cash impairment charge and the costs incurred to implement profit improvement initiatives during the third quarter of 2019, compared to US$126.6 million for the same period in the previous year (as recast to adjust for IFRS 16 impacts)[3].

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[24] Based on an evaluation of loss-making stores in the three months ended September 30, 2019 and the anticipated closure of some of these stores due to reduced traffic and under-performance, the Group determined that the carrying amounts of certain lease right-of-use assets and certain property, plant and equipment as of September 30, 2019 exceeded their respective recoverable amounts. The Group recognized a non-cash impairment charge totalling US$2.5 million for the third quarter of 2019, recorded in the Group's consolidated income statements in the line item "Impairment of property, plant and equipment and lease right-of-use assets". This non-cash impairment charge comprised the write-off of US$1.8 million of lease right-of-use assets associated with such stores that were recently recognized with the adoption of IFRS 16 and US$0.7 million in impairment for property, plant and equipment of such stores.

Net Finance Costs

Net finance costs increased by US$7.1 million, or 36.9%, to US$26.3 million for the three months ended September 30, 2019 versus US$19.2 million for the same period in the previous year. The increase was attributable to the US$7.6 million in interest expense on lease liabilities from the adoption of IFRS 16.

Net finance costs decreased by US$1.1 million, or 4.1%, to US$26.3 million for the three months ended September 30, 2019 from US$27.4 million for the same period in 2018 (as recast to adjust for IFRS 16 impacts)[3].

Profit Attributable to Equity Holders

The Group's profit attributable to the equity holders for the three months ended September 30, 2019 decreased by US$22.3 million, or 29.6%, to US$53.0 million from US$75.5 million for the same period in the previous year.

Profit attributable to the equity holders for the three months ended September 30, 2019 decreased by US$16.2 million, or 22.4%, to US$56.1 million when excluding the non-cash charge for the impairment of lease right-of-use assets and property, plant and equipment attributable to certain retail locations and certain costs incurred to implement profit improvement initiatives, net of the related tax impact during the three months ended September 30, 2019, compared to US$72.4 million for the same period in 2018 (as recast to adjust for IFRS 16 impacts)[3].

Adjusted EBITDA and Adjusted Net Income

The Group's Adjusted EBITDA for the three months ended September 30, 2019 decreased by US$20.6 million, or 13.3%, to US$133.9 million, and its Adjusted EBITDA margin decreased by 190 basis points year-on-year to 14.5%. This decrease was primarily due to lower gross profit margin, the decrease in net sales and the effect of investments in the DTC distribution channel, particularly in connection with bricks-and-mortar retail stores that were opened in 2017 and 2018. The Group's Adjusted Net Income decreased by US$19.4 million, or 23.8%, to US$62.0 million during the third quarter of 2019 due to the factors discussed above.

Excluding the impacts from IFRS 16[3], the Group's Adjusted EBITDA decreased by US$15.6 million, or 10.4%, to US$133.9 million for the three months ended September 30, 2019 from US$149.6 million for the same period in the previous year (as recast to adjust for IFRS 16 impacts)[3]. Adjusted EBITDA margin was 14.5% for the third quarter of 2019 versus 15.8% for the same period in 2018 (as recast to adjust for IFRS 16 impacts)[3]. The Group's Adjusted Net Income decreased by US$15.7 million, or 20.2%, to US$62.0 million for the three months ended September 30, 2019 from US$77.8 million for the same period in 2018 (as recast to adjust for IFRS 16 impacts)[3].

2019 Third Quarter Results – Earnings Call for Analysts and Investors:

Date: Thursday, November 14, 2019
Time: 08:30 New York / 13:30 London / 21:30 Hong Kong
Webcast Link: http://webcast.live.wisdomir.com/samsonite_19q3/index_en.php

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About Samsonite

Samsonite International S.A. ("Samsonite" or the "Company", together with its consolidated subsidiaries, "the Group"), is the world's largest travel luggage company, with a heritage dating back over 100 years. The Group is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, women's bags, outdoor and casual bags, travel accessories and slim protective cases for personal electronic devices throughout the world, primarily under the *Samsonite*®, *Tumi*®, *American Tourister*®, *Speck*®, *High Sierra*®, *Gregory*®, *Lipault*®, *Kamiliant*®, *Hartmann*® and *eBags*® brand names as well as other owned and licensed brand names. The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK").

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Non-IFRS Measures

The Company has presented certain non-IFRS measures in this press release because each of these measures provides additional information that management believes is useful 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. All statements other than statements of historical fact contained in this press release, including, without limitation, the discussions of the Group's business strategies and expectations concerning future operations, margins, profitability, liquidity and capital resources, the future development of the Group's industry and the future development of the general economy of the Group's key markets and any statements preceded by, followed by or that include words and expressions such as "expect", "seek", "believe", "plan", "intend", "estimate", "project", "anticipate", "may", "will", "would" and "could" or *similar words or statements, as they relate to the Group or its management, are intended to identify forward-looking statements.*

These statements are subject to certain known and unknown risks, uncertainties and assumptions, which may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Accordingly, you should not place undue reliance on any forward-looking information.

Subject to the requirements of applicable laws, rules and regulations, the Group does not have any and undertakes no obligation to update or otherwise revise the forward-looking statements in this press release, whether as a result of new information, future events or developments or otherwise. In this press release, statements of or references to the Group's intentions are made as of the date of this press release. Any such intentions may change in light of future developments. All forward-looking statements contained in this press release are qualified by reference to the cautionary statements set out above.

Rounding

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