Samsonite International S.A. Announces Final Results for the Year Ended December 31, 2022

Consolidated net sales[1, 2, 3] recovered to pre-COVID levels during the second half of 2022 with significantly improved profitability

HONG KONG, March 15, 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 published its final results for the year ended December 31, 2022.

In this press release, certain financial results for the year ended December 31, 2022, are compared to both the year ended December 31, 2021, and the year ended December 31, 2019. Comparisons to the year ended December 31, 2019, are provided because it is the most recent comparable year 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 delighted with Samsonite's performance in 2022. We made tough decisions in 2020 to reposition the cost structure of our business which enabled us to successfully navigate the COVID-19 pandemic, and we stayed focused on tightly controlling our fixed and discretionary expenses. During the year, travel continued to recover as governments around the world relaxed social-distancing and travel restrictions, resulting in increased demand for our products across all regions. This improved trading environment combined with our disciplined expense management enabled us to achieve strong net sales growth and enhanced profitability year-on-year. In particular, our net sales[1, 2, 3] largely recovered to pre-COVID levels during the second half of 2022 with significantly improved profitability. As a result, for the year ended December 31, 2022, Samsonite's Adjusted EBITDA[4] surpassed that of 2019 by 7.0%[1, 5], despite net sales in 2022 that were still 10.4%[1, 2, 3] lower than in 2019 when excluding the net sales in Russia[2] and by Speck[3]. Meanwhile, with the team's continued focus on cash management and debt reduction, the Group finished 2022 with net debt of US$1.4 billion[6], only slightly higher than the US$1.3 billion[6] at the end of 2019. With substantial liquidity of US$1.5 billion[7] as of December 31, 2022, we are confident that we have the capacity to support the growth of our business during the ongoing recovery from the disruptions of the past several years."

"Our net sales continued to show significant improvement during the first two months of 2023, rising by 16.5%[1, 2, 3] when compared to the same period in 2019, with strong growth across all regions, and by 20.0%[1, 2, 3, 8] when further excluding the net sales in China. In particular, following the discontinuation of China's zero-COVID policy, our business in China has rapidly improved, with positive constant currency net sales growth in February 2023 versus February 2019, while the pace of recovery in the rest of Asia has continued to accelerate during the first two months of 2023. Compared to the first two months of 2022, the Group registered net sales growth of 60.2%[1, 2, 3] for the first two months of 2023 when excluding the net sales in Russia and by Speck, and net sales growth of 64.7%[1, 2, 3, 8] when further excluding the net sales in China. The strong net sales growth in the first two months of 2023 continued the growth trend we experienced throughout 2022."

For the six months ended December 31, 2022, the Group registered consolidated net sales of US$1,609.4 million, which was US$339.3 million more than the US$1,270.2 million recorded during the first half of 2022 and reflected the accelerating recovery in the Group's net sales during the year. Compared to the corresponding periods in 2019 and excluding the net sales in Russia and by Speck, net sales in the second half of 2022 were just slightly lower by 0.8%[1, 2, 3], a significant improvement compared to the 20.4%[1, 2, 3] reduction in the first half of 2022. Further excluding the Group's net sales in China, where recovery during 2022 was hampered by tightened travel restrictions and social distancing measures, second half 2022 net sales increased by 3.5%[1, 2, 3, 8] when compared to the second half of 2019, whereas net sales in the first half of 2022 were 18.4%[1, 2, 3, 8] lower when compared to the same period in 2019.

Samsonite's gross margin for the second half of 2022 remained steady at 55.8% compared to 55.7% in the first half of 2022. As a result, the Group's Adjusted EBITDA[4] increased to US$276.6 million in the second half of 2022 from US$195.6 million in the first half of 2022, and the Group's Adjusted EBITDA margin[9] expanded to 17.2% for the second half of 2022 from 15.4% in the first half of 2022. Second half 2022 Adjusted EBITDA margin[9] was 240 basis points higher than the 14.8% for the second half of 2019, despite higher marketing spend of 6.1% of net sales in the second half of 2022 versus 4.6% of net sales in the second half of 2019. This improvement demonstrates strong positive operating leverage across the business as a result of efficiencies gained from the Group's comprehensive cost reduction program implemented in 2020 and 2021. Driven by the increase in Adjusted EBITDA[4], Samsonite recorded Adjusted Net Income[10] of US$212.7 million and generated total cash[11] of US$101.5 million during the six months ended December 31, 2022, a considerable improvement from Adjusted Net Income[10] of US$83.3 million and total cash burn[11] of US$26.6 million in the first half of 2022.

Overall, for the year ended December 31, 2022, the Group registered consolidated net sales of US$2,879.6 million, up US$858.9 million, or 52.3%[1], versus the US$2,020.8 million recorded in 2021. Excluding the net sales in Russia and by Speck, net sales grew by 57.4%[1, 2, 3] year-on-year. Further excluding the net sales in China, the Group's net sales increased by 65.8%[1, 2, 3, 8] year-on-year.

Compared to 2019, the Group's net sales for the year ended December 31, 2022, decreased by 14.6%[1], and by 10.4%[1, 2, 3] when excluding the net sales in Russia and by Speck. This is a notable improvement compared to 2021, when the Group's net sales declined by 44.4%[1] versus 2019, and by 43.5%[1, 3] when excluding the net sales by Speck. Further excluding the net sales in China, the Group's 2022 net sales were only 7.4%[1, 2, 3, 8] below 2019.

The Group made great progress across all regions during the year ended December 31, 2022, with year-on-year net sales increases of 38.7%[1] (+44.6%[1, 3] when excluding the net sales by Speck) in North America, 43.9%[1] (+68.5%[1, 8] when excluding the net sales in China) in Asia, 87.7%[1] (+103.6%[1, 2] when excluding the net sales in Russia) in Europe, and 72.5%[1] in Latin America. The strong year-on-year net sales gains in Asia (excluding China) clearly demonstrated strong consumer demand for travel as restrictions were lifted, and with China discontinuing its zero-COVID policy and reopening its borders in December 2022, the Group expects to see a meaningful recovery in China and in Asia overall in 2023.

Compared to 2019, during 2022 Samsonite's net sales in North America decreased by 18.1%[1], and by 9.9%[1, 3] 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 during 2022 decreased by 4.9%[1, 3] compared to 2019. Compared to 2019, during 2022 net sales in Asia decreased by 25.0%[1] (and by 19.5%[1, 8] when excluding the net sales in China), while net sales in Europe decreased by 0.8%[1] (but increased by 5.7%[1, 2] when excluding the net sales in Russia). Net sales in Latin America increased by 30.7%[1] during 2022 versus 2019.

For the year ended December 31, 2022, net sales of the Group's core travel brands *Samsonite*, *Tumi* and *American Tourister* increased year-on-year by 67.7%[1], 34.6%[1] and 63.4%[1], respectively, with the slower growth of *Tumi* largely attributable to inventory challenges in North America at the start of 2022 and the effects of tightened travel restrictions and social distancing measures in China. Compared to 2019, net sales for *Samsonite*, *Tumi* and *American Tourister* were lower by 5.0%[1], 11.2%[1] and 14.3%[1], respectively.

The Group's gross profit increased by US$504.0 million, or 45.8%, to US$1,605.4 million for the year ended December 31, 2022, from US$1,101.5 million for the year ended December 31, 2021. Gross profit margin expanded by 130 basis points to 55.8% in 2022 from 54.5% in 2021 due to reduced discounting and promotions. The Group's 2022 gross profit margin was in line with the 55.4% recorded in 2019 as the Group adjusted product prices to successfully offset the effects of fixed sourcing and manufacturing expenses on a lower net sales base, higher freight and raw material costs, and increased duty costs in the United States related to the expiration of the Generalized System of Preferences program.

The Group substantially increased investment in marketing across all regions in 2022 to capitalize on the continued recovery in travel and drive net sales growth. Marketing expenses were US$156.0 million during the year ended December 31, 2022, an increase of US$73.7 million, or 89.5%, compared to the US$82.3 million spent in 2021; and a reduction of US$33.5 million, or 17.7%, compared to the US$189.5 million spent in 2019. Marketing expenses made up 5.4% of net sales in 2022, 130 basis points higher than the 4.1% of net sales in 2021, and slightly higher than the 5.2% in 2019.

The Group maintained its focus on managing fixed selling, general and administrative ("SG&A") expenses. For the year ended December 31, 2022, while net sales rose by US$858.9 million to US$2,879.6 million, fixed SG&A expenses only increased by US$72.6 million to US$695.2 million. As a result, fixed SG&A expenses amounted to 24.1% of net sales in 2022, a sizable reduction from the 30.8% in 2021. More importantly, fixed SG&A expenses as a percentage of net sales were 320 basis points lower in 2022 than the 27.3% in 2019 despite a considerably lower net sales base. Consequently, Samsonite's Adjusted EBITDA margin[9] expanded to 16.4% in 2022, a significant increase not only compared to the 9.0% for 2021, but also 290 basis points higher than the 13.5% for 2019, underscoring the positive impact of the comprehensive cost reduction program implemented in 2020 and 2021, and the Group's ongoing discipline in controlling expenses as net sales recovered.

For the year ended December 31, 2022, the Group's Adjusted EBITDA[4] increased by US$290.0 million to US$472.3 million from US$182.3 million in 2021, and only US$19.9 million lower than the US$492.2 million recorded in 2019. On a constant currency basis, 2022 Adjusted EBITDA[4] exceeded that of 2019 by 7.0%[1, 5], an impressive outcome considering net sales were still 10.4%[1, 2, 3] lower in 2022 versus 2019 when excluding the net sales in Russia and by Speck. Adjusted Net Income[10] was US$296.0 million for 2022, up US$278.7 million from US$17.4 million in 2021, and US$80.2 million higher than the US$215.9 million in 2019.

One of Samsonite's key long-term competitive advantages is its strong and enduring tradition of product innovation and excellence. Notwithstanding the disruptions during the past several years caused by the COVID-19 pandemic, Samsonite has continued to invest in product research and development, and we supplemented its traditional strengths in product lightness, strength and functionality with an increasing emphasis on product sustainability. As a result, when the COVID-19 pandemic restrictions eased, the Group was able to meet the resurgence in consumer demand with an amazing portfolio of travel and non-travel products across all brands. As part of the restructuring in 2020 and 2021, the Group implemented a rigorous program to streamline SKU count across different regions and brands to enhance efficiency, and the Group maintained discipline in SKU management even as it increased investment in inventories to support net sales growth. With inventories of US$687.6 million as of December 31, 2022, the Group is well positioned to support continued net sales growth going into 2023. In comparison, inventories were US$348.4 million at the end of 2021 and US$587.3 million at the end of 2019.

After having substantially restructured its retail store footprint in 2020 and 2021, Samsonite selectively invested in new store openings in 2022. The Group strategically opened 50 new retail stores in locations that offered good opportunity for its brands, particularly in Asia and for the *Tumi* brand in Europe. The Group also accelerated the remodeling of existing retail locations that were deferred during the COVID-19 pandemic and invested in its European manufacturing plants, including machinery and equipment to expand capacity and support new product innovation. The Group continued to invest in enhancing its e-commerce capabilities, such as a new Tumi.com platform in North America, new websites in Latin America, and CRM systems around the world. As a result, spending on capital expenditures (including software purchases) rose to US$62.8 million[12] in 2022, compared to US$25.9 million[12] in 2021 and US$74.5 million[12] in 2019.

The strong growth in Adjusted EBITDA[4], along with ongoing attention on cash flow management, enabled Samsonite to generate total cash[11] of US$74.9 million during the year ended December 31, 2022, even as the Group increased inventories by US$339.2 million during the year to meet the rebound in consumer demand and increased investment in capital expenditures and software. In comparison, total cash generation[11] was US$199.8 million for the year ended December 31, 2021, driven in large part by a US$107.4 million reduction in inventories year over year.

Samsonite remained focused on reducing outstanding debt during 2022. The Group's strong underlying cash generation enabled the repayment of an additional US$530.6 million of outstanding borrowings under its senior credit facilities during the second half of 2022, following debt repayments totaling US$220.8 million in the first half of 2022, bringing total debt repayments to US$751.4 million in 2022. This improved the Group's net debt position to US$1,383.7 million[6] as of December 31, 2022, compared to US$1,477.2 million[6] at the end of 2021, and just US$78.4 million higher than the US$1,305.3 million[6] at the end of 2019, before the COVID-19 pandemic. The reduction in net debt, together with the strong recovery in Adjusted EBITDA[4], enabled the Group to improve its net leverage ratio[13] to below 3.00:1 at 2.85:1 as of December 31, 2022.

Mr. Gendreau remarked, "The team is energized by Samsonite's strong performance in 2022 and excited about opportunities for continued growth in 2023. While inflation and macroeconomic concerns may impact near-term consumer sentiment, consumers' renewed enthusiasm for travel is expected to stay strong. For instance, the UNWTO[14] estimates that international tourist arrivals could reach 80% – 95% of pre-COVID levels during 2023, compared to an estimated 63% recovery in 2022. In particular, we anticipate that China's discontinuation of its zero-COVID policy and associated travel restrictions will boost our net sales recovery in Asia, as well as Europe and North America later in the year as overseas travel by Chinese consumers rebounds. Furthermore, with the ongoing return to the office and businesses looking to enhance in-person collaboration, business travel is expected to experience meaningful recovery, providing additional impetus for our growth."

"Indeed, we are already seeing a positive impact from China's reopening. Compared to the same months in 2019, net sales in China were down 43.3%[1] in January 2023, but sharply rebounded to up 27.6%[1] in February 2023. Overall, our net sales in China for the first two months of 2023 were 19.3%[1] lower than the first two months of 2019, a noticeable improvement from the 54.4%[1] decline experienced in the fourth quarter of 2022 when compared to same period in 2019. Meanwhile, the pace of recovery in the rest of Asia has continued to accelerate, with net sales for the first two months of 2023 up by 21.1%[1, 8] when compared to the first two months of 2019, versus a decline of 1.5%[1, 8] during the fourth quarter of 2022 when compared to the same period in 2019. For Asia as a whole, January and February 2023 net sales were 12.0%[1] higher than the same period in 2019, a significant improvement compared to the 14.2%[1] decline recorded in the fourth quarter of 2022 when compared to the same period in 2019."

Mr. Gendreau continued, "Looking ahead, we remain focused on leveraging Samsonite's competitive strengths to extend our market leadership and drive long-term growth. We will continue to draw on our century-plus heritage of innovation, diverse set of product categories, and leading and complementary brands, as well as our commitment to sustainability and innovation. Coupled with our industry-leading global sourcing and distribution platforms and our decentralized regional management structure, which allows us to offer products tailored to local consumer preferences, we are well-positioned to strengthen our long-term market position."

"We will continue to focus on product innovation, offering exciting new products across all our brands and markets, as well as working closely with our suppliers to ensure a healthy inventory position to meet consumer demand in 2023. We judiciously increased our capital expenditures during 2022, and we plan to further increase spending for key strategic initiatives in 2023, particularly on retail store refits postponed during the COVID-19 pandemic."

"As in 2022, we will continue to focus on sustaining our gross margin through reduced discounting and promotional activity and close coordination with our suppliers to manage rising costs. We also intend to raise our investment in marketing in 2023 to support new product launches and drive net sales growth, while controlling our non-marketing SG&A expenses to deliver positive operating leverage and an enhanced margin profile."

"Finally, we will continue to advance Samsonite's "Our Responsible Journey" sustainability initiatives, building on our momentum from 2022. Among other achievements, more than 23% of our net sales in 2022 came from products containing recycled materials, compared to an estimated 17%[15] in 2021, and just 5% in 2019. We will continue to prioritize embedding sustainability throughout the business in 2023."

Mr. Gendreau concluded, "We believe long-term growth prospects for travel remain bright, and as long as we continue to treat all stakeholders with fairness and respect in line with our time-honored guiding principle, "Do unto others as you would have them do unto you," I am confident we will continue to build on our success to grow our net sales at a fundamentally higher margin profile, while realizing our ambition to lead the transformation of our industry and become the world's most sustainable lifestyle bag and travel luggage company."

Table 1: Key Financial Highlights for the Year Ended December 31, 2022

Expressed in US$ millions, except per share data	**Year ended December 31, 2022**	Year ended December 31, 2021	Percentage increase 2022 vs. 2021	Percentage increase 2022 vs. 2021 excl. foreign currency effects[1]
Net sales	**2,879.6**	2,020.8	42.5%	52.3%
Operating profit[16]	**492.1**	132.7	271.1%	296.9%
Operating profit excluding total non-cash impairment reversals, restructuring charges and the loss on the sale of Speck[16, 17]	**421.2**	120.1	250.6%	277.0%
Profit attributable to the equity holders	**312.7**	14.3	2,092.2%	2,325.7%
Adjusted Net Income[10]	**296.0**	17.4	1,606.3%	1,788.1%
Adjusted EBITDA[4]	**472.3**	182.3	159.0%	181.4%
Adjusted EBITDA margin[9]	**16.4%**	9.0%		
Basic earnings per share – Expressed in US$ per share	**0.218**	0.010	2,089.2%	2,322.4%
Diluted earnings per share – Expressed in US$ per share	**0.217**	0.010	2,089.1%	2,322.3%
Adjusted basic and diluted earnings per share[18] – Expressed in US$ per share	**0.206**	0.012	1,603.9%	1,785.4%

The Group's performance for the year ended December 31, 2022, is discussed in greater detail below.

Net Sales

The Group continued to experience improved net sales trends as the effects of the COVID-19 pandemic on demand for the Group's products moderated in most countries as governments loosened social-distancing, travel and other restrictions, which led to a robust recovery in travel. However, the strong recovery in most markets in Asia during 2022 was partially offset by the tightening of travel restrictions and social distancing measures in China in an effort to combat further outbreaks of COVID-19. Nevertheless, for the year ended December 31, 2022, the Group recorded net sales of US$2,879.6 million, an increase of US$858.9 million, or 52.3%[1], compared to the US$2,020.8 million recorded in 2021. When excluding the net sales in Russia and by Speck, the Group's net sales increased by US$923.5 million, or 57.4%[1, 2, 3], year-on-year. Further excluding the net sales in China, the Group's 2022 net sales increased by US$979.7 million, or 65.8%[1, 2, 3, 8], compared to 2021.

Compared to 2019, the Group's net sales for the year ended December 31, 2022, decreased by 14.6%[1], and by 10.4%[1, 2, 3] when excluding the net sales in Russia and by Speck. This is a significant improvement compared to 2021, when the Group's net sales declined by 44.4%[1] versus 2019, and a reduction of 43.5%[1, 3] when excluding the net sales by Speck. Further excluding the net sales in China, net sales for 2022 decreased by just 7.4%[1, 2, 3, 8] compared to 2019.

The Group's net sales significantly improved during the first two months of 2023. When excluding the net sales in Russia and by Speck, consolidated net sales increased by 60.2%[1, 2, 3] and by 16.5%[1, 2, 3] for the first two months of 2023 compared to the first two months of 2022 and 2019, respectively. Further excluding the Group's net sales in China, consolidated net sales for the first two months of 2023 increased by 64.7%[1, 2, 3, 8] and by 20.0%[1, 2, 3, 8] compared to the first two months of 2022 and 2019, respectively.

Net Sales Performance by Region

North America

The Group recorded strong year-on-year net sales gains in North America in 2022, driven by strong product sell-through fueled by robust consumer demand as travel continued to rebound in the United States and Canada. For the year ended December 31, 2022, the Group recorded net sales of US$1,117.3 million in North America, an increase of 38.7%[1] (+44.6%[1, 3] when excluding the net sales by Speck) year-on-year. The Group's net sales in the United States increased by 36.4% (+42.4%[3] when excluding the net sales by Speck) year-on-year. The Group's net sales in Canada increased by 96.1%[1] year-on-year.

For the year ended December 31, 2022, the Group recorded a net sales decline of 9.9%[1, 3] in North America versus 2019 when excluding the net sales by Speck, and a decrease of 18.1%[1] when such net sales are included. This is a significant improvement over 2021, when net sales in North America decreased by 38.0%[1, 3] compared to 2019 when excluding the net sales by Speck, and a decrease of 40.9%[1] when such net sales are included. Further adjusting for the discontinuation of third-party brand sales on the ebags e-commerce platform in 2020, net sales in North America during 2022 decreased by 4.9%[1, 3] compared to 2019.

The Group's net sales performance in North America continued to improve during the first two months of 2023. When excluding the net sales by Speck, net sales increased by 37.9%[1, 3] and by 3.1%[1, 3] for the first two months of 2023 compared to the same period in 2022 and 2019, respectively. Further adjusting for the discontinuation of third-party brand sales on the ebags e-commerce platform, net sales in North America for the first two months of 2023 increased by 9.7%[1, 3] compared to the first two months of 2019.

Asia

For the year ended December 31, 2022, the Group recorded net sales of US$916.4 million in Asia, an increase of 43.9%[1] compared to 2021, driven by year-on-year net sales increases of 66.2%[1] in India, 219.0%[1] in Australia, 62.5%[1] in South Korea, 49.8%[1] in Japan and 116.1%[1] in Indonesia, partially offset by a year-on-year net sales reduction of 23.7%[1] in China due to the impact of tightened travel restrictions and social distancing measures in an effort to combat further outbreaks of COVID-19 during most of 2022. When excluding the net sales in China, net sales in Asia increased by 68.5%[1, 8] year-on-year during 2022.

Compared to 2019, the Group's net sales for 2022 in Asia decreased by 25.0%[1] (-19.5%[1, 8] when excluding the net sales in China), a considerable improvement over 2021 when net sales in the region decreased by 48.4%[1] versus 2019.

The Group's net sales performance in China meaningfully improved after the Chinese government discontinued its zero-COVID policy and relaxed travel and social-distancing restrictions in December 2022. Compared to the same months in 2022, net sales in China were down 11.5%[1] in January 2023 due to a temporary increase in new COVID-19 cases, but significantly rebounded to up 63.7%[1] in February 2023. Compared to the same months in 2019, net sales in China were down 43.3%[1] in January 2023, but significantly rebounded to up 27.6%[1] in February 2023. Overall, the Group's net sales in China for first two months of 2023 increased by 17.2%[1] year-on-year but decreased by 19.3%[1] compared to the first two months of 2019.

The Group's net sales performance in Asia significantly improved during the first two months of 2023. Net sales for January and February 2023 increased by 85.9%[1] and by 12.0%[1] compared to the first two months of 2022 and 2019, respectively. When excluding the Group's net sales in China, net sales for the first two months of 2023 increased by 112.1%[1, 8] and by 21.1%[1, 8] compared to the first two months of 2022 and 2019, respectively, driven by the continued rebound in travel in Asian markets outside China.

Europe

For the year ended December 31, 2022, the Group recorded net sales of US$675.7 million in Europe, an increase of 87.7%[1] (+103.6%[1, 2] when excluding the net sales in Russia) compared to 2021, driven by year-on-year net sales increases of 182.3%[1] in the United Kingdom[19], 80.9%[1] in Germany, 87.0%[1] in France, 91.7%[1] in Spain and 72.8%[1] in Italy.

For the year ended December 31, 2022, the Group's net sales in Europe were 0.8%[1] below 2019 (+5.7%[1, 2] when excluding the net sales in Russia), a substantial improvement over 2021 when net sales in the region decreased by 47.6%[1] compared to 2019.

The Group's net sales performance in Europe continued to strongly improve during the first two months of 2023. When excluding the net sales in Russia, net sales increased by 67.3%[1, 2] and by 26.1%[1, 2] for the first two months of 2023 compared to the same period in 2022 and 2019, respectively.

Latin America

For the year ended December 31, 2022, the Group recorded net sales of US$168.8 million in Latin America, an increase of 72.5%[1] versus 2021, driven by year-on-year net sales increases of 65.2%[1] in Mexico, 49.0%[1] in Chile and 90.1%[1] in Brazil.

Compared to 2019, the Group's net sales for the year ended December 31, 2022, in Latin America increased by 30.7%[1]. This is a substantial improvement over 2021, when net sales in the region were 26.8%[1] below 2019.

The Group's net sales performance in Latin America continued to improve during the first two months of 2023. Net sales increased by 39.8%[1] and 87.2%[1] for the first two months of 2023 compared to the same period in 2022 and 2019, respectively.

Table 2: Net Sales by Region

Region[20]	**Year ended December 31, 2022 US$ millions**	Year ended December 31, 2021 US$ millions	Percentage increase 2022 vs. 2021	Percentage increase 2022 vs. 2021 excl. foreign currency effects[1]
North America	**1,117.3**	807.5	38.4%	38.7%
Asia	**916.4**	687.5	33.3%	43.9%
Europe	**675.7**	419.1	61.2%	87.7%
Latin America	**168.8**	104.7	61.2%	72.5%

Net Sales Performance by Brand and Product Category

The Group's core brands *Samsonite*, *Tumi* and *American Tourister* registered strong year-on-year net sales gains across all regions in 2022.

For the year ended December 31, 2022, net sales of the *Samsonite* brand increased by US$516.4 million, or 67.7%[1], year-on-year, mainly driven by North America (up US$211.6 million, or 65.0%[1]) and Europe (up US$171.0 million, or 88.8%[1]), with Asia (up US$99.1 million, or 45.8%[1]) and Latin America (up US$34.7 million, or 97.9%[1]) also registering strong year-on-year net sales gains.

Net sales of the *Tumi* brand increased by US$147.7 million, or 34.6%[1], year-on-year, in 2022, driven primarily by a US$103.5 million, or 34.1%[1], increase in North America and a US$27.0 million, or 93.1%[1], increase in Europe. *Tumi* experienced more moderate growth in Asia due to the slowdown in China, with net sales rising by US$15.6 million, or 19.6%[1], in the region. Net sales in Latin America increased by US$1.7 million, or 33.1%[1], year-on-year.

Net sales of the *American Tourister* brand increased by US$179.1 million, or 63.4%[1] year-on-year, in 2022, mainly driven by strong growth in Asia (up US$90.3 million, or 62.8%[1]) and Europe (up US$53.2 million, or 105.1%[1]), with North America (up US$25.0 million, or 29.8%[1]) and Latin America (up US$10.6 million, or 72.7%[1]) also recording robust net sales gains.

Compared to 2019, net sales of the *Samsonite*, *Tumi* and *American Tourister* brands for the year ended December 31, 2022, were lower by 5.0%[1], 11.2%[1] and 14.3%[1], respectively.

As domestic travel and travel within regions continued to rebound, net sales in the travel product category increased by 73.3%[1] year-on-year and accounted for 65.7% of total net sales in 2022, up from 57.5% of total net sales in 2021. Total non-travel[21] product category net sales increased by 23.9%[1] year-on-year and accounted for 34.3% of total net sales in 2022, compared to 42.5% of total net sales in 2021. Excluding the net sales by Speck, non-travel[21] product category net sales increased by 28.9%[1, 3] year-on-year during 2022.

Table 3: Net Sales by Brand

Brand	**Year ended December 31, 2022 US$ millions**	Year ended December 31, 2021 US$ millions	Percentage increase (decrease) 2022 vs. 2021	Percentage increase (decrease) 2022 vs. 2021 excl. foreign currency effects[1]
Samsonite	**1,444.3**	927.9	55.7%	67.7%
Tumi	**654.2**	506.5	29.2%	34.6%
American Tourister	**519.4**	340.3	52.6%	63.4%
Gregory	**61.4**	59.4	3.4%	12.7%
Speck[3]	**—**	33.0	(100.0)%	(100.0)%
Other[22]	**200.3**	153.6	30.4%	41.0%

Table 4: Net Sales by Product Category

Product Category	**Year ended December 31, 2022 US$ millions**	Year ended December 31, 2021 US$ millions	Percentage increase 2022 vs. 2021	Percentage increase 2022 vs. 2021 excl. foreign currency effects[1]
Travel	**1,891.8**	1,162.7	62.7%	73.3%
Non-travel[21]	**987.8**	858.1	15.1%	23.9%

Performance by Distribution Channel

The Group's wholesale net sales increased by 54.7%[1] to US$1,794.1 million (representing 62.3% of net sales) for the year ended December 31, 2022, from US$1,238.5 million (representing 61.3% of net sales) in 2021. Net sales to e-retailers, which are included in the Group's wholesale channel, increased by 23.4%[1] in 2022 compared to 2021.

During the year ended December 31, 2022, the Group's net sales in the direct-to-consumer ("DTC") channel, which includes company-operated retail stores and DTC e-commerce, increased by 48.6%[1] to US$1,083.8 million (representing 37.6% of net sales) from US$780.3 million (representing 38.6% of net sales) in 2021. The Group's DTC retail net sales increased by 56.8%[1] year-on-year to US$782.4 million and comprised 27.2% of 2022 net sales, compared to 26.6% of net sales during 2021, primarily due to an increase in consumer demand and the reopening of the Group's company-operated retail stores that had been temporarily closed during 2021 due to COVID-19. Meanwhile, DTC e-commerce net sales increased by 30.7%[1] to US$301.4 million and represented 10.5% of 2022 net sales, compared to 12.1% of net sales in 2021.

During the year ended December 31, 2022, the Group permanently closed 70 company-operated retail stores (of which 37 were located in Russia), partially offset by the addition of 50 new company-operated retail stores, resulting in a net reduction of 20 company-operated retail stores during 2022, compared to a net reduction of 91 company-operated retail stores during 2021. The total number of company-operated retail stores was 985 as of December 31, 2022, compared to 1,005 company-operated retail stores at the end of 2021, and 1,294 at the end of 2019.

During the year ended December 31, 2022, US$518.9 million, or 18.0%, of the Group's net sales were made through e-commerce channels (comprising US$301.4 million of net sales from the Group's DTC e-commerce website, which are included within the DTC channel, and US$217.4 million of net sales to e-retailers, which are included within the wholesale channel). This represented a 27.6%[1] increase compared to 2021, when e-commerce comprised US$430.8 million, or 21.3%, of the Group's net sales. The year-on-year decrease in net sales through e-commerce channels as a percentage of total net sales was primarily due to governments relaxing social-distancing restrictions and markets around the world reopening, which led many customers to shop in person again rather than online.

Table 5: Net Sales by Distribution Channel

Distribution Channel	**Year ended December 31, 2022 US$ millions**	Year ended December 31, 2021 US$ millions	Percentage increase 2022 vs. 2021	Percentage increase 2022 vs. 2021 excl. foreign currency effects[1]
Wholesale	**1,794.1**	1,238.5	44.9%	54.7%
DTC				
Retail	**782.4**	536.6	45.8%	56.8%
DTC e-commerce	**301.4**	243.6	23.7%	30.7%
Total DTC	**1,083.8**	780.3	38.9%	48.6%

Gross Profit

The Group's gross profit increased by US$504.0 million, or 45.8%, to US$1,605.4 million for the year ended December 31, 2022, from US$1,101.5 million for 2021. Gross profit margin expanded by 130 basis points to 55.8% in 2022 from 54.5% for the same period in 2021. The year-on-year increase in gross profit margin was primarily due to reduced discounting and promotional activity. The Group's gross profit margin continued to be negatively impacted by the expiration of the Generalized System of Preferences program in the United States ("GSP") on December 31, 2020, which has resulted in increased duty costs on goods imported to the United States from countries that were beneficiaries of the GSP program. The devaluation of many currencies against the US Dollar also had a negative impact on gross profit margin year over year.

The Group's 2022 gross profit margin was 40 basis points above the 55.4% recorded in 2019, despite the effects of fixed sourcing and manufacturing expenses on a lower net sales base, higher freight and raw material costs, and increased duty costs in the United States as a result of the expiration of the GSP program.

Operating Profit

Samsonite substantially increased its investment in marketing across all regions in 2022 to capitalize on the robust recovery in travel and drive net sales growth. Marketing expenses increased to US$156.0 million during the year ended December 31, 2022, an increase of US$73.7 million, or 89.5%, compared to the US$82.3 million spent in 2021; and a reduction of US$33.5 million, or 17.7%, compared to US$189.5 million spent in 2019. Marketing expenses made up 5.4% of net sales in 2022, 130 basis points higher than the 4.1% of net sales in 2021, and slightly higher than the 5.2% in 2019.

Distribution expenses increased by US$107.7 million, or 15.4%, to US$807.3 million for the year ended December 31, 2022, from US$699.6 million in 2021, but were US$395.9 million, or 32.9%, lower compared to US$1,203.2 million in 2019. Distribution expenses represented 28.0% of net sales in 2022 compared to 34.6% in 2021 and 33.1% in 2019 primarily due to the Group's lower distribution cost structure resulting from the comprehensive cost reduction program implemented in 2020 and 2021 and ongoing, disciplined expense management.

General and administrative expenses increased by US$15.9 million, or 7.7%, to US$221.9 million (representing 7.7% of net sales) for the year ended December 31, 2022, from US$206.0 million (representing 10.2% of net sales) in 2021, with the decrease in general and administrative expenses as a percentage of net sales reflecting the increase in net sales year-on-year. General and administrative expenses for the year ended December 31, 2022, decreased by 3.3% compared to US$229.6 million for 2019. General and administrative expenses as a percentage of net sales increased to 7.7% for 2022 from 6.3% for 2019 due primarily to the lower net sales base in 2022.

The Group reported an operating profit of US$492.1 million for the year ended December 31, 2022, compared to an operating profit of US$132.7 million for the previous year. For the year ended December 31, 2022, the Group recorded an operating profit of US$421.2 million[16, 17] when excluding the non-cash impairment reversals and restructuring charges recorded during the year. In comparison, the Group recorded an operating profit of US$120.1 million[16, 17] for the year ended December 31, 2021, when excluding the non-cash impairment reversals, restructuring charges and the loss on the sale of Speck recorded in 2021.

Net Finance Costs and Income Tax (Expense) Benefit

Interest expense on loans and borrowings was US$90.6 million for the year ended December 31, 2022, a decrease of US$9.1 million compared to the US$99.7 million incurred in 2021 as a result of the interest savings following the Group's debt repayments during 2022 and 2021. The Group repaid US$751.4 million and US$400.6 million of outstanding borrowings under its senior credit facilities during 2022 and 2021, respectively.

Net finance costs decreased by US$35.9 million, or 21.7%, to US$129.5 million for the year ended December 31, 2022, from US$165.4 million for the year ended December 31, 2021. This decrease was primarily attributable to the non-recurrence of the US$30.1 million loss on extinguishment of debt in the first half of 2021 upon the closing of the borrowings under the 2021 incremental term loan B facility and the US$9.1 million year-on-year reduction in interest expense on loans and borrowings discussed above. These reductions were partially offset by an increase in redeemable non-controlling interest put option expenses of US$10.2 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$24.3 million for the year ended December 31, 2022, compared to an income tax benefit of US$56.2 million for the year ended December 31, 2021.

Profit (Loss) Attributable to Equity Holders

The Group's profit attributable to the equity holders increased by US$298.5 million to US$312.7 million for the year ended December 31, 2022, compared to US$14.3 million in the previous year. When excluding the non-cash impairment reversals and restructuring charges recorded during 2022, both of which are net of the related tax impact, the Group recorded profit attributable to the equity holders of US$261.2 million during the year ended December 31, 2022. In comparison, for the year ended December 31, 2021, the Group incurred a loss attributable to the equity holders of US$14.7 million when excluding the non-cash impairment reversals, restructuring charges, the loss on the sale of Speck and charges associated with the amendments to the Company's credit agreement recognized during 2021, all of which are net of the related tax impact, and also excluding a US$42.6 million tax benefit associated with the intra-Group intellectual property realignment.

Adjusted EBITDA and Adjusted Net Income

For the year ended December 31, 2022, the Group recorded Adjusted EBITDA[4] US$472.3 million, an increase of US$290.0 million compared to US$182.3 million in 2021. Adjusted Net Income[10] was US$296.0 million for the year ended December 31, 2022, compared to US$17.4 million for 2021. The year-on-year improvement in Adjusted EBITDA[4] and Adjusted Net Income[10] was primarily due to improved net sales and gross profit, as well as the lower fixed cost structure of the business resulting from disciplined expense management.

Balance Sheet and Cash Flows

The Group continued to invest in inventories to meet rising consumer demand from the robust recovery in travel and support net sales growth. As a result, inventories increased by US$339.2 million to US$687.6 million as of December 31, 2022, compared to inventories of US$348.4 million at the end of 2021, and by US$100.3 million compared to inventories of US$587.3 million at the end of 2019. Net working capital was US$395.3 million as of December 31, 2022, reflecting an increase of US$195.6 million from US$199.7 million as of December 31, 2021, and a reduction of US$87.4 million from US$482.7 million at the end of 2019.

The Group increased spending on capital expenditures (including software purchases) to US$62.8 million[12] in 2022, as it selectively added new retail locations, remodelled certain existing retail locations, invested in its European manufacturing plants to expand capacity and invested in machinery and equipment to support new product innovation. This represents an increase of US$36.9 million compared to the US$25.9 million[12] spent during 2021, and US$11.7 million below the US$74.5 million[12] spent in 2019. As sales, profitability and cash flow continue to improve, Samsonite intends to increase capital expenditures and software investments to support its long-term strategic objectives in 2023, particularly on retail store renovations deferred during the pandemic.

Total cash generation[11] was US$74.9 million during the year ended December 31, 2022, compared to total cash generation[11] of US$199.8 million in 2021, with the year-on-year variation reflecting the Group's increased investment in working capital and capital expenditures.

During the year ended December 31, 2022, the Group repaid a total of US$751.4 million (consisting of US$704.8 million in voluntary payments and US$46.6 million in scheduled quarterly payments) of outstanding borrowings under its senior credit facilities. In comparison, during the year ended December 31, 2021, the Group repaid a total of US$400.6 million (consisting of US$370.0 million in prepayments and US$30.6 million in scheduled quarterly payments) of outstanding borrowings under its senior credit facilities.

As a result, as of December 31, 2022, the Group had a net debt position of US$1,383.7 million[6] compared to a net debt position of US$1,477.2 million[6] as of December 31, 2021, and only US$78.4 million higher than the US$1,305.3 million[6] at the end of 2019 before the COVID-19 pandemic. Total liquidity as of December 31, 2022, was US$1,481.3 million[7] compared to US$1,501.4 million[7] as of December 31, 2021.

2022 Final Results – Earnings Call for Analysts and Investors:

Date:	Wednesday, March 15, 2023
Time:	08:00 New York / 12:00 London / 20:00 Hong Kong/Singapore
Webcast Link:	http://webcast.live.wisdomir.com/samsonite_22ar/index_en.php
Dial-in Details:	https://corporate.samsonite.com/on/demandware.static/-/Sites-InvestorRelations-Library/default/dw09217abc/PDF/press-release/2023/E%20Samsonite%20FY2022%20Results%20Date%20&%20Conference%20Call%20(2023-03-03%20final).pdf

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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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 same 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 six months ended June 30, 2022, with its net sales for the same periods in 2021 and 2019, net sales of the Group's former Russian operations for the second quarters of 2022, 2021 and 2019 are excluded. When comparing the Group's net sales for the six months ended December 31, 2022, with its net sales for the same periods in 2021 and 2019, net sales of the Group's former Russian operations for the third and fourth quarters of 2021 and 2019 are excluded. When comparing the Group's net sales for the year ended December 31, 2022, with its net sales for the years ended December 31, 2021, and December 31, 2019, net sales of the Group's former Russian operations for the second quarter of 2022 and the second, third and fourth quarters of 2021 and 2019 are excluded. When comparing the Group's net sales for the year-to-date period ended February 28, 2023, with its net sales for the same year-to-date period in 2022 and 2019, net sales of the Group's former Russian operations for January and February 2022 and 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 six months ended June 30, 2022, with its net sales for the same periods in 2021 and 2019, net sales of Speck for January through June 2021 and January through June 2019 are excluded. When comparing the Group's net sales for the six months ended December 31, 2022, with its net sales for the same periods in 2021 and 2019, net sales of Speck for July 2021 and July through December 2019 are excluded. When comparing the Group's net sales for the year ended December 31, 2022, with its net sales for the years ended December 31, 2021, and December 31, 2019, net sales of Speck for January through July 2021 and January through December of 2019 are excluded. When comparing the Group's net sales for the year-to-date period ended February 28, 2023, with its net sales for the same year-to-date period in 2019, net sales of Speck for January and February 2019 are excluded.

[4] Adjusted earnings before interest, taxes, depreciation and amortization of intangible assets ("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] Excluding the Adjusted EBITDA attributable to the Group's former Russian operations for the second quarter of 2022 and the second, third and fourth quarters of 2019; and excluding the Adjusted EBITDA attributable to Speck for the year ended December 31, 2019.

[6] 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, 2021, the Group had cash and cash equivalents of US$1,324.8 million and outstanding financial debt of US$2,802.0 million (excluding deferred financing costs of US$12.6 million), resulting in a net debt position of US$1,477.2 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.

[7] As of December 31, 2022, the Group had total liquidity 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. In comparison, as of December 31, 2021, the Group had total liquidity US$1,501.4 million, comprising cash and cash equivalents of US$1,324.8 million and US$176.7 million available to be borrowed on the Group's revolving credit facility.

[8] During the second, third and fourth quarters of 2022, the Chinese government significantly tightened travel restrictions and social distancing measures in an effort to combat further outbreaks of COVID-19, which has slowed the Group's net sales recovery in China. As such, when comparing the Group's net sales for the six months ended June 30, 2022, with its net sales for the same periods in 2021 and 2019, net sales of the Group's operations in China for the second quarters of 2022, 2021 and 2019 are excluded. When comparing the Group's net sales for the six months ended December 31, 2022, with its net sales for the same periods in 2021 and 2019, net sales of the Group's operations in China for the third and fourth quarters of 2022, 2021 and 2019 are excluded. When comparing the Group's net sales for the year ended December 31, 2022, with its net sales for the years ended December 31, 2021, and December 31, 2019, net sales of the Group's operations in China for the second, third and fourth quarters of 2022, 2021 and 2019 are excluded. When comparing the Group's net sales for the year-to-date period ended February 28, 2023, with its net sales for the same year-to-date period in 2022 and 2019, net sales of the Group's operations in China for January and February 2023, 2022 and 2019 are excluded.

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

[10] 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 year, which the Group believes helps to give securities analysts, investors and other interested parties a more complete understanding of the Group's underlying financial performance.

[11] 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, (iii) foreign exchange conversion impacts and (iv) proceeds from the sale of Speck in 2021.

[12] The Group spent US$51.6 million and US$11.2 million on capital expenditures and software purchases, respectively, during the year ended December 31, 2022. In comparison, the Group spent US$20.8 million and US$5.1 million on capital expenditures and software purchases, respectively, in 2021, and US$55.4 million and US$19.1 million, respectively, in 2019.

[13] 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.

[14] Source: United Nations World Tourism Organization ("UNWTO") World Tourism Barometer, January 2023.

[15] The Company's 2021 Environmental, Social and Governance Report stated that approximately 14% of the Group's sales in 2021 came from products containing some proportion of recycled materials. The Group has since improved its processes for the collection and validation of this information, and the Group has revised its estimates for 2021 accordingly.

[16] Results for the year ended December 31, 2022, included total non-cash impairment reversals of US$72.2 million and total restructuring charges of US$1.3 million. Results for the year ended December 31, 2021, included total non-cash impairment reversals of US$31.6 million, total restructuring charges of US$17.7 million and a loss on the sale of Speck of US$1.3 million.

[17] Operating profit excluding total non-cash impairment reversals, 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 for the year in the Group's consolidated statements of income.

[18] 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.

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

[20] 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.

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

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

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 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 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.