

Samsonite

TRAVEL IS BACK

# 2022 ANNUAL RESULTS

MARCH 15, 2023

Samsonite International S.A.  
Stock Code: 1910





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# AGENDA

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# **BUSINESS UPDATE**

# 2022 was a great year for Samsonite, and we are poised for growth in 2023!

Our team is incredibly energized by our Company's progress throughout 2022. We navigated through more than two years of disruptions caused by the pandemic, and achieved some great results:

- Our 2022 sales improved to US\$2,880 million, an increase of 57.4%<sup>(1)(2)</sup> from 2021, driven by increased travel demand across most of the world. Our 2H 2022 sales growth of -0.8%<sup>(1)(2)</sup> (+3.5%<sup>(1)(2)</sup> excluding China) was largely recovered to 2019 levels (compared to 1H 2022 sales growth of -20.4%<sup>(1)(2)</sup>) and -10.4%<sup>(1)(2)</sup> for the full year. The reopening of borders in China should help further drive the travel and business recovery in 2023. January and February 2023 are off to a very strong start with strong growth over 2019 in all regions!
- Our 2022 gross margin improved by 130 basis points to 55.8% from 2021, and is in-line with historical levels.
- Achieved full year Adjusted EBITDA and Adjusted EBITDA margin of US\$472 million and 16.4%, respectively. Our Adjusted EBITDA improved by US\$290 million in 2022 compared to 2021, which underscores the impact of restructuring actions taken during 2020 – 2021 and the strong sales recovery.
- We invested an additional US\$74 million into our advertising spend in 2022 compared to 2021 to help fuel future growth. Our advertising spend as a percent of net sales increased by 130 basis points to 5.4% in 2022 compared to 4.1% in 2021.
- Positive cash generation<sup>(3)</sup> of US\$75 million in 2022 despite increasing investment in our inventory by US\$339 million from December 31, 2021.
- During 2022 we repaid US\$751 million of outstanding borrowings, and our net debt position at the end of 2022 was only up US\$78 million to pre-pandemic levels. Net leverage ratio<sup>(4)</sup> at December 31, 2022, of 2.85x was below 3.0x.
- Rock solid balance sheet with liquidity of US\$1.5 billion as our experienced management team helped navigate and strengthen Samsonite's long-term market position during market disruptions.



(1) Stated on a constant currency basis.

(2) For comparative purposes, prior year sales are adjusted to exclude Speck, which was divested on July 30, 2021, and Russia from April onwards, where operations were suspended on March 14, 2022 and disposed of on July 1, 2022.

(3) 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.

(4) 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.

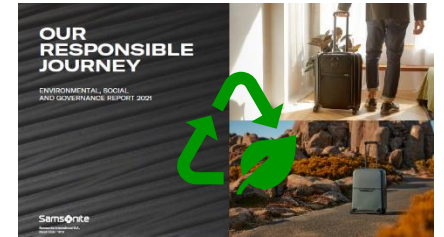
# • Our prudent investments and guidance of the business over the past few years position us for great success in 2023 and beyond

- Throughout more than two years of disruptions caused by the pandemic, we never stopped investing in product innovation, leading to our amazing portfolio of travel and non-travel products across all our brands.
- We have worked closely with our suppliers to manage many supply chain challenges, and combined with our SKU reduction initiative, have been able to build a clean and healthy inventory position to fully service sales demand into 2023.
- While we restructured our retail store footprint in 2020 and 2021, we have continued to selectively invest in new store openings, particularly in Asia and Tumi Europe, where we see opportunities for our brands.
- We continued our tight focus on capex during 2022, but as sales, profitability and cash flow continue to improve, we plan to increase spending on key strategic initiatives in 2023, such as catching up on retail store remodels.



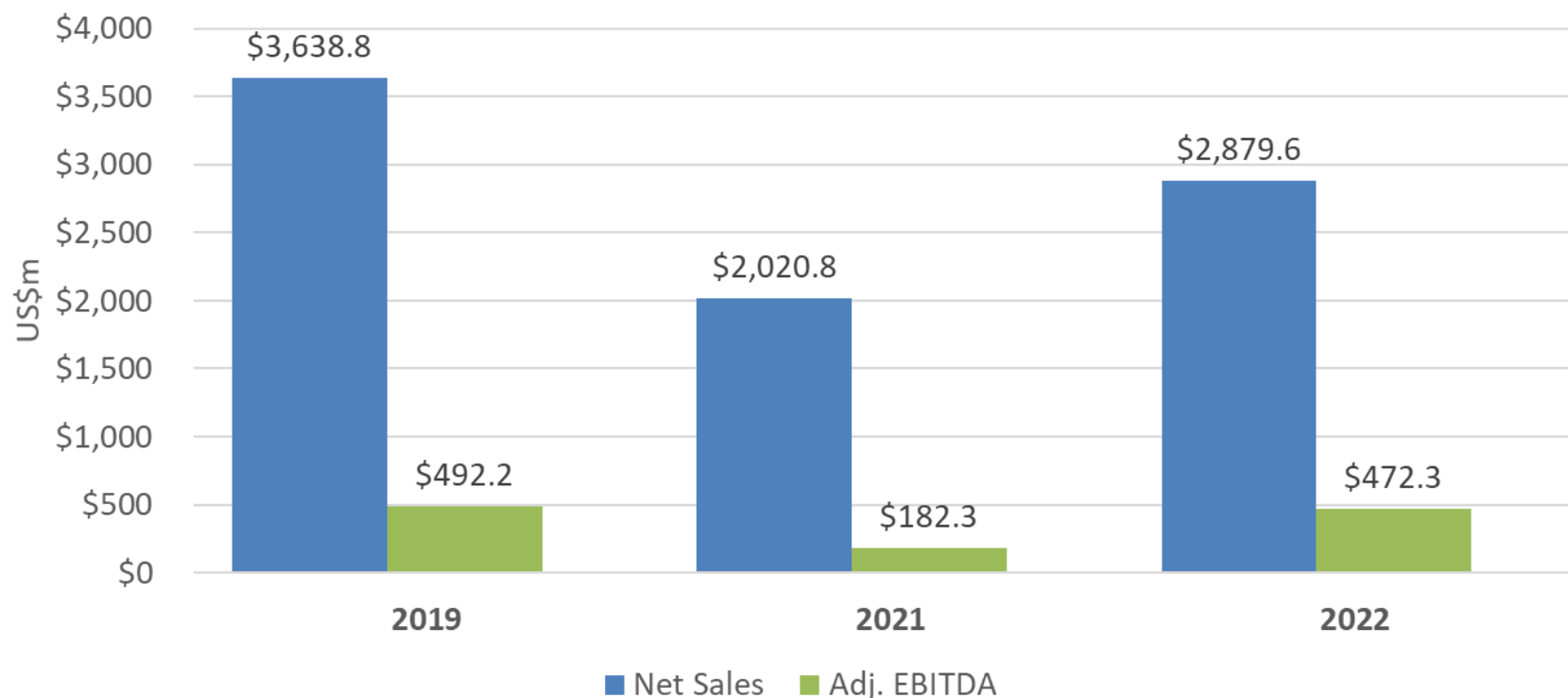
# ⦿ Prioritizing investments in our own e-commerce sites, ESG initiatives, and consumer facing advertising spend positions us for great success in 2023 and beyond

- We have also continued to invest in our own e-commerce capabilities globally, such as a new Tumi.com platform in North America, new LATAM websites and CRM systems across the world.
- We continue to prioritize sustainability throughout the organization with “Our Responsible Journey” as we lead the transformation of our industry as the most sustainable lifestyle bag and travel luggage company in the world.
- While concerns about inflation and economic slowdowns may impact consumer sentiment in the near term, we expect consumers’ enthusiasm for travel coming out of the pandemic to continue to drive the recovery in travel, and we believe long-term growth prospects for travel remain incredibly strong.
- As the strong recovery and profitability trend continues, we plan to increase our advertising spend to at least 6.5% to support strong growth across all our brands.



# Net sales increased by US\$859 million compared to prior year, and Adjusted EBITDA margin improved to 16.4% in 2022, up 290 basis points from 2019

## Consolidated Reported Net Sales and Adjusted EBITDA



<i>(Sin millions, except growth)</i>	FY 2019	FY 2021	FY 2022
Net Sales	\$3,638.8	\$2,020.8	\$2,879.6
Net Sales Growth <sup>(1)(2)</sup> vs. 2019		(43.5%)	(10.4%)
Adj. EBITDA	\$492.2	\$182.3	\$472.3
Adj. EBITDA Margin	13.5%	9.0%	16.4%

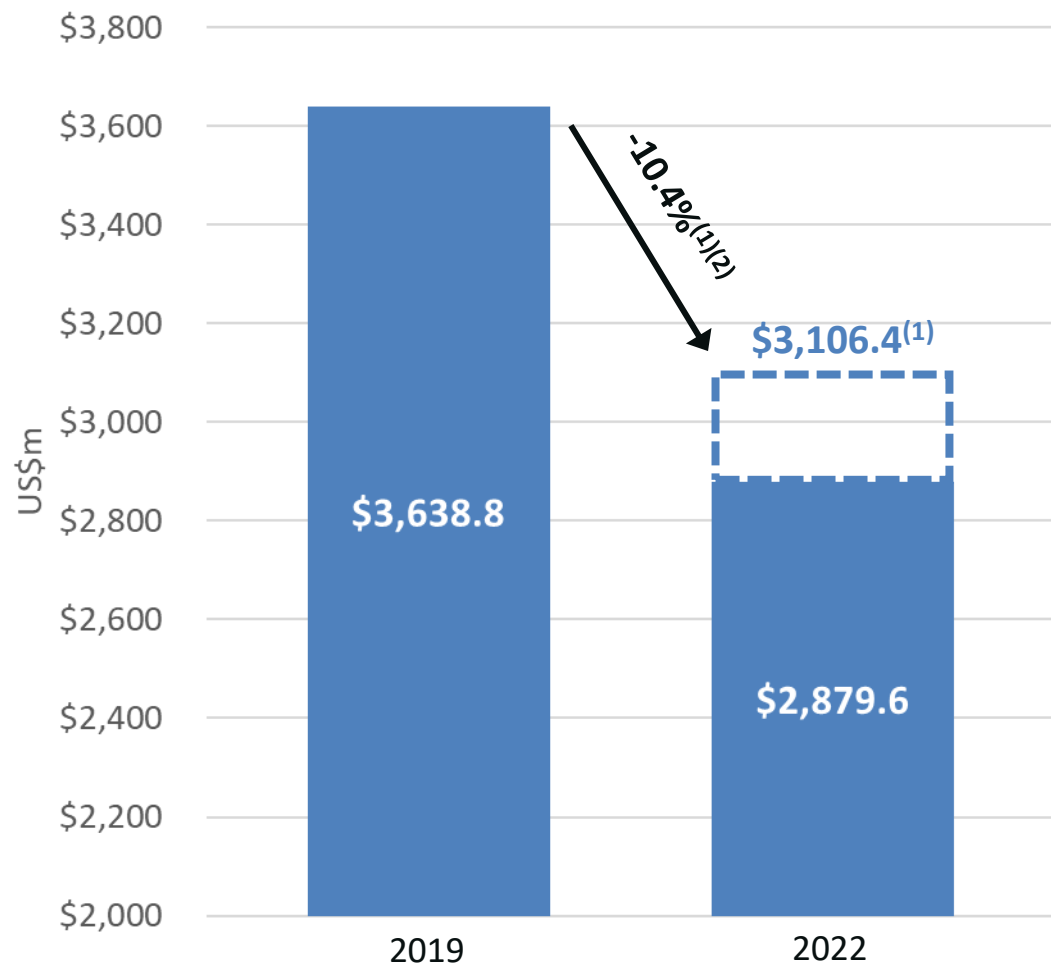
(1) Stated on a constant currency basis.

(2) For comparative purposes, prior year sales are adjusted to exclude Speck, which was divested on July 30, 2021, and Russia from April onwards, where operations were suspended on March 14, 2022 and disposed of on July 1, 2022.



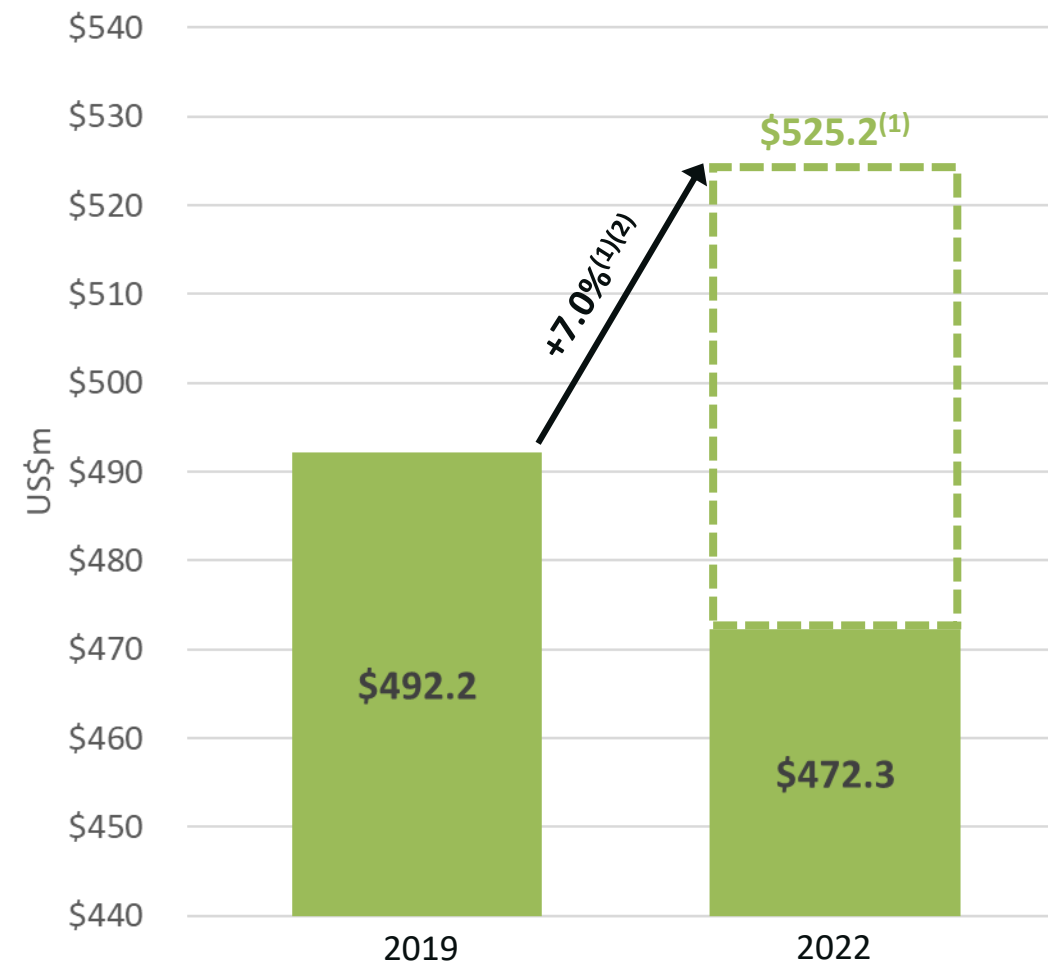
**On a constant currency basis at 2019 rates, Adjusted EBITDA was higher by 7.0%<sup>(1)(2)</sup> on sales that were 10.4%<sup>(1)(2)</sup> lower compared to 2019**

**Consolidated Net Sales – Reported vs. Constant Currency vs. 2019**



= 2022 reported sales on a constant currency basis to 2019

**Consolidated Adjusted EBITDA – Reported vs. Constant Currency vs. 2019**



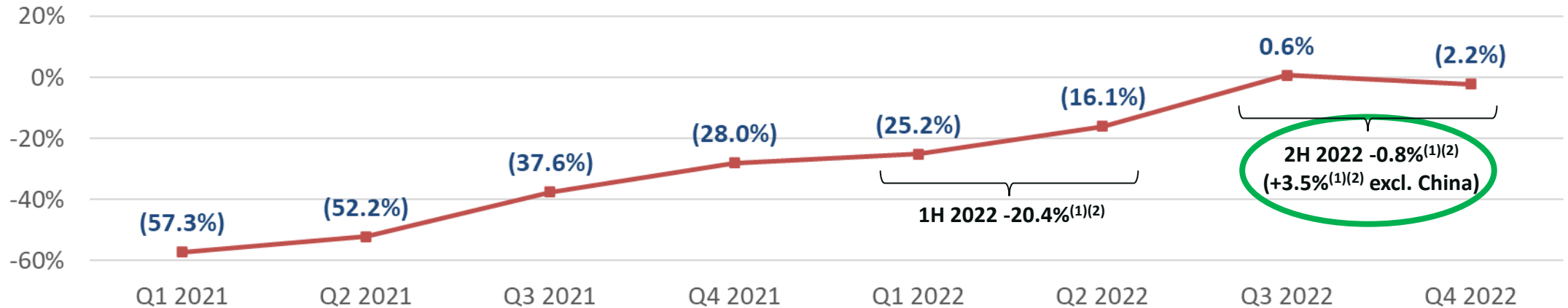
= 2022 reported Adjusted EBITDA on a constant currency basis to 2019

(1) Stated on a constant currency basis.

(2) For comparative purposes, prior year is adjusted to exclude Speck, which was divested on July 30, 2021, and Russia from April onwards, where operations were suspended on March 14, 2022 and disposed of on July 1, 2022.

# ◉ We exited the year with sales largely recovered to 2019 levels with fundamentally higher profitability

Net sales growth<sup>(1)(2)</sup> vs. 2019



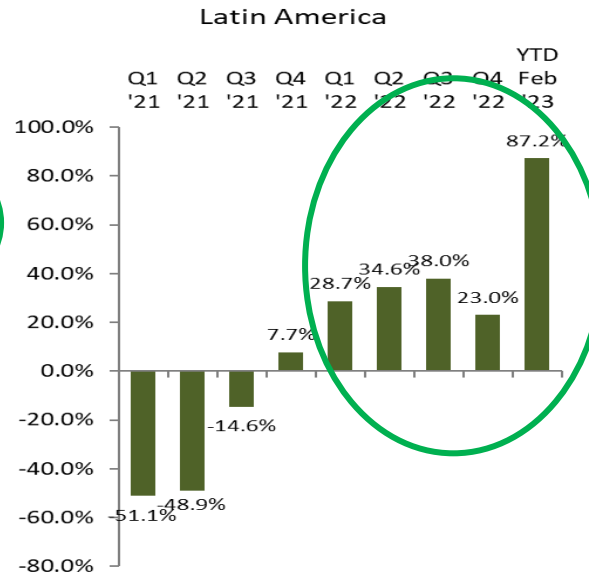
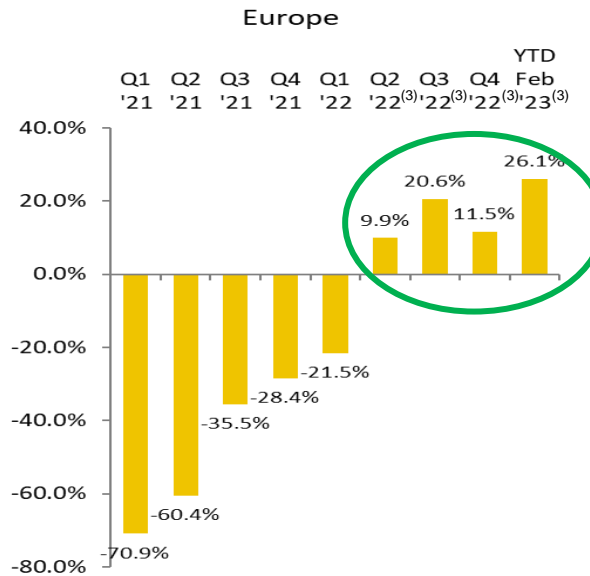
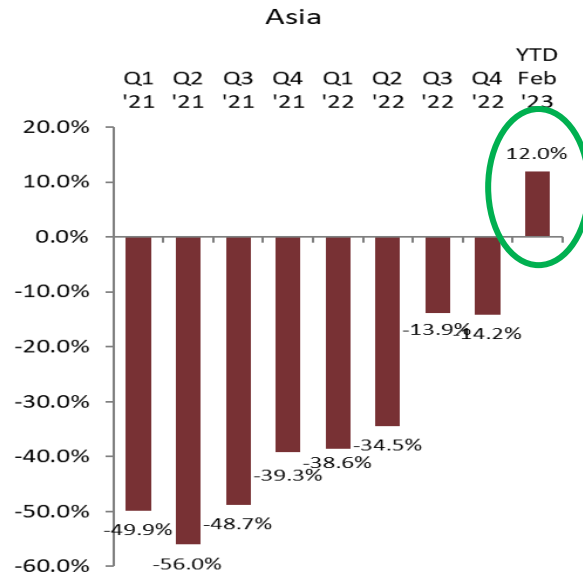
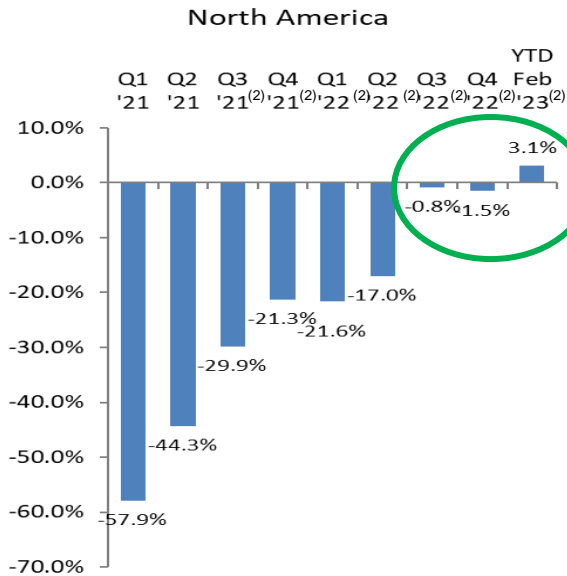
- We exited 2022 with sales largely recovered to 2019 levels. 2H 2022 sales growth of -0.8%<sup>(1)(2)</sup> (+3.5%<sup>(1)(2)</sup> excluding China) was essentially flat to 2019 levels compared to 1H 2022 sales growth of -20.4%<sup>(1)(2)</sup>. We believe we have further sales growth opportunity in 2023 and beyond as consumer demand continues to grow and as unit sales fully recover to 2019 levels!
- 2023 is off to a very strong start with YTD February sales growth of +16.5%<sup>(1)(2)</sup> compared to YTD February 2019.
- Our Adjusted EBITDA margin in 2H 2022 improved to 17.2% compared to 15.4% in 1H 2022 as we maintained disciplined expense management on our fixed SG&A expenses as our sales continued to recover.
- We also increased our advertising spend by US\$41 million in 2H 2022 to US\$98 million from US\$58 million in 1H 2022 to capitalize on the continued recovery in travel around the globe and to help fuel future growth. Our advertising spend as a percent of net sales increased to 6.1% in 2H 2022 from 4.5% in 1H 2022.

(1) Stated on a constant currency basis.

(2) For comparative purposes, prior year sales are adjusted to exclude Speck, which was divested on July 30, 2021, and Russia from April onwards, where operations were suspended on March 14, 2022 and disposed of on July 1, 2022.

# 2<sup>nd</sup> half sales in most regions largely recovered to 2019 levels

By region constant currency net sales growth vs. 2019



- North America almost fully recovered to 2019 net sales levels with 2H 2022 -1.2%<sup>(1)(2)</sup> vs. 2H 2019, which was significantly improved from 1H 2022 -19.1%<sup>(1)(2)</sup> vs. 1H 2019. Adjusting for ebags where we reduced less profitable 3<sup>rd</sup> party sales in 2020, 2H 2022 sales growth would have been +4.1%<sup>(1)(2)</sup> vs 2H 2019, and YTD February 2023 would have been +9.7%<sup>(1)(2)</sup> vs. YTD February 2019.
- There were some timing impacts between Q3 2022 and Q4 2022 which impacted the sequentially improving quarterly sales growth trend vs. 2019 due to wholesale sales delayed from 1H 2022 from port delays, and sales accelerated from Q4 due to retailers wanting holiday deliveries earlier and certain customers taking possession in the Far East.

- Strong sales recovery in Asia began in Q3 when most countries, other than China, began to loosen COVID restrictions.
- The sales recovery in Asia has started 2023 with strong momentum with positive sales growth of +12.0%<sup>(1)</sup> through YTD February 2023 compared to 2019.
- Excluding China, 2H 2022 sales were -4.5%<sup>(1)(4)</sup> vs. 2H 2019, which was significantly improved from 1H 2022 -32.9%<sup>(1)(4)</sup> vs. 1H 2019. YTD February 2023 for Asia excluding China was even stronger at +21.1%<sup>(1)(4)</sup> vs. YTD February 2019!

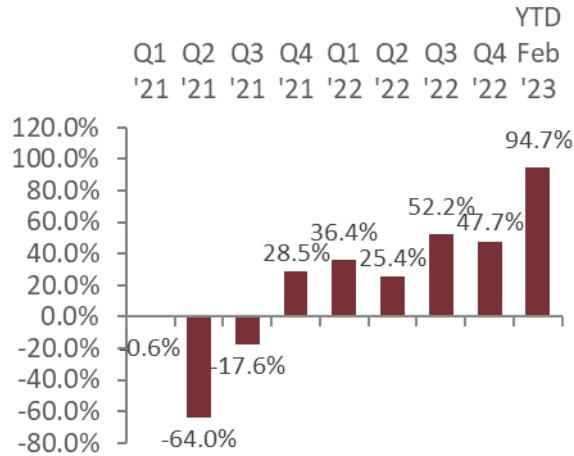
- Europe's strong recovery continued throughout the year with 2H sales growth of +16.1%<sup>(1)(3)</sup> vs. 2H 2019, which was improved from 1H sales growth of -5.7%<sup>(1)(3)</sup> vs. 1H 2019.
- Our operations in Russia were suspended since March 14, 2022, and the Russian operations were disposed of on July 1, 2022.
- Q4 sales growth vs. Q4 2019 was lower than Q3 sales growth vs. Q3 2019 due to lower promotional activity in Q4 2022 compared to Q4 2019.

- Latin America's net sales were stronger than 2019 all year driven largely by higher consumer demand as well as improved go-to-market strategies.
- Excluding Argentina, which had higher inflation and currency depreciation, net sales were higher than 2019 in Q1 2022, Q2 2022, Q3 2022, Q4 2022, and YTD Feb '23 by +7.5%<sup>(1)</sup>, +15.7%<sup>(1)</sup>, +21.0%<sup>(1)</sup>, +11.2%<sup>(1)</sup>, and +52.9%<sup>(1)</sup> respectively.

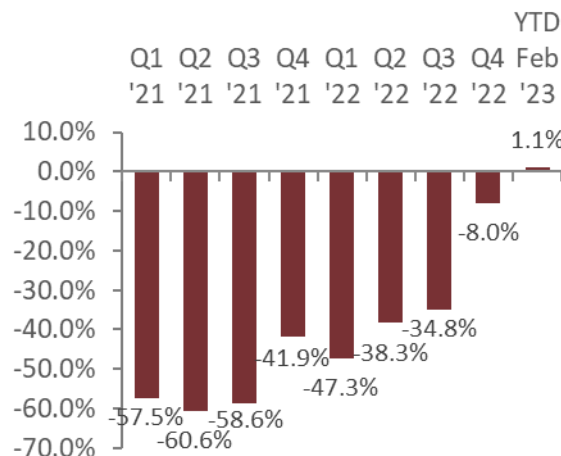
(1) Stated on a constant currency basis.  
 (2) 2019 sales are adjusted to exclude Speck, which was divested on July 30, 2021, for comparative purposes.  
 (3) Russia sales are excluded from April onward for comparative purposes when comparing 2022 vs 2019.  
 (4) China is excluded from April 2022 onwards as the country implemented many COVID-19 lockdowns in March 2022.

# Most countries in Asia continued to see a strong sales recovery in Q4, and an even stronger YTD February 2023

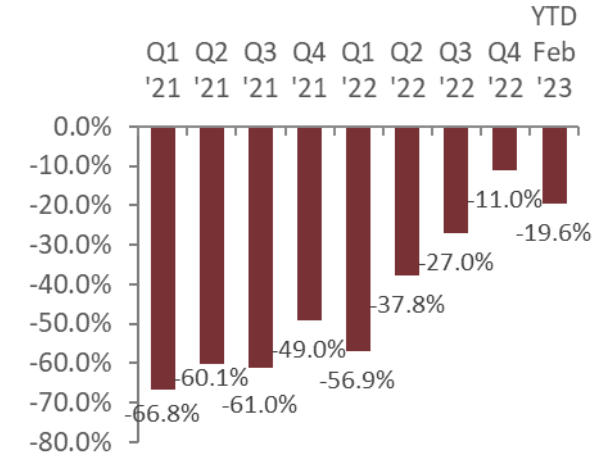
India



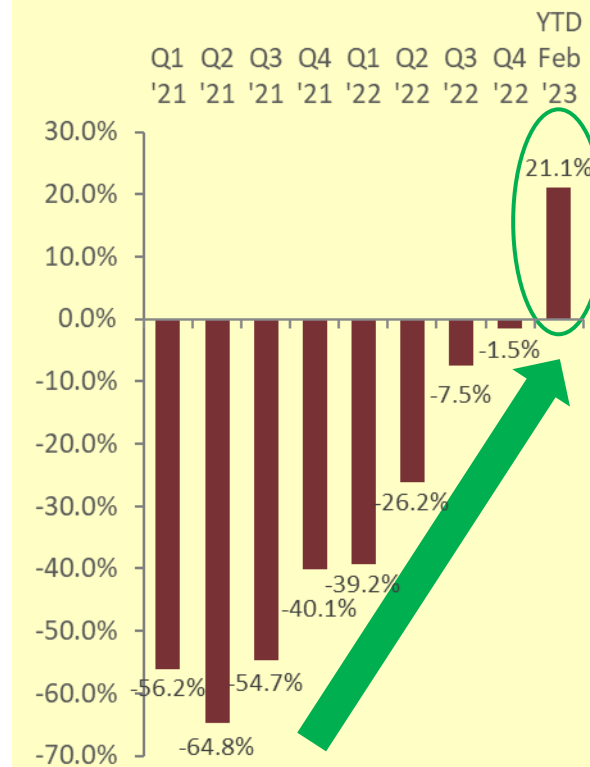
Japan



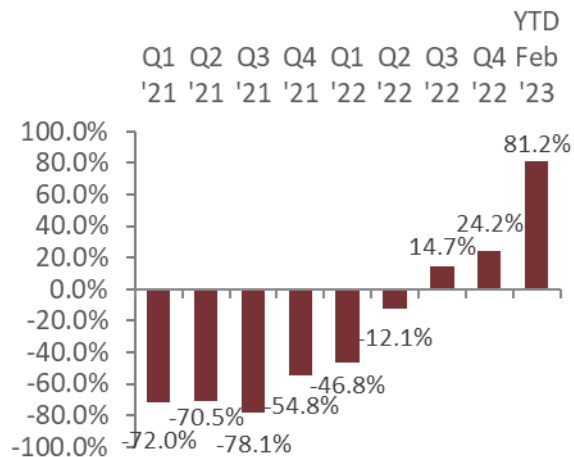
Korea



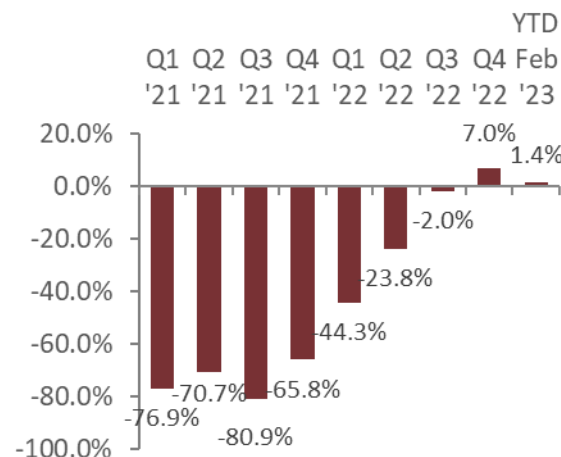
Asia excl. China



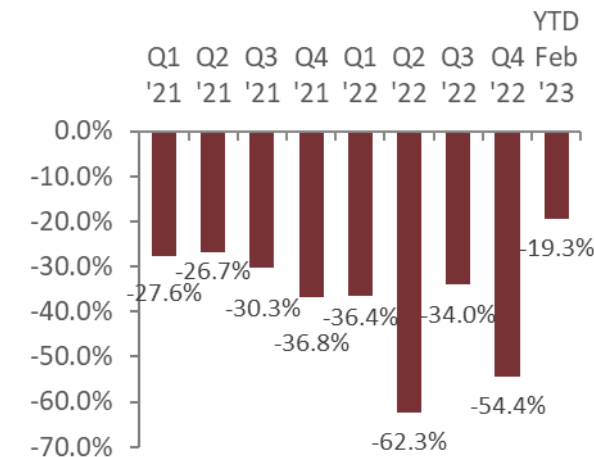
South East Asia<sup>(2)</sup>



Australia



China



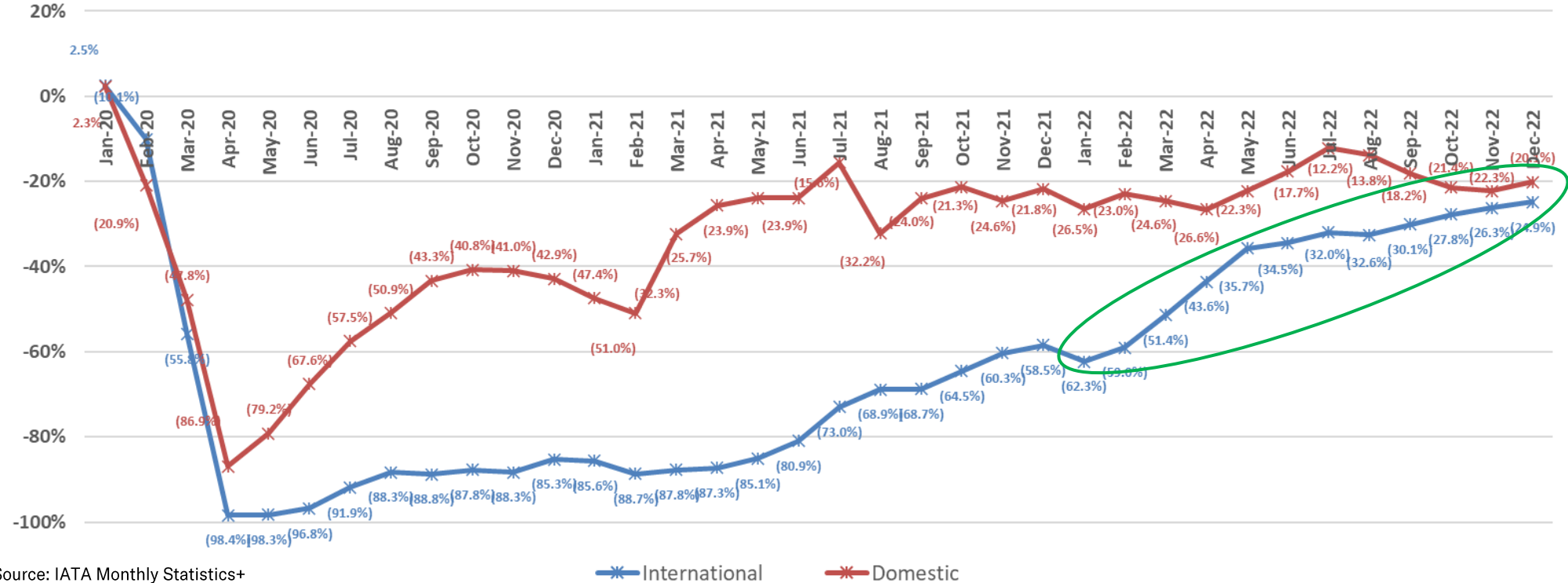
The pace of recovery in the region, excluding China, showed signs of acceleration into 2023 with YTD February net sales growth for Asia excluding China of +21.1%<sup>(1)</sup> vs. YTD February 2019.

(1) Stated on a constant currency basis.

(2) Countries included within Southeast Asia include Thailand, Singapore, Malaysia, Philippines, and Indonesia.

# ☞ The recovery in international RPKs has been the predominant catalyst for the recovery in travel demand since the beginning of 2022

Domestic Revenue Passenger-kilometers (RPKs) vs. International RPKs

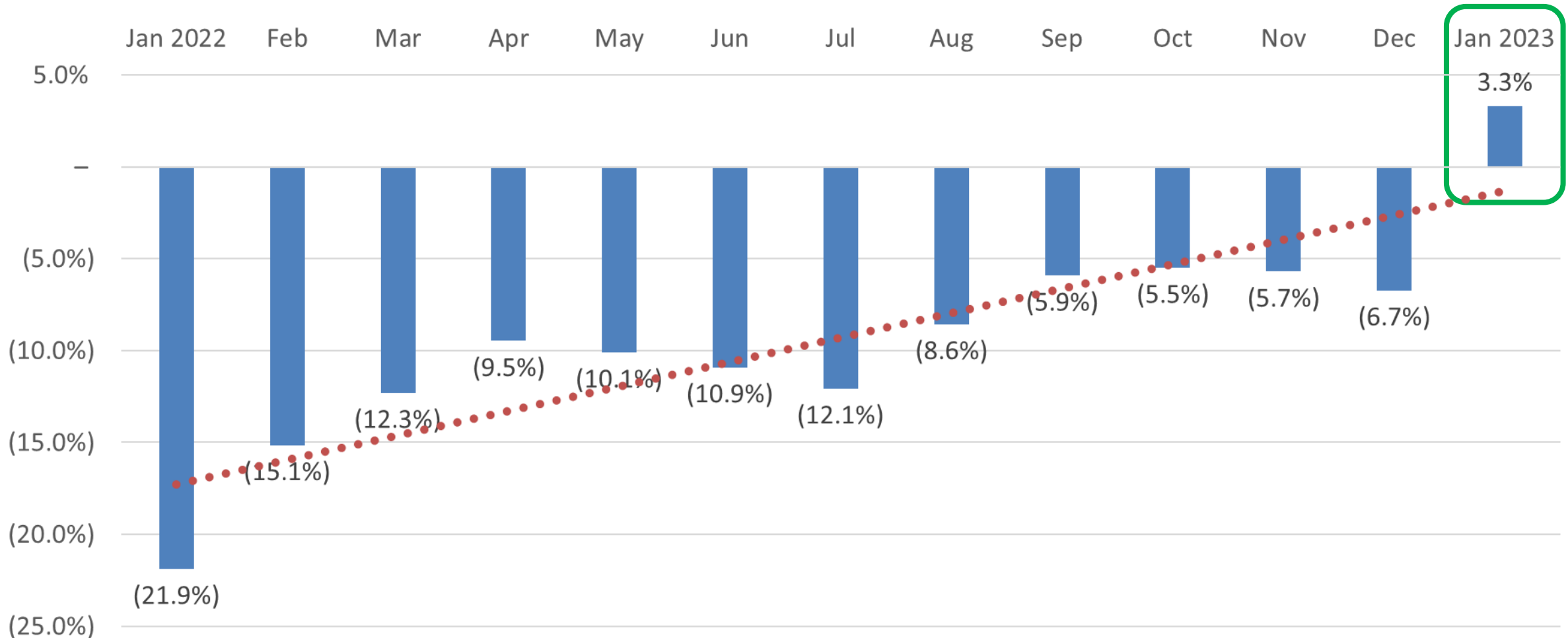


Source: IATA Monthly Statistics+

- While domestic travel recovered at a faster pace than international travel early on during the pandemic, the recovery in international travel is basically in-line with the domestic recovery today.
- The recovery in international travel has been the real catalyst for the increase in travel demand since the beginning of 2022, and is poised for a stronger recovery in 2023 with China reopening its borders.

# 🌀 In January 2023, TSA air travel numbers exceeded pre-pandemic totals for the first time since the pandemic began!

TSA Checkpoint Travel Numbers - % Change vs. 2019

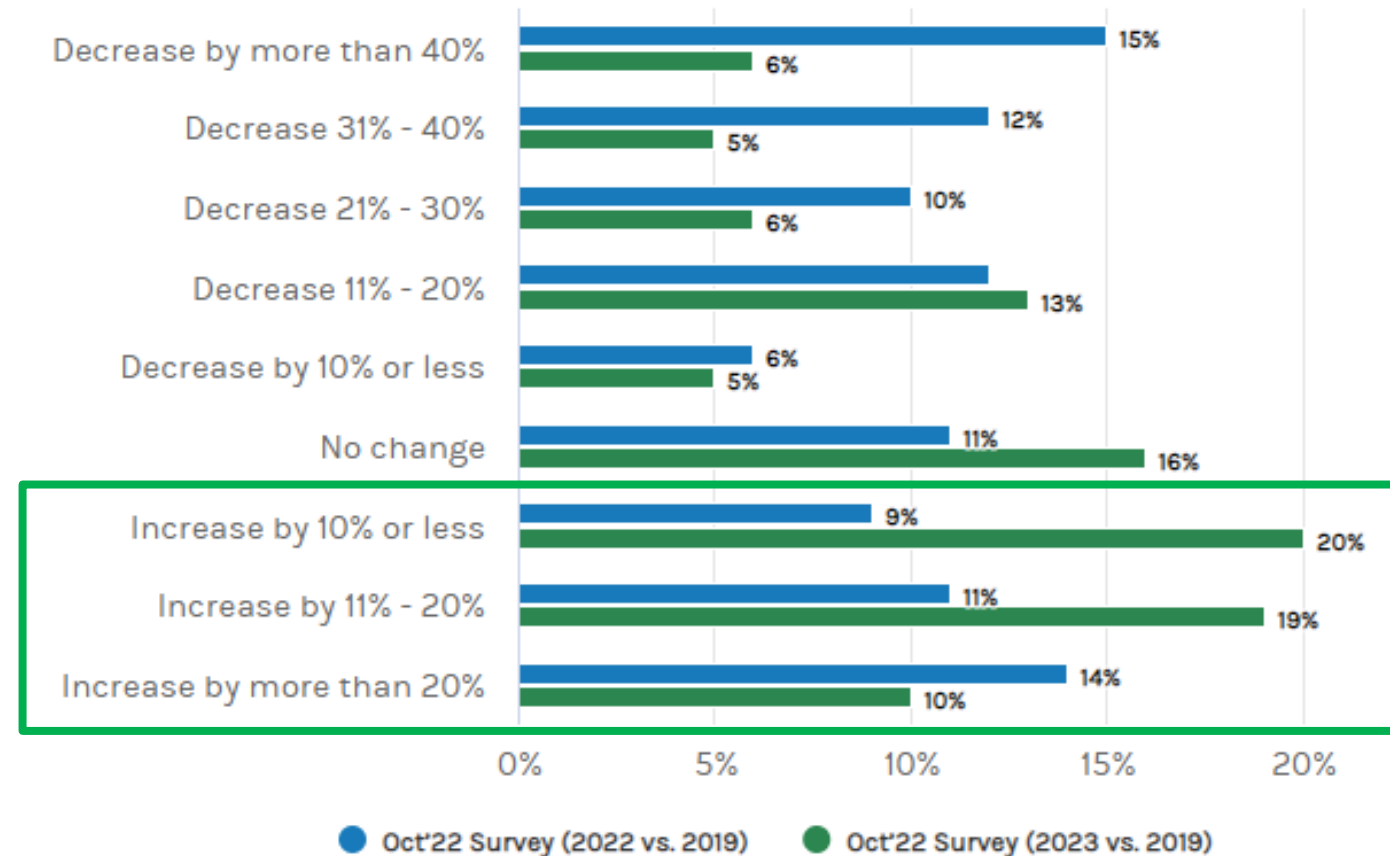


Source: TSA.gov

# • The recovery in corporate travel provides additional opportunity for sales growth in 2023 and beyond

- Despite several macro challenges such as inflation and recessionary concerns around the world, we believe that the travel recovery will continue, and the long-term growth prospects for travel will remain strong, particularly with the reopening of borders in China.
- Additionally, per a recent survey from Morgan Stanley Research, corporate travel budgets are recovering to pre-COVID levels, which provides additional opportunity for sales growth.
- Nearly half of all survey respondents expect 2023 travel budgets to increase versus 2019 overall.

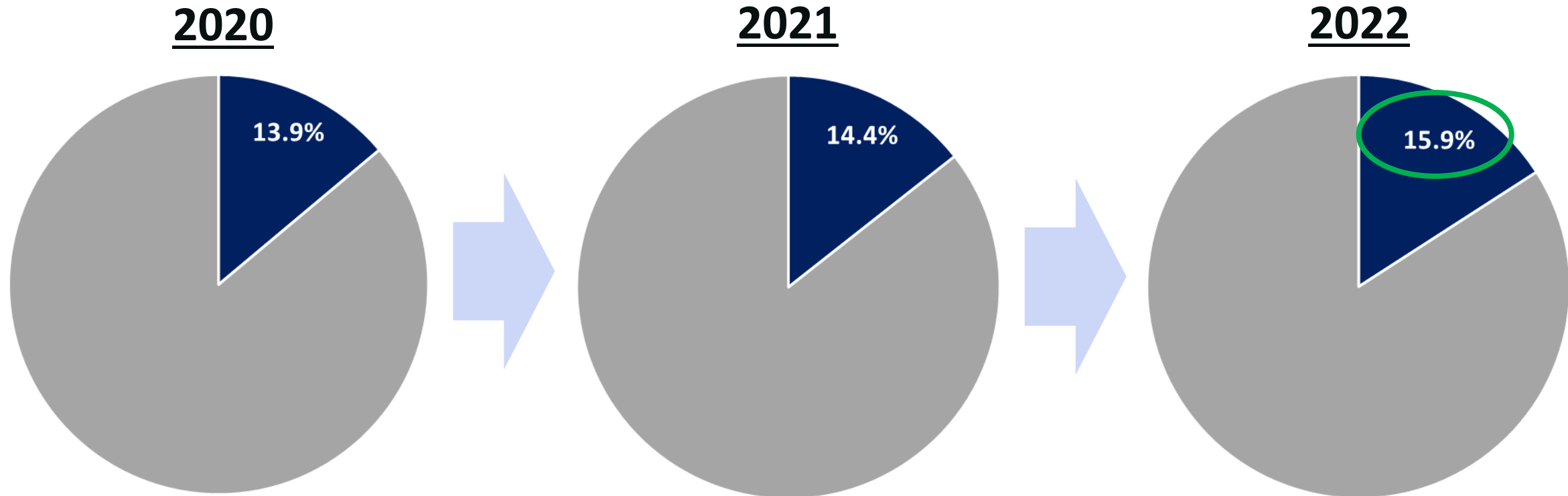
2023 and 2022 Travel budget comparisons relative to 2019 levels



Source: Morgan Stanley Research, *Global Corporate Travel Survey:2023*, November 8, 2022

- Since 2020, our global luggage market share has increased through our prudent investments and our financial strength during market disruptions

### Market share evolution - luggage category



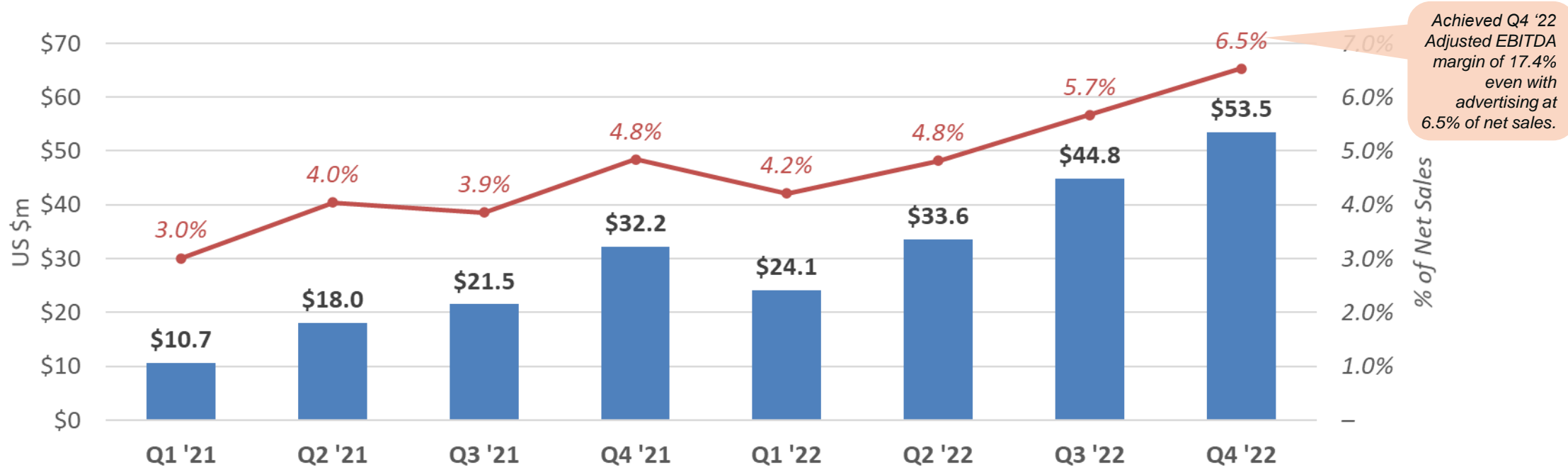
Source: Euromonitor

*Samsonite Group's brands continue to be the market share leader within the luggage category, and increased market share by 200 basis points from 2020 to 2022.*



# As the strong recovery and profitability trend continued, we increased our advertising spend to fuel future growth

## Advertising & Promotion Trend



- We have gradually increased our advertising spend in both absolute dollars, and as a percent of net sales, to drive sales and to fuel future growth.
- We believe we have our strongest product assortment ever, with exciting new and innovative products across all of our brands, and will be able to message these strong product stories through our increased marketing spend.
- We intend to continue our investments in our brands, products, and marketing spend into 2023 to capitalize on the continued recovery in travel.

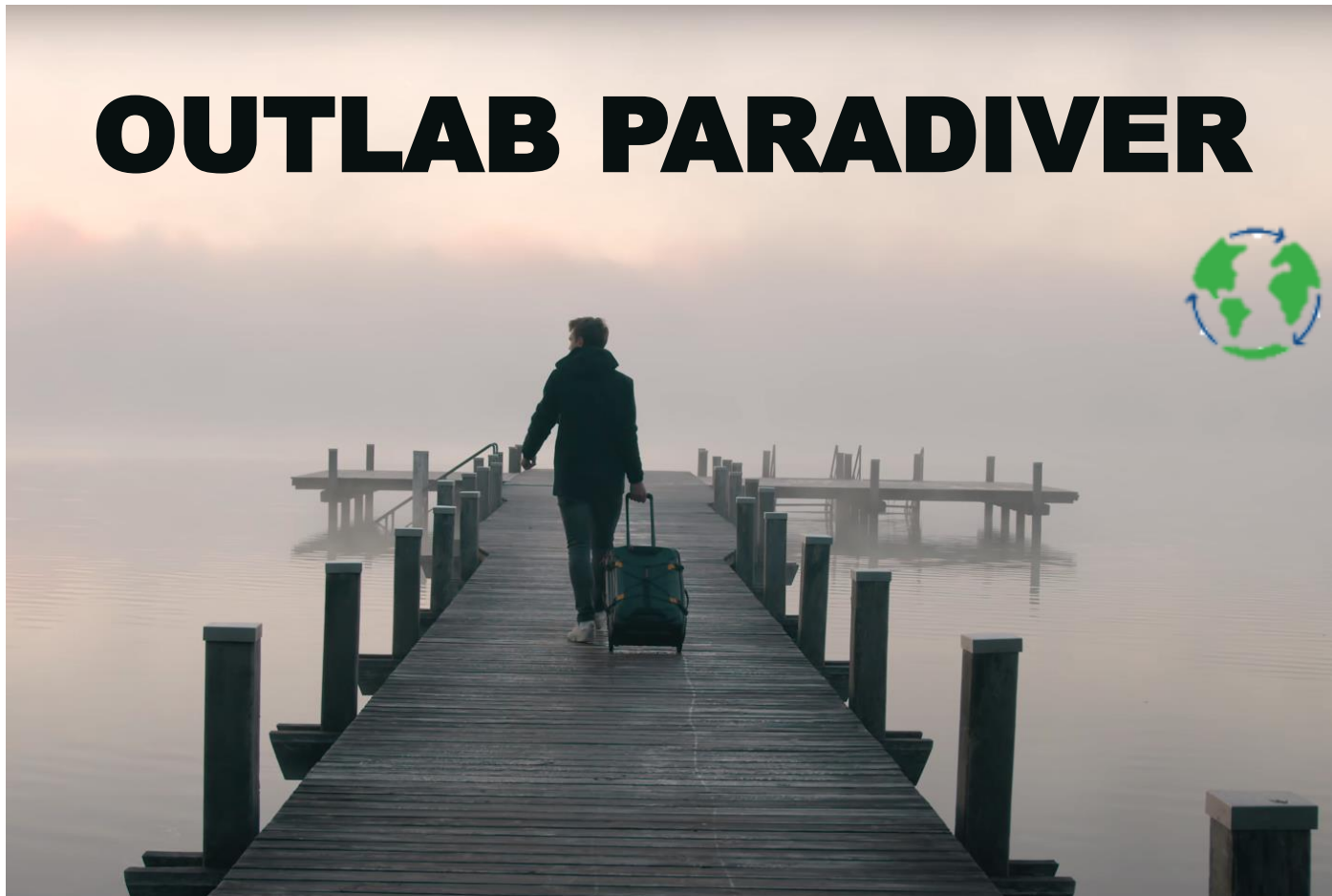
⌚ **We continued to increase our investment in marketing spend to capitalize on the continued recovery in travel**

We launched our “New Beginnings” campaign in Asia to kick off 2023!



# ☞ Showcasing our new Outlab Paradiver collection through some beautiful social media campaigns

Take your outdoor travel experience to a higher level with **Samsonite Outlab Paradiver**. A rugged collection for big adventures, Outlab Paradiver features a water-resistant exterior made with rPET bottles, as well as an interior made from dyed rPET bottles.



## Our “Expect One For You” campaign will help drive sales to our non-travel products in Europe

Our “Expect One For You” campaign will feature non-travel collections such as our re-launched PRO-DLX 6 and ZALIA 3.0 collections in 2023!



# Strong growth across all our brands as our sales continued to recover

Full Year Brand sales growth<sup>(1)(2)</sup> vs. 2021

<b>Sams<sup>o</sup>nite</b>	71.8%
<b>TUMI</b>	35.5%
<b>AMERICAN TOURISTER</b> SINCE 1933	66.3%
<b>GREGORY.</b>	12.8%
<b>Lipault</b> PARIS	14.4%
All Other Brands	44.6%
<b>Total</b>	<b>57.4%</b>



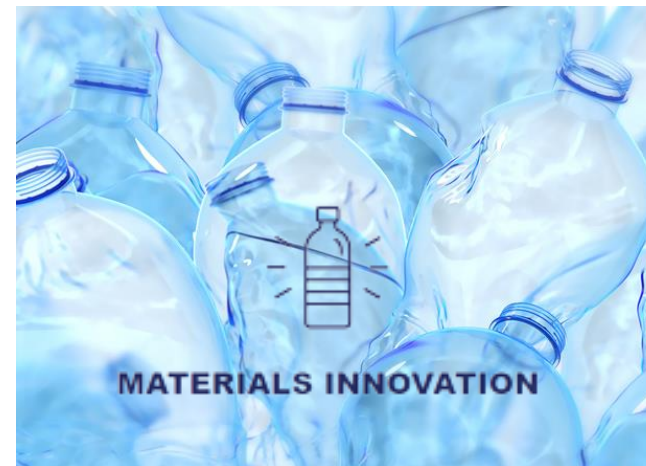
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# • In 2022 we continued to make progress on “Our Responsible Journey” while laying the groundwork for expanded sustainability initiatives

## Product Sustainability

- Globally, more than 23% of our company’s sales revenues in 2022 came from products containing some proportion of recycled materials, up from an estimated 17% in 2021, and just 5% in 2019.
- Our use of rPET in our products helped to divert approximately 100 million plastic bottles from the landfill in 2022 alone (nearly as much as in the previous four years combined).
- We expanded our product takeback and recycling program in Belgium and the Netherlands, collecting and recycling about 1,300 cases.
- We also expanded our use of product life-cycle assessments and developed a circular economy framework that will help guide our product sustainability efforts going forward.



recycleX®



# 🌀 In 2022 we continued to make progress on “Our Responsible Journey” while laying the groundwork for expanded sustainability initiatives

## Climate and Sustainability Management

- We more than doubled the share of our electricity use coming from renewable sources, to 25%.
- Calculated our Scope 3 (indirect) greenhouse gas emissions for the first time; in 2023, we will evaluate potential carbon reduction goals that address our full extended value chain footprint.
- Established a **Global Sustainability Council** consisting of senior leaders representing key functions from across our regions. The Council works with the CEO and the Global Head of Sustainability to set priorities, align the organization, and drive accountability on ESG initiatives globally.
- Also put in place two new Global Sustainability Committees: One focused on product sustainability and one focused on communications and stakeholder engagement.



***Look out for our 2022 ESG report for many more details – to be published in April!***

## Exciting and innovative new collections are ready to capture demand as travel continues to recover

- Excited to launch a new made in Europe collection called “Essens” in Q1 2023.
- Engineered and made in Europe, Essens has the lightest 3-point lock polypropylene cases in its class.
- The exceptional weight is obtained via the self-reinforcing design, high-tech production method and revolutionary polypropylene mix.
- The outer shell is made with at least 70% post-consumer recycled polypropylene waste, and the interior lining is made using 100% recycled PET bottles.
- Customizable through 4 uniquely designed stickers.

# ESSENS





# Exciting and innovative new collections are ready to capture demand as travel continues to recover

- The BEAMIX collection combines modern and minimalist aesthetics with high-quality technical equipment.
- The collection boasts a cutting-edge fingerprint lock technology with an integrated gradually illuminated logo bar.
- BEAMIX also features an Aero-Trac™ II suspension wheel system for effortless travel.
- The Spinner 55 in white will feature a recycled polycarbonate shell provided by Sony Semiconductor Solutions Corporation, and the whole BEAMIX collection will incorporate an interior lining constructed with RECYCLEX™ Material Technology made from rPET bottles.
- Launched in Asia in Q1 2023.
- The collection is a 2021 red dot winner for product design.

## BEAMIX



reddot winner 2021



# ☞ We continue to invest in non-travel products for both men and women to help drive growth in these categories

PRO-DLX 6 and ZALIA 3.0 are two key collection re-launches for our European market in 2023.

- Both PRO-DLX 6 and ZALIA 3.0 will feature an interior lining made from recycled PET bottles, part of our RECYCLEX™ Material Technology, and the ZALIA 3.0 products will even feature an exterior fabric made from recycled PET bottles.



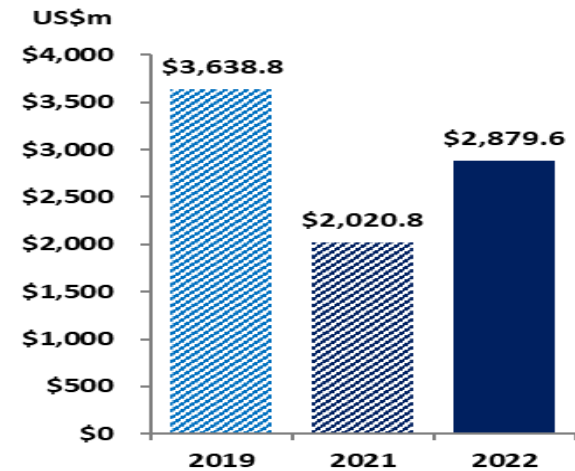
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# FINANCIAL HIGHLIGHTS

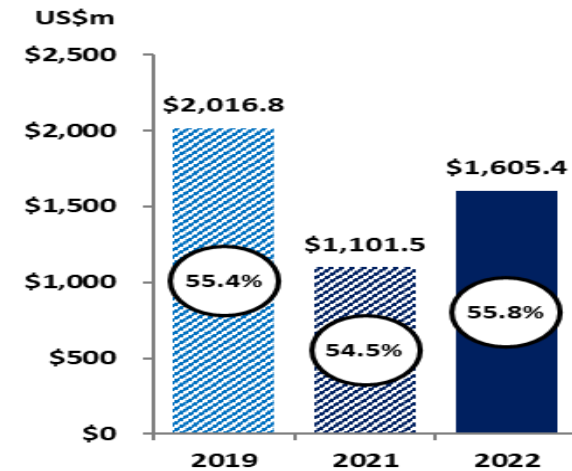


# 2022 Results Highlights

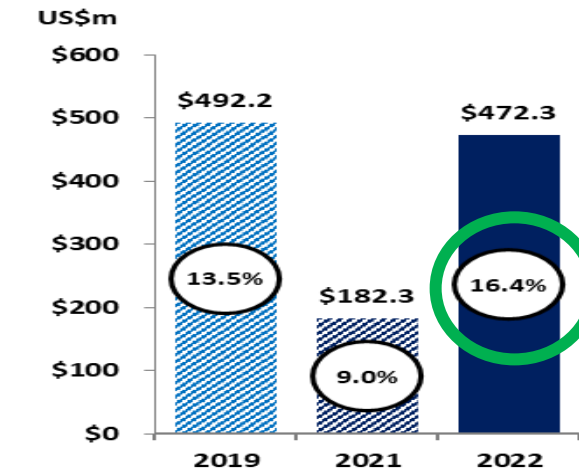
Net Sales		
vs. 2019	(\$759.2)	-20.9%
vs. 2021	\$858.9	42.5%



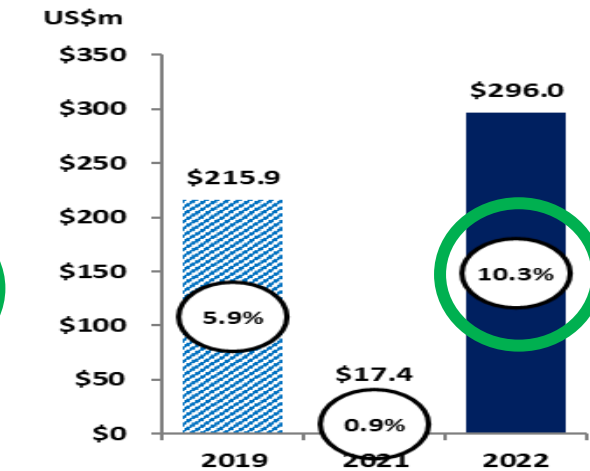
Gross Margin		
	(\$411.4)	-20.4%
	\$504.0	45.8%



Adj. EBITDA		
	(\$19.9)	-4.0%
	\$290.0	159.0%



Adj. Net Income		
	\$80.2	37.1%
	\$278.7	1603.4%



- Net sales increased by US\$859 million, or 57.4%<sup>(1)(2)</sup>, compared to prior year.
- The currency translation impact of the strong USD negatively impacted our 2022 reported net sales by approximately US\$198 million vs. 2021.
- Compared to 2019, comparable net sales were -10.4%<sup>(1)(2)</sup>. Further excluding China from Q2 onwards, which was significantly impeded by lockdowns, net sales were -7.4%<sup>(1)(2)</sup> from 2019.
- Excluding China, 2H 2022 sales increased +3.5%<sup>(1)(2)</sup> compared to 2H 2019.

- Gross margin increased by 130bp from 2021, mainly due to lower promotional activity and price increases to mitigate higher product, freight and duty costs as well as brand, country, and channel sales mix.
- 2022 gross margin was 40bp higher than 2019 gross margin despite fixed manufacturing costs on lower sales, higher freight and raw material costs, increased duties in the U.S. related to the expiration of GSP and sales mix in Asia, being offset by price increases and less promotional activity.

- Adjusted EBITDA increased by US\$290 million from 2021 and reached 16.4% of net sales, even with advertising spend of 5.4% of sales.
- Adjusted EBITDA was only US\$20 million lower than 2019 on reported net sales that were lower by US\$759 million, resulting in Adjusted EBITDA margin improvement of approximately 290bp compared to 2019.
- Excluding the impact of FX, 2022 Adjusted EBITDA would have been US\$525<sup>(1)</sup> million, or 7.0%<sup>(1)(2)</sup> higher than 2019.

- 2022 Adjusted Net Income increased by US\$279 million from 2021 mainly due to the improvement in Adjusted EBITDA.
- The US\$80 million increase in Adjusted Net Income from 2019 was mainly due to lower depreciation, taxes and other expenses compared to 2019, partially offset by higher interest expense and lower Adjusted EBITDA.

(1) Stated on a constant currency basis.

(2) For comparative purposes, prior years are adjusted to exclude Speck, which was divested on July 30, 2021, and Russia from April onwards, where operations were suspended on March 14, 2022 and disposed of on July 1, 2022.

# Financial Highlights

- **Net sales in 2022 of US\$2.9 billion increased by 57.4%<sup>(1)(2)</sup> from 2021.** Further excluding China, which implemented many COVID-19 lockdowns for much of the year, net sales were up 65.8%<sup>(1)(2)(3)</sup> from 2021.
  - Reported 2022 net sales would have been approximately US\$198 million higher if not for the devaluation of many currencies vs. the USD since 2021.
  - Excluding China, 2H 2022 sales increased 3.5%<sup>(1)(2)</sup> compared to 2H 2019, and we are seeing China's sales recovering quickly after China loosened its zero-COVID restrictions.
- **2022 Adjusted EBITDA of US\$472 million increased by US\$290 million from 2021, achieving strong 16.4% Adjusted EBITDA margin.** Compared to 2019, Adjusted EBITDA was only US\$20 million lower on sales that were US\$759 million lower, resulting in a **290bp improvement in Adjusted EBITDA margin from 2019.**

(1) Stated on a constant currency basis.

(2) For comparative purposes, prior year sales are adjusted to exclude Speck, which was divested on July 30, 2021, and Russia from April onwards, where operations were suspended on March 14, 2022 and disposed of on July 1, 2022.

(3) China is excluded from April 2022 onwards as the country implemented many COVID-19 lockdowns in March 2022.

# • Financial Highlights (cont'd)

- **Gross margin increased by 130bp from 2021 primarily due to lower promotional activity and sales mix. We were able to successfully offset higher product, freight and duty costs with price increases in order to manage our gross margins to historical levels.**
- **Fixed SG&A expenses for 2022 were only 24.1% of sales, which is a 670bp improvement from 2021 and 320bp improvement from 2019. Fixed SG&A expenses for 2022 were US\$299 million lower than 2019 driven by the comprehensive cost reduction program that began in 2020, the impact of the sale of Speck, and tight cost discipline as net sales continue to recover.**
- **Advertising spend increased by US\$74 million to US\$156 million (5.4% of net sales) compared to 2021 (4.1% of net sales). The Company increased advertising and promotion spend in the 2<sup>nd</sup> half to drive strong sales as travel was quickly recovering in most markets.**

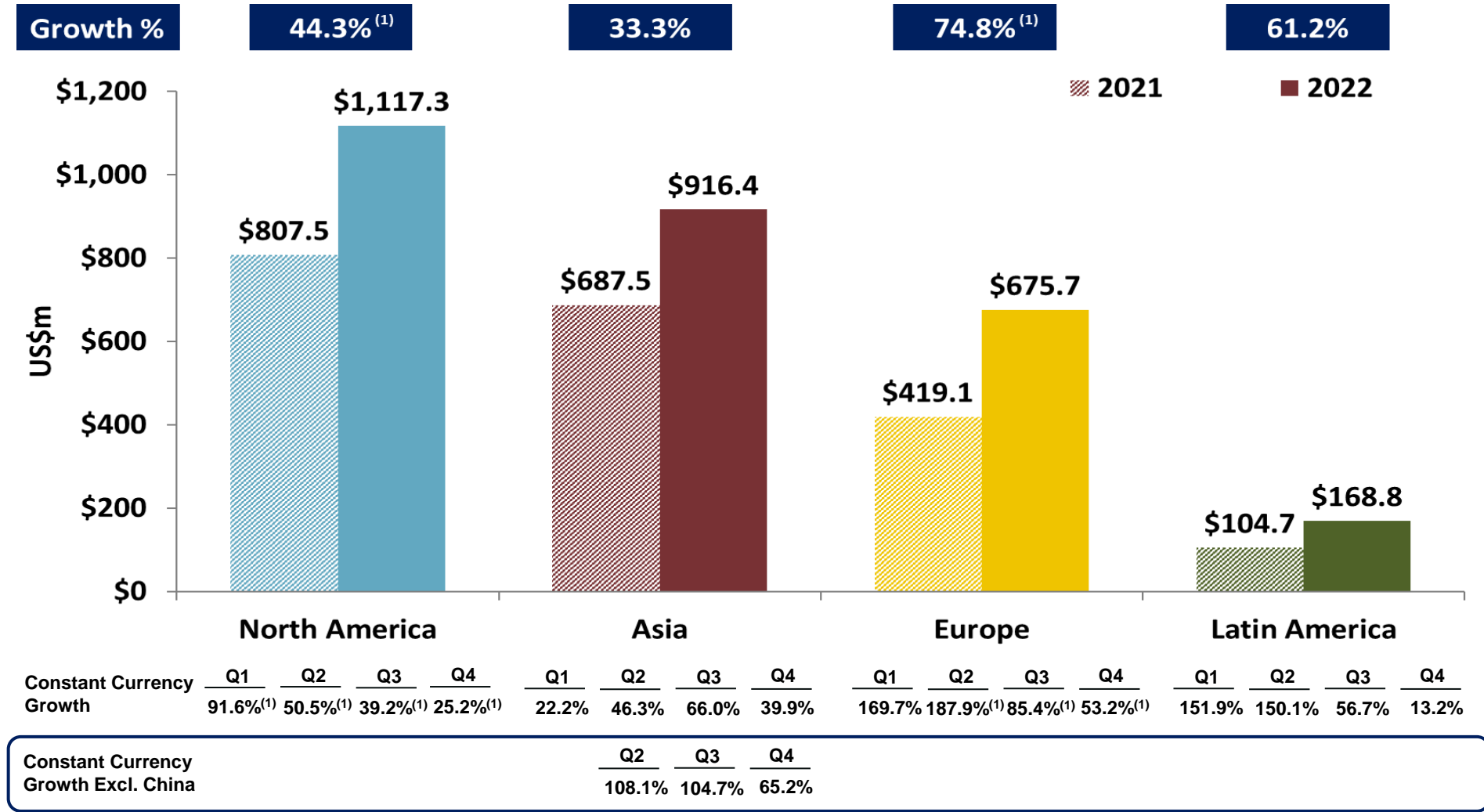
# Financial Highlights (cont'd)

- **Total cash generation<sup>(1)</sup> of US\$75 million** for 2022 despite investing US\$339 million during the year to rebuild our inventory levels to support the bounce back in demand.
- **Net debt position improved to US\$1,384 million as of December 31, 2022**, with US\$636 million of cash and cash equivalents and US\$2,020 million of debt<sup>(2)</sup>, from US\$1,477 million as of December 31, 2021. Net debt as of December 31, 2022 was only US\$78 million higher than pre-pandemic level at December 31, 2019.
  - Throughout 2022, we made voluntary payments of US\$705 million of our borrowings in addition to US\$47 million in required amortization, for a total repayment of US\$751 million of borrowings during the year.
  - Of the US\$705 million voluntary payments, US\$655 million was made against our Revolving Credit Facility (RCF), US\$25 million against TLA and US\$25 million against TLB-2. These payments result in future annualized interest expense savings of approximately US\$39 million based on prevailing interest rates as of December 31, 2022.
- **Liquidity of approximately US\$1,481 million as of December 31, 2022** includes US\$845 million available on the Revolving Credit Facility (RCF).

(1) 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.

(2) Excludes deferred financing costs.

Strong net sales growth in all regions compared to the prior year as the recovery in travel continued throughout the year

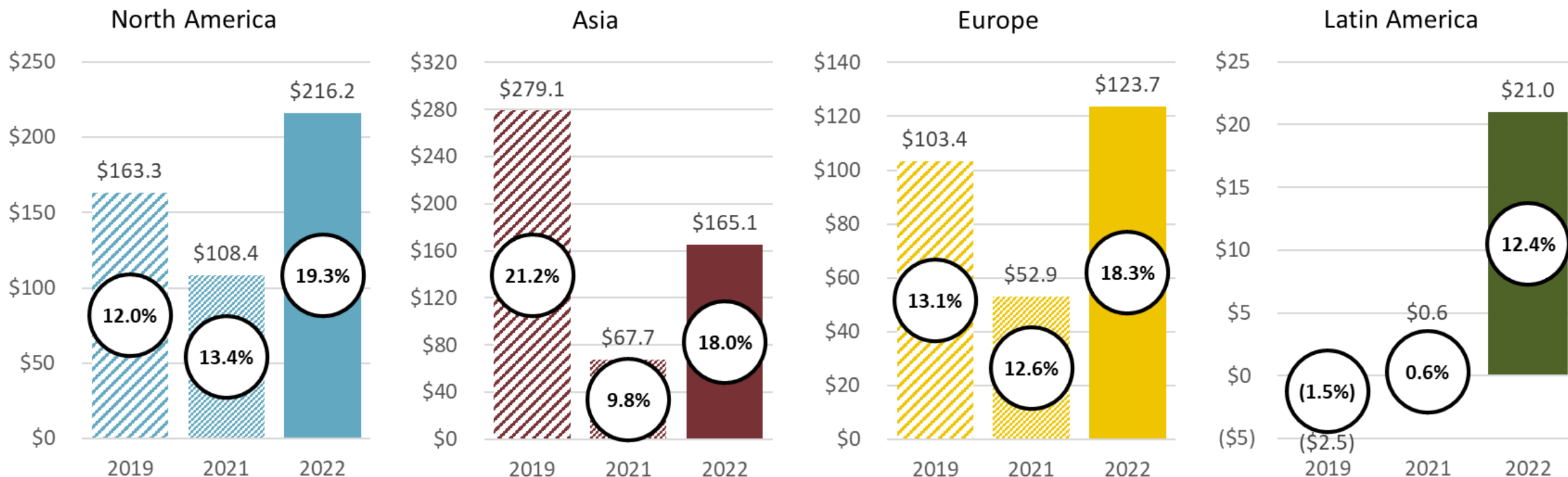


(1) For comparative purposes, prior year sales are adjusted to exclude Speck, which was divested on July 30, 2021, and Russia from April onwards, where operations were suspended on March 14, 2022 and disposed of on July 1, 2022.



# Adjusted EBITDA performance surpassed pre-pandemic levels both in terms of dollars and margins in most regions

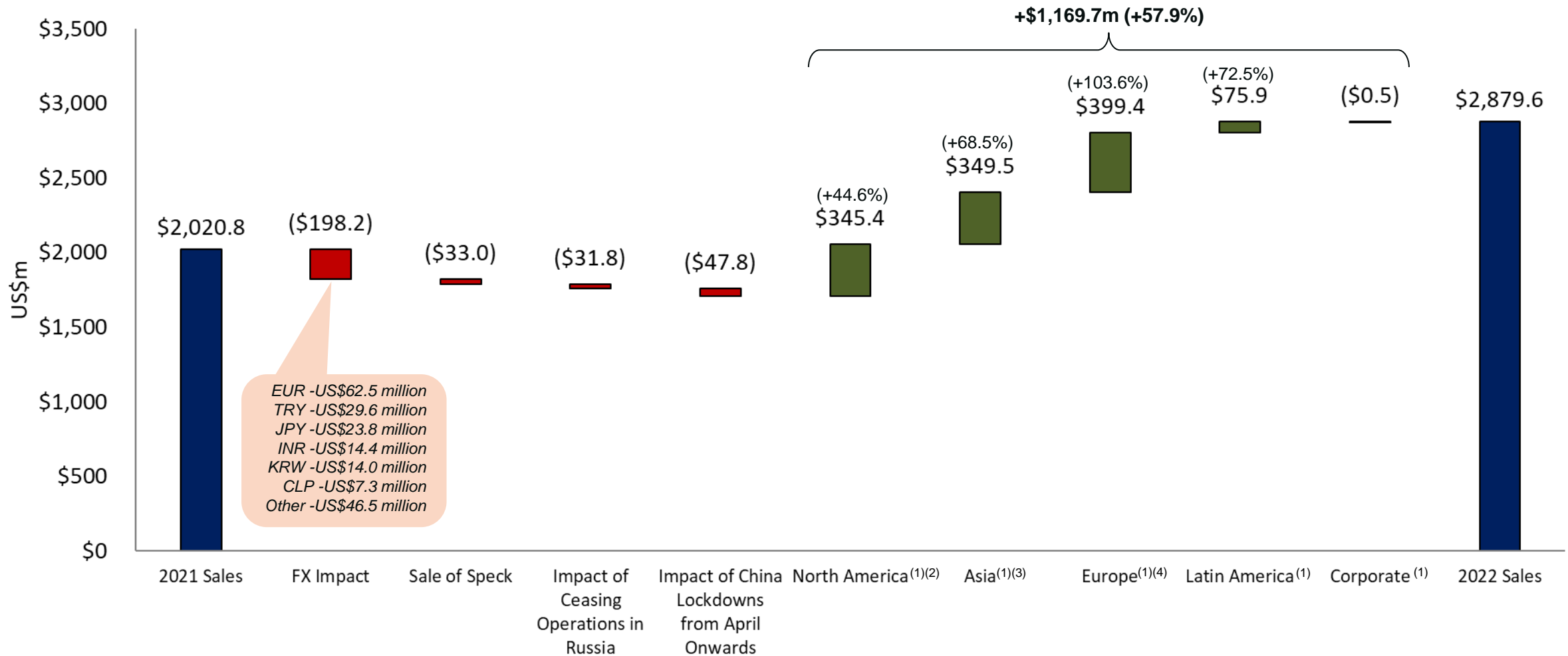
## By region Adjusted EBITDA



- 2022 Adjusted EBITDA significantly exceeded 2019 levels in all regions except for Asia, which lagged behind the other regions due to a slower sales recovery caused by the delayed removal of travel restrictions and China's zero-COVID policy.
- Asia has historically been our largest contributor to total Company Adjusted EBITDA.
- As many Asian countries lifted travel restrictions in 2H 2022, Asia sales started a rapid recovery trajectory. This was further fueled by China's lifting of COVID travel restrictions in December 2022. We believe this recovery in Asia region sales will further improve the Company's overall Adjusted EBITDA profitability in 2023.

2022 net sales were up from prior year by over US\$1 billion, excluding the impact of currency devaluation, sale of Speck, suspending and disposing of Russia operations and China lockdowns

Net Sales Bridge 2021 - 2022



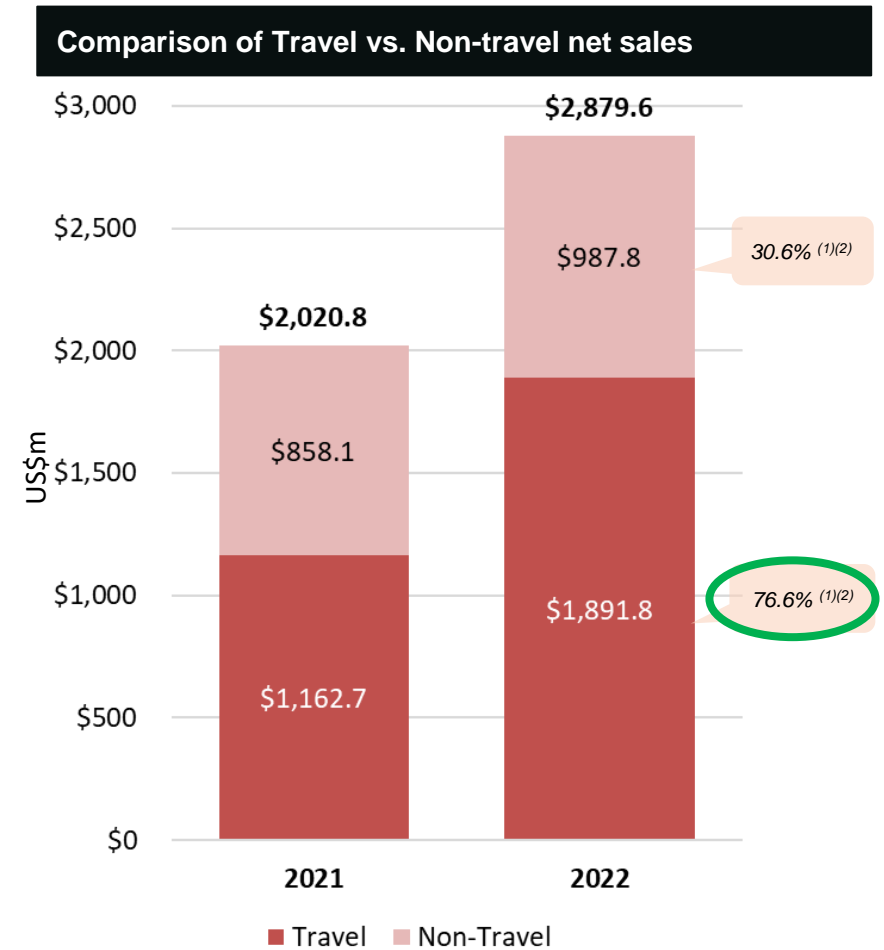
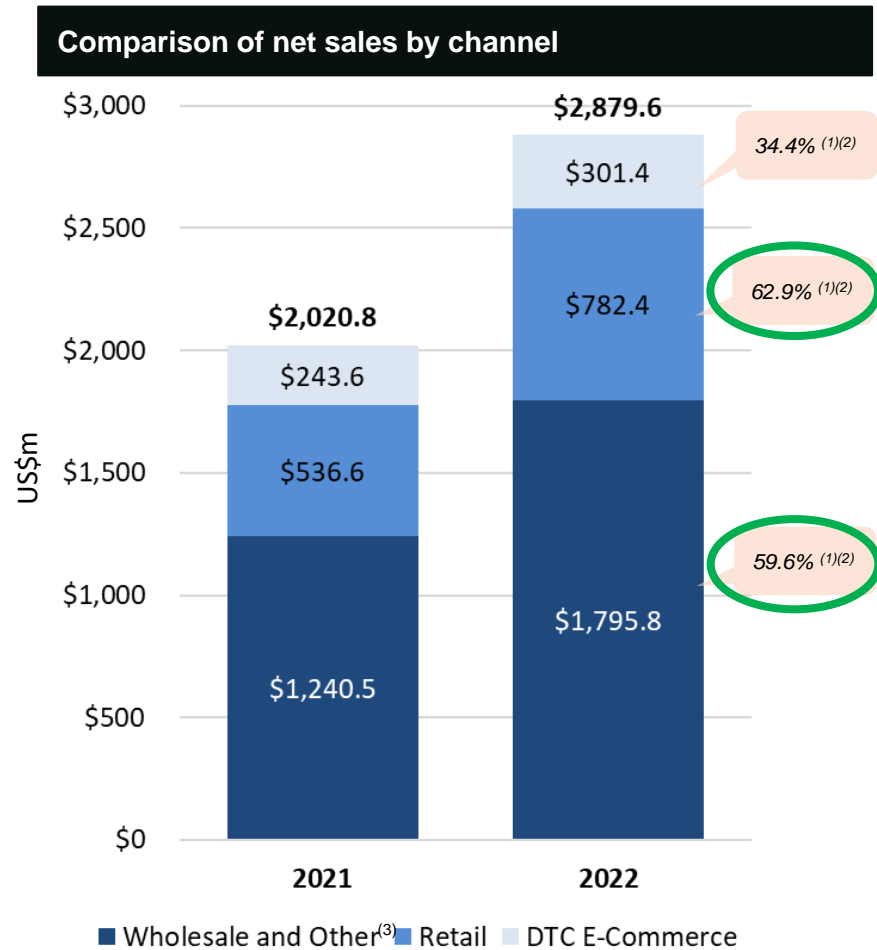
(1) Stated on a constant currency basis.

(2) Excluding Speck which was divested on July 30, 2021.

(3) Excluding China from April onwards as the country implemented many COVID-19 lockdowns since March 2022.

(4) Excluding Russia from April onward for comparative purposes due to suspending operations in Russia as of March 14, 2022.

# Stronger growth in our wholesale and retail channels, and an acceleration in our travel category net sales compared to prior year as global travel rapidly recovers

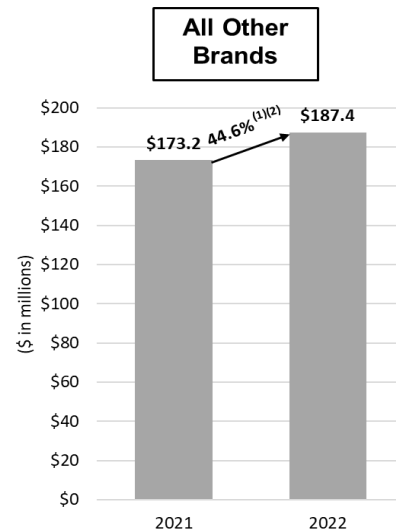
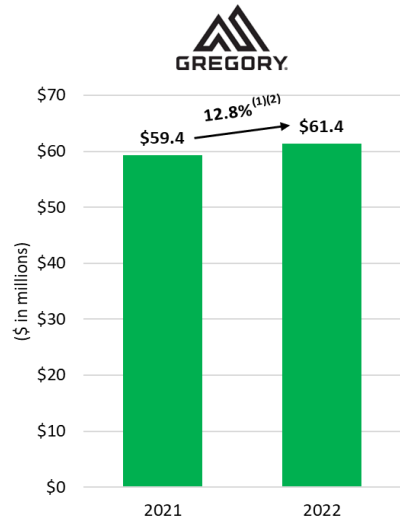
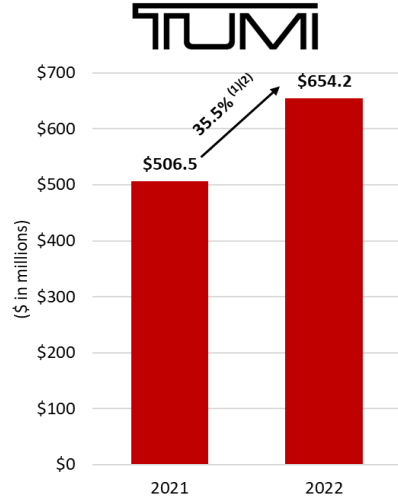
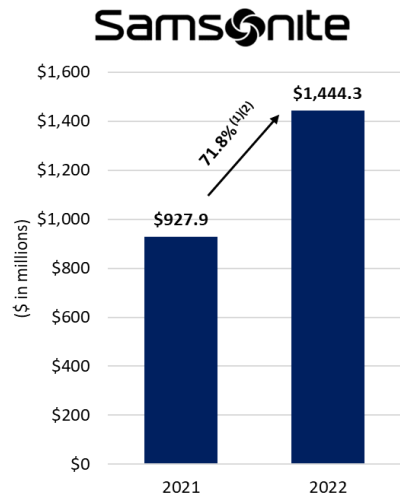


(1) Stated on a constant currency basis.

(2) For comparative purposes, prior year sales are adjusted to exclude Speck, which was divested on July 30, 2021, and Russia from April onwards, where operations were suspended on March 14, 2022 and disposed of on July 1, 2022.

(3) Other primarily consists of licensing revenue of US\$1.6 million for 2022 and US\$1.9 million for 2021.

# Strong sales growth in 2022 for all core brands and strategic smaller brands



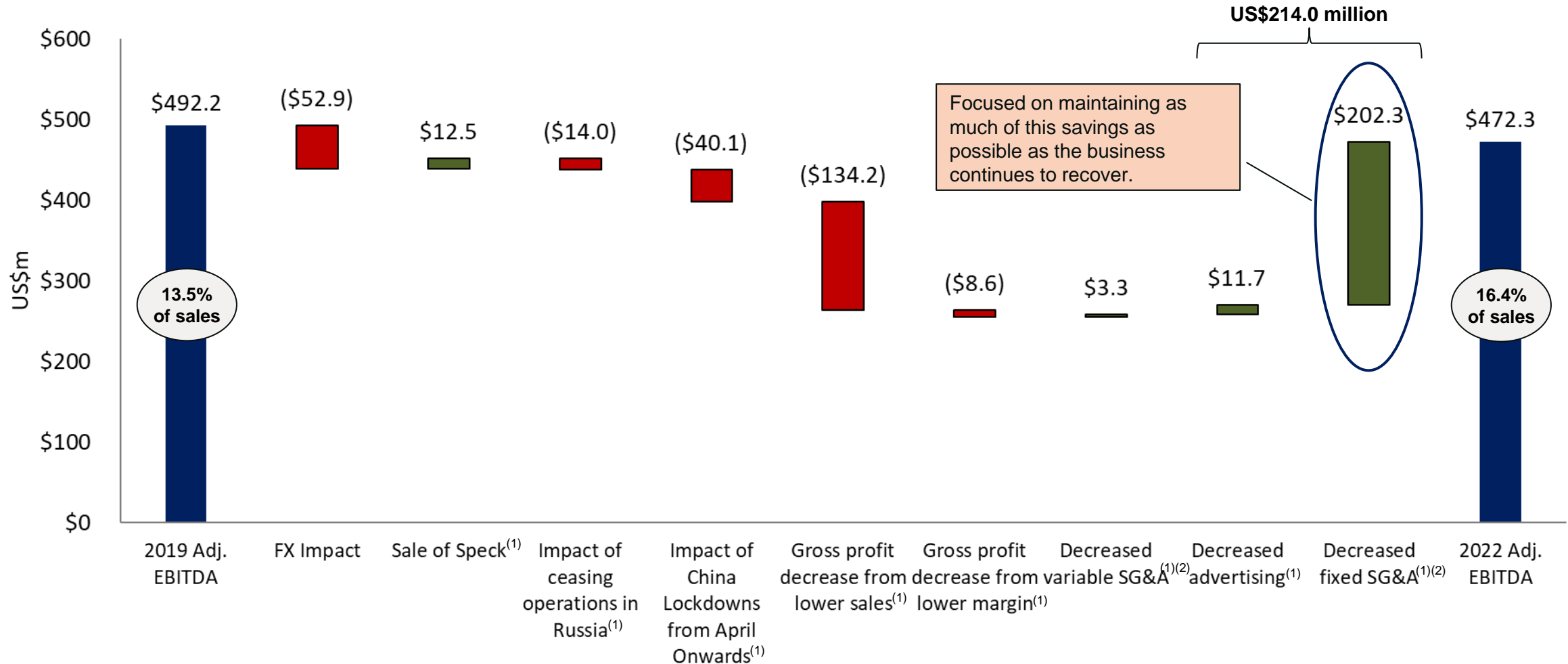
- The Group's core brands all recorded strong year-on-year net sales increases during the twelve months ended December 31, 2022 compared to the twelve months ended December 31, 2021.
- Net sales of the Samsonite brand during the twelve months ended December 31, 2022 increased by US\$516 million, or 59.4%<sup>(2)</sup> (+71.8%<sup>(1)(2)</sup> constant currency), year-on-year, driven by increases in all the Group's regions.
- Net sales of the Tumi brand during the twelve months ended December 31, 2022 increased by US\$148 million, or 30.0%<sup>(2)</sup> (+35.5%<sup>(1)(2)</sup> constant currency), year-on-year. The increase in Tumi brand net sales could have been stronger if not for inventory challenges to start the year in North America, and the severe lockdowns in China during most of 2022. With our Tumi inventory back to normalized levels and the reopening of borders in China, we are tremendously excited for Tumi in 2023 and beyond.
- Net sales of the American Tourister brand increased by US\$179 million, or 55.3%<sup>(2)</sup> (+66.3%<sup>(1)(2)</sup> constant currency), for the twelve months ended December 31, 2022 compared to the twelve months ended December 31, 2021, with increases in all of the Group's regions.

(1) Stated on a constant currency basis.

(2) For comparative purposes, prior year sales are adjusted to exclude Speck, which was divested on July 30, 2021, and Russia from April onwards, where operations were suspended on March 14, 2022 and disposed of on July 1, 2022.

⚙️ **Significant fixed SG&A savings actions implemented since 2020 drove stronger profitability compared to before the pandemic on net sales that were still 10.4%<sup>(1)(3)</sup> below 2019**

**Adjusted EBITDA Bridge 2019 – 2022**



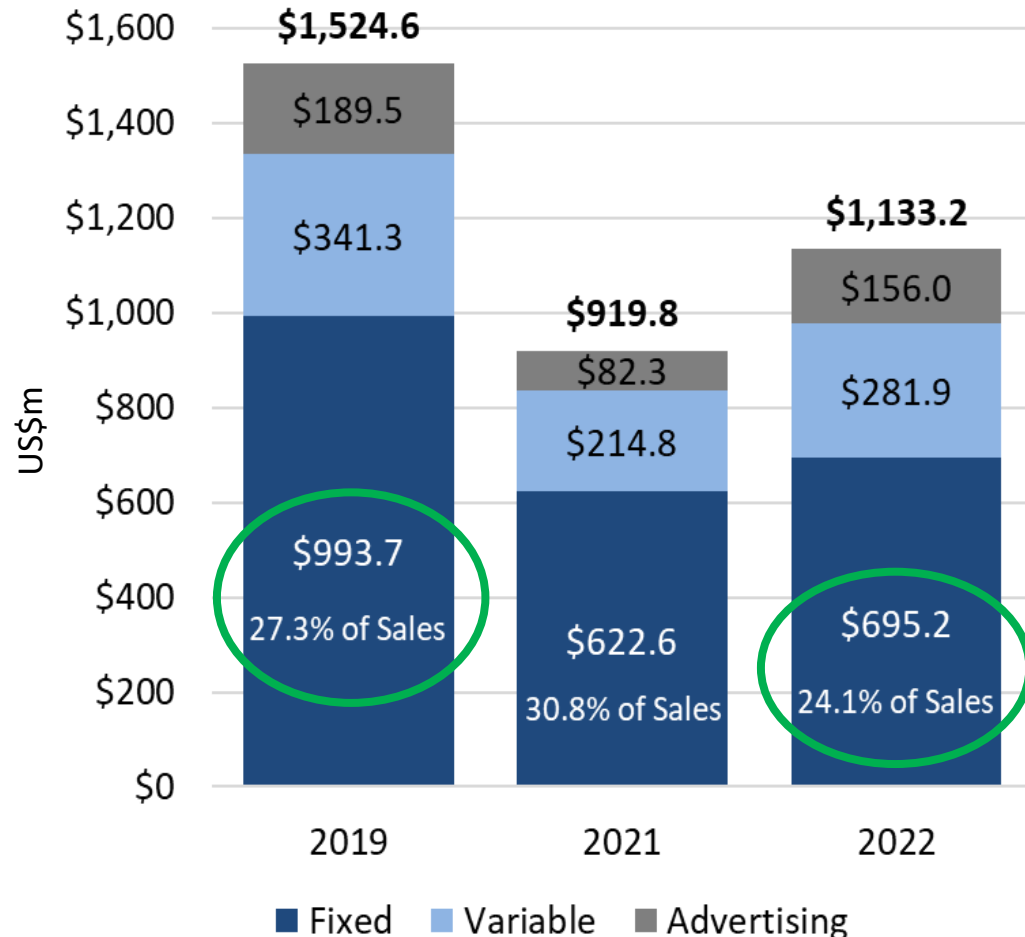
(1) Stated on a constant currency basis.

(2) SG&A within Adjusted EBITDA excludes expenses that are added back for Adjusted EBITDA purposes, such as depreciation, intangible asset amortization and stock compensation, including those add-back items within sourcing and manufacturing, which are recorded within COGS.

(3) For comparative purposes, prior year sales are adjusted to exclude Speck, which was divested on July 30, 2021, and Russia from April onwards, where operations were suspended on March 14, 2022 and disposed of on July 1, 2022.

# ☞ The fixed cost structure of the business is significantly improved from pre-pandemic

SG&A within Adjusted EBITDA<sup>(1)</sup>

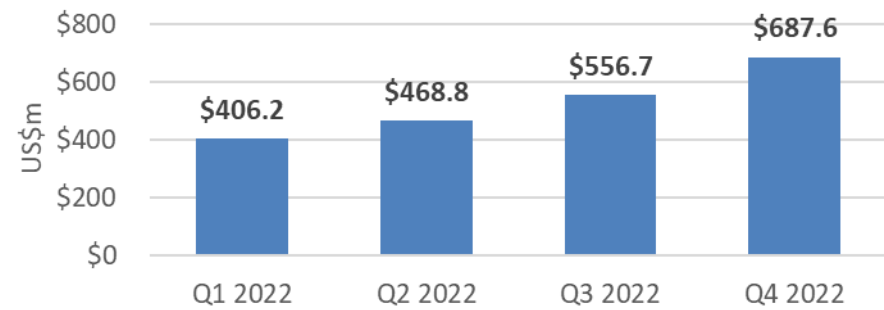


- 2022 fixed SG&A expenses were US\$299 million lower than 2019, but US\$73 million higher than prior year due mainly to growth in the business, temporary cost savings rolling off and inflationary increases. We continue to tightly control and maintain our fixed SG&A from the cost reduction and restructuring initiatives implemented since the beginning of 2020, and expect much of these savings to carry into next year. We are making disciplined and selective investments in core strategic functions to support sales growth.
- Variable selling expenses increased by US\$67 million from prior year due to the growth in sales.
- Advertising expense was US\$74 million higher than prior year as we continue to invest in our brands. Advertising spend was 130bp higher than prior year as a percentage of net sales to fuel the sales recovery in markets where travel demand has improved or is rapidly improving as travel restrictions have been removed.

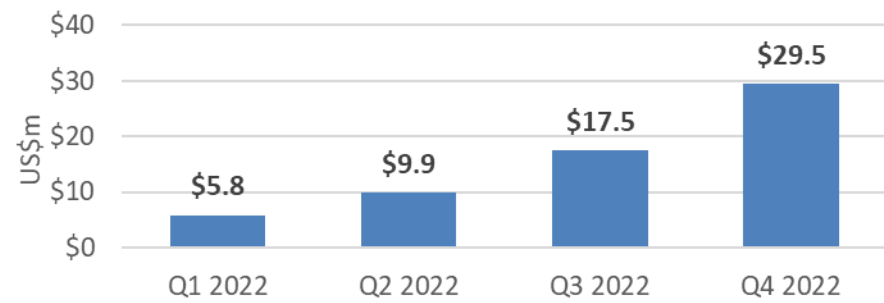
(1) SG&A within Adjusted EBITDA excludes expenses that are added back for Adjusted EBITDA purposes, such as depreciation, intangible asset amortization and stock compensation, including those add-back items within sourcing and manufacturing, which are recorded within COGS.

# Continued positive cash generation<sup>(1)</sup> for the year despite investment into inventory and some capex

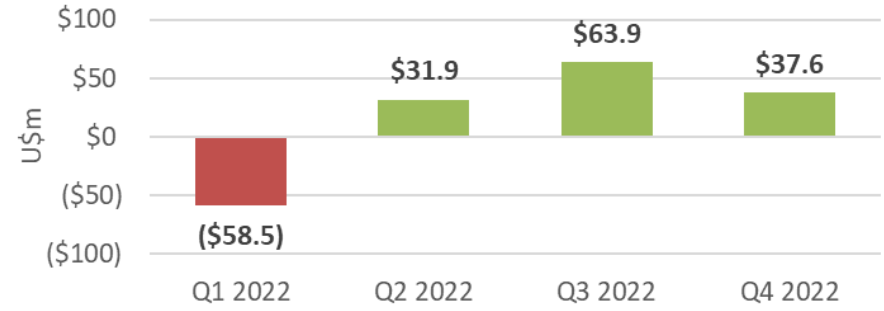
## Inventory



## Capex



## Quarterly cash generation (burn)<sup>(1)</sup>



## Full year cash generation (burn)<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Full Year
Adjusted EBITDA	\$73.2	\$122.4	\$134.1	\$142.6	\$472.3
Cash outflow from Net Working Capital	(\$65.5)	(\$40.6)	(\$28.4)	(\$61.1)	(\$195.6)
Capital Expenditures/Software purchases	(\$5.8)	(\$9.9)	(\$17.5)	(\$29.5)	(\$62.8)
Income Tax paid	(\$11.7)	(\$8.0)	(\$11.1)	(\$19.8)	(\$50.6)
Interest payments on borrowings	(\$17.6)	(\$23.7)	(\$20.9)	(\$27.2)	(\$89.4)
Other Cashflow	(\$31.0)	(\$8.3)	\$7.6	\$32.7	\$1.0
Cash Generation <sup>(1)</sup>	(\$58.5)	\$31.9	\$63.9	\$37.6	\$74.9

*Strong underlying cash generation<sup>(1)</sup> has given us the confidence to pay down US\$751 million of borrowings during 2022.*

(1) 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.

# Balance Sheet

US\$m	December 31, 2021	December 31, 2022	\$ Chg Dec-22 vs. Dec-21	% Chg Dec-22 vs. Dec-21
Cash and cash equivalents	1,324.8	635.9	(688.9)	-52.0%
Trade and other receivables, net	206.2	290.9	84.7	41.1%
Inventories, net	348.4	687.6	339.2	97.4%
Other current assets	60.2	80.1	19.9	33.1%
Non-current assets	2,914.7	3,026.5	111.8	3.8%
<b>Total Assets<sup>(1)</sup></b>	<b>4,854.3</b>	<b>4,721.1</b>	<b>(133.2)</b>	<b>-2.7%</b>
Current Liabilities (excluding debt)	810.4	1,094.5	284.1	35.1%
Non-current liabilities (excluding debt)	528.0	535.1	7.1	1.3%
Total borrowings	2,789.4	2,011.8	(777.5)	-27.9%
Total equity	726.6	1,079.6	353.0	48.6%
<b>Total Liabilities and Equity<sup>(1)</sup></b>	<b>4,854.3</b>	<b>4,721.1</b>	<b>(133.2)</b>	<b>-2.7%</b>
Cash and cash equivalents	1,324.8	635.9	(688.9)	-52.0%
Total borrowings excluding deferred financing costs	(2,802.0)	(2,019.6)	782.4	-27.9%
<b>Total Net Cash (Debt)<sup>(1)(2)</sup></b>	<b>(1,477.2)</b>	<b>(1,383.7)</b>	<b>93.5</b>	<b>-6.3%</b>

- Net debt of US\$1,384 million at December 31, 2022, which was US\$94 million lower than December 31, 2021, and only US\$78 million higher than at December 31, 2019, before the pandemic began.
- Liquidity of US\$1,481 million including US\$845 million of revolver availability at December 31, 2022.
- The calculated total net leverage ratio<sup>(3)</sup> covenant at December 31, 2022, of 2.85x approached our pre-pandemic level of 2.63x (December 31, 2019).

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

(2) Total Net Cash (Debt) excludes deferred financing costs, which are included in total borrowings.

(3) 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.



# Working Capital

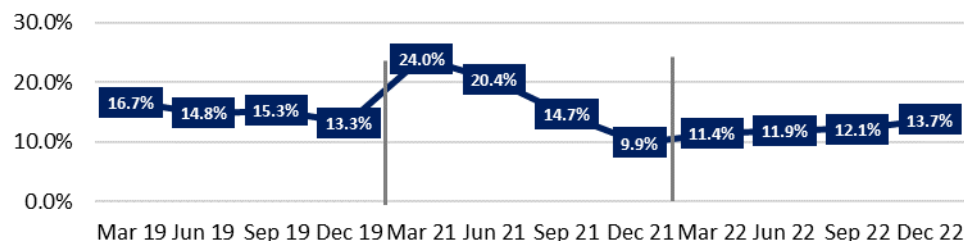
US\$m	December 31, 2019	December 31, 2021	December 31, 2022	\$ Chg Dec-22 vs. Dec-21	% Chg Dec-22 vs. Dec-21
<b>Working Capital Items</b>					
Inventories	\$ 587.3	\$ 348.4	\$ 687.6	\$ 339.2	97.4%
Trade and Other Receivables	\$ 396.0	\$ 206.2	\$ 290.9	\$ 84.7	41.1%
Trade Payables	\$ 500.6	\$ 355.0	\$ 583.3	\$ 228.3	64.3%
<b>Net Working Capital</b>	<b>\$ 482.7</b>	<b>\$ 199.7</b>	<b>\$ 395.3</b>	<b>\$ 195.6</b>	<b>98.0%</b>
% of Net Sales	13.3%	9.9%	13.7%		

## Turnover Days

Inventory Days	132	138	197	59
Trade and Other Receivables Day	40	37	37	-
Trade Payables Days	113	141	167	26
<b>Net Working Capital Days</b>	<b>59</b>	<b>34</b>	<b>67</b>	<b>33</b>

- Inventory turnover days calculated as ending inventory balance divided by cost of sales for the period and multiplied by the number of days in the period.
- Trade and other receivables turnover days calculated as ending trade and other receivables balance divided by net sales for the period and multiplied by the number of days in the period.
- Trade payables turnover days calculated as ending trade payables balance divided by cost of sales for the period and multiplied by the number of days in the period.
- Net working capital efficiency (% of net sales) is calculated as net working capital divided by annualized net sales.

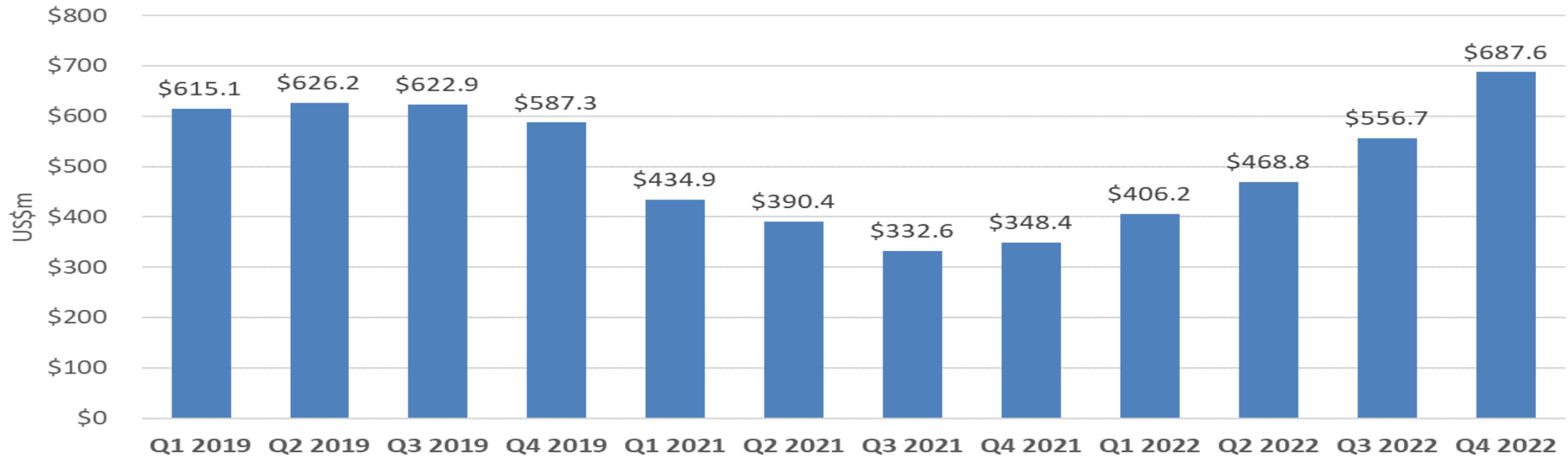
NWC Efficiency Trend



- Compared to December 31, 2021, net working capital was US\$196 million higher as we continued to replenish our inventory levels to allow us to support the ongoing recovery in demand.
- Net working capital efficiency of 13.7% at December 31, 2022, is in line with our target working capital efficiency of 14.0% of net sales.
- Inventory at December 31, 2022, was US\$339 million higher than the very low level at December 31, 2021. Inventory turnover days have increased by 59 days from December 31, 2021.

## ☞ We continued to build our inventory position to support the ongoing recovery in travel despite the challenges with shipping delays and factory capacity constraints

Inventory balance evolution



- We were able to build a good and clean inventory position despite the challenges we experienced with shipping delays, factory capacity constraints, increased raw material pricing and higher freight and duty costs than in prior years.
- SKU reduction was an important part of our restructuring initiatives during the pandemic, and as a result we now have a much healthier and more efficient inventory position.
- Throughout 2022 we consciously worked on building up our low inventory levels in advance of the rapid recovery that was anticipated in each region on different timelines. We are now back to normalized inventory service levels across all regions.

# Continued tight focus on capex during 2022, but beginning to invest in selective key initiatives

## Capital Expenditure by project type

US\$m	2021	2022
Retail	8.0	21.7
Product Development / R&D / Supply	7.6	21.4
Information Services and Facilities	4.2	7.2
Other	1.0	1.3
<b>Total Capital Expenditures</b>	<b>20.8</b>	<b>51.6</b>
Software	5.1	11.1
<b>Total Capital Expenditures and Software</b>	<b>25.9</b>	<b>62.8</b>

- The majority of 2022 capex spend was related to retail remodels that had been deferred from prior years as well as investment in our European manufacturing plants to expand capacity and invest in equipment for new product innovation.
- As sales, profitability and cash flow continue to improve, capital expenditure spending will be increased for key strategic initiatives in 2023, particularly catching up on retail store remodels.

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# OUTLOOK

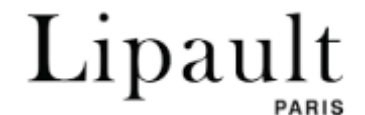
# 🌀 Outlook

- We exited 2022 with our consolidated net sales largely recovered to 2019 levels. As travel continues to rebound, we are well positioned to further grow our net sales at a fundamentally higher operating margin.
- Inflation and recessionary concerns will have impacts around the world, but our view, along with the general market sentiments, is that the travel recovery will continue, and the long-term growth prospects for travel will remain strong. Our start to Q1 2023 is very strong across all regions and is above 2019 sales levels.
- We remain focused on maintaining our gross margins at historical levels through reduced discounting and promotional activity; and working closely with our suppliers to manage any additional cost pressures.
- We anticipate that the discontinuation of China's strict zero-COVID policy and associated travel restrictions will provide a significant boost to the pace of our sales recovery in Asia. We are already seeing the impact of pent-up travel demand in China and the associated boost to our business in other Asian countries.



# Outlook (cont'd)

- We intend to continue our increased investment in marketing during 2023 to capitalize on the continued recovery in travel and drive net sales growth.
- We will maintain disciplined expense management on our fixed SG&A expenses, and expect certain fixed SG&A savings to carry into 2023. We are now making selective investments in core strategic functions to support our continued sales growth.
- Our teams are highly energized with the strong recovery in travel and across our business, and we are ready to drive further success. I want to thank everyone on our team for their perseverance and excitement for our business!
- Our ongoing commitment to sustainability and innovation, and our amazing teams around the world, will continue to strengthen our long-term market position as travel grows beyond pre-COVID levels.
- With significant liquidity of US\$1.5 billion at December 31, 2022, we are confident that we have the capacity to support the growth of the business during the ongoing recovery from the disruptions of the past several years.



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# Q&A

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**THANK YOU.**