



Samsonite International S.A. Announces Results for the Three and Nine Months Ended September 30, 2023

**Third quarter 2023 consolidated net sales up 21.2%¹ year-on-year and
22.4%^{1,2,3} above the third quarter of 2019 driven by growth across all core brands**

**Significant expansion in gross profit margin and Adjusted EBITDA margin⁴
during the three months ended September 30, 2023**

**Continued balance sheet deleveraging powered by strong profit growth and Free Cash Flow⁵ with
net leverage ratio⁶ at lowest level since acquisition of Tumi**

HONG KONG, November 13, 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 unaudited condensed consolidated financial results for the three and nine months ended September 30, 2023.

In this press release, certain financial results for the three and nine months ended September 30, 2023, are compared to both the three and nine months ended September 30, 2022, and the three and nine months ended September 30, 2019. Comparisons to the three and nine months ended September 30, 2019, are provided because they are the most recent comparable periods 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 excited by Samsonite’s outstanding results for the third quarter of 2023, during which we delivered significant improvement in profitability, powered by strong year-on-year net sales gains across all regions and core brands. Our gross profit margin and Adjusted EBITDA margin⁴ both reached record highs, reflecting the increased net sales contribution from our higher-margin Asia region and *Tumi* brand, and the benefits of our streamlined and efficient cost structure. Our strong profits and Free Cash Flow⁵ enabled us to continue to de-lever our balance sheet and end the quarter with our net leverage ratio⁶ at 1.81x, the lowest since we acquired Tumi in 2016.”

“The strong demand during the recent summer travel season clearly demonstrates the resilience in consumer demand for travel and Samsonite’s opportunities for future growth. As we close out this year and look ahead to 2024, outbound travel from China, which is in the early stages of recovery, is expected to continue to steadily improve in the coming quarters, while travel growth in markets that reopened earlier, including North America and Europe, has begun to normalize following the strong rebound in 2022 and year-to-date 2023.”

Mr. Gendreau concluded, “Looking ahead, we are well positioned to outpace the market, as we continue to prioritize investments to support organic growth of our business. We will continue to emphasize investments in our higher-margin *Tumi* and *Samsonite* brands, with a focus on product innovation and sustainability initiatives, further enhancements to our global retail store network, and marketing. At the same time, we are managing promotional activity and our non-marketing SG&A expenses to drive positive operating leverage and grow net sales at a fundamentally higher margin profile. With substantial liquidity and continued de-leveraging of our

balance sheet, we are confident that Samsonite has the financial capacity and flexibility to drive sustainable and profitable long-term growth by capitalizing on the strength of our brands and unique global scale."

Table 1: Key Financial Highlights for the Three Months Ended September 30, 2023

US\$ millions, except per share data	Three months ended September 30, 2023	Three months ended September 30, 2022	Percentage increase (decrease) 2023 vs. 2022	Percentage increase (decrease) 2023 vs. 2022 excl. foreign currency effects ¹
Net sales	957.7	790.9	21.1%	21.2%
Gross profit	570.9	435.2	31.2%	31.4%
Gross profit margin	59.6%	55.0%		
Operating profit	182.6	121.8	50.0%	50.6%
Profit attributable to the equity holders	115.4	58.2	98.2%	101.6%
Adjusted Net Income ⁷	125.7	64.9	93.9%	96.9%
Adjusted EBITDA ⁸	194.0	134.1	44.7%	46.1%
Adjusted EBITDA Margin ⁴	20.3%	17.0%		
Basic earnings per share – US\$ per share	0.080	0.040	97.3%	100.6%
Diluted earnings per share – US\$ per share	0.079	0.040	96.0%	99.3%
Adjusted basic earnings per share ⁹ – US\$ per share	0.087	0.045	92.9%	95.9%
Adjusted diluted earnings per share ⁹ – US\$ per share	0.086	0.045	91.6%	94.6%

2023 Third Quarter Highlights

The Group's consolidated net sales increased by 21.2%¹ year-on-year to US\$957.7 million for the three months ended September 30, 2023. With the support of substantial investments in marketing, the Group capitalized on the robust summer travel demand to achieve strong net sales gains across all core brands and regions. The *Samsonite*, *Tumi* and *American Tourister* brands achieved year-on-year net sales growth of 20.1%¹, 29.8%¹ and 19.8%¹, respectively. Net sales in Asia, where travel reopened later than other regions, rose by 44.9%¹ year-on-year, while net sales in North America, Europe and Latin America increased by 10.0%¹, 6.7%¹ and 16.5%¹, year-on-year, respectively.

Gross profit margin expanded by 460 basis points year-on-year to 59.6% in the third quarter of 2023, driven mainly by year-on-year gross profit margin improvements in all regions and because Asia, the region with the highest gross profit margin, increased its share of total net sales to 39.0% in the third quarter of 2023 from 33.4% in the third quarter of 2022. The increase in gross profit margin was also driven by the higher-margin *Tumi* brand increasing its share of total net sales to 22.3% in the third quarter of 2023 from 20.9% in the third quarter of 2022, an increased proportion of total net sales attributable to direct-to-consumer ("DTC") net sales, and overall reduced promotional activity.

The Group increased its investment in marketing as planned, spending US\$59.4 million during the three months ended September 30, 2023, an increase of 32.5%, year-on-year. Marketing expenses as a percentage of net sales rose to 6.2%, an increase of 50 basis points, year-on-year. The Group remained disciplined in managing fixed selling, general and administrative ("SG&A") expenses, enabling Samsonite to achieve a 44.7% year-on-year increase in Adjusted EBITDA⁸ to US\$194.0 million during the third quarter of 2023, while Adjusted EBITDA margin⁴

expanded by 330 basis points to 20.3%. Powered by the increase in Adjusted EBITDA⁸, Samsonite's Adjusted Net Income⁷ nearly doubled to US\$125.7 million for the third quarter of 2023.

Compared to the three months ended September 30, 2019, Samsonite's net sales for the three months ended September 30, 2023, increased by 22.4%^{1,2,3}. Gross profit margin increased by 390 basis points from 55.7%, driven by increased net sales contribution from the higher-margin Asia region and *Samsonite* and *Tumi* brands, and overall reduced promotional activity. The Group's Adjusted EBITDA⁸ increased by US\$60.1 million, or 44.9%, from US\$133.9 million for the third quarter of 2019, even though net sales as reported only increased by US\$36.2 million, and its Adjusted EBITDA margin⁴ increased by 580 basis points from 14.5% in the third quarter of 2019, despite marketing spend as a percentage of net sales rising by 130 basis points from 4.9%. This underscores the positive impact from the Group's streamlined and efficient cost structure, and its ongoing discipline in expense management. As a result, Adjusted Net Income⁷ rose by US\$63.8 million, or 102.9%, from US\$62.0 million for the third quarter of 2019.

During the three months ended September 30, 2023, the Group delivered Free Cash Flow⁵ of US\$88.8 million and voluntarily repaid US\$70.0 million of outstanding borrowings under the Group's revolving credit facility. This enabled the Group to reduce its net debt position to US\$1.2 billion¹⁰ and improve its net leverage ratio⁶ to 1.81x as of September 30, 2023. The Group ended the third quarter of 2023 with US\$603.4 million in cash and cash equivalents and liquidity of US\$1.4 billion¹¹.

Results for the Three Months Ended September 30, 2023

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

Net Sales

Three Months Ended September 30, 2023, vs. Three Months Ended September 30, 2022

For the three months ended September 30, 2023, the Group recorded net sales of US\$957.7 million, an increase of 21.2%¹ year-on-year. This growth was powered by strong results in Asia, where travel reopened later than other regions, and robust net sales gains in North America, Europe and Latin America. All core brands delivered double-digit net sales growth, with particular strength behind the *Tumi* brand.

Three Months Ended September 30, 2023, vs. Three Months Ended September 30, 2019

Compared to the corresponding period in 2019, the Group's net sales for the three months ended September 30, 2023, increased by 14.2%¹, and by 22.4%^{1,2,3} when excluding the net sales in Russia and by Speck.

Net Sales Performance by Region

Table 2: Net Sales by Region

Region¹²	Three months ended September 30, 2023 US\$ millions	Three months ended September 30, 2022 US\$ millions	Percentage increase (decrease) 2023 vs. 2022	Percentage Increase (decrease) 2023 vs. 2022 excl. foreign currency effects¹
Asia	373.0	264.4	41.1%	44.9%
North America	321.0	292.3	9.8%	10.0%
Europe	214.2	193.2	10.8%	6.7%
Latin America	49.2	40.6	21.2%	16.5%
Corporate	0.3	0.4	(27.7)%	(27.7)%
Total net sales	957.7	790.9	21.1%	21.2%

Asia

Three Months Ended September 30, 2023, vs. Three Months Ended September 30, 2022

For the three months ended September 30, 2023, the Group recorded net sales of US\$373.0 million in Asia, an increase of 44.9%¹ year-on-year, powered by strong growth of all of the Group's core brands. This resulted in Asia's percentage of total net sales, the Group's most profitable region, rising to 39.0% in the third quarter of 2023 versus 33.4% in the corresponding period in 2022. During the three months ended September 30, 2023, the Group's net sales in China increased by 72.6%¹, in Japan by 69.2%¹, in South Korea by 42.2%¹, and in Hong Kong¹³ by 69.4%¹, year-on-year. Net sales in India, where travel reopened earlier, increased by 8.4%¹, year-on-year.

Three Months Ended September 30, 2023, vs. Three Months Ended September 30, 2019

Compared to the third quarter of 2019, the Group's net sales in Asia for the three months ended September 30, 2023, increased by 24.4%¹. Net sales for the third quarter of 2023 in India increased by 65.0%¹ when compared to the corresponding period in 2019. Net sales in China and Japan, where travel reopened later, increased by 13.9%¹ and 10.0%¹, respectively, versus the third quarter of 2019. Net sales increased by 3.7%¹ in South Korea and decreased by 14.3%¹ in Hong Kong¹³ when compared to the third quarter of 2019. Net sales performance in South Korea and Hong Kong¹³ are expected to improve as Chinese tourist arrivals continue to recover.

North America

Three Months Ended September 30, 2023 vs. Three Months Ended September 30, 2022

For the three months ended September 30, 2023, the Group recorded net sales of US\$321.0 million in North America, an increase of 10.0%¹ year-on-year, driven by strong summer travel demand. The Group's net sales in the United States and Canada increased by 9.5% and 17.8%¹, respectively, in the third quarter of 2023 compared to the corresponding period in 2022.

Three Months Ended September 30, 2023, vs. Three Months Ended September 30, 2019

When excluding the net sales by Speck, the Group recorded a net sales increase of 9.1%^{1,3} in North America for the three months ended September 30, 2023, versus the third quarter of 2019. Further adjusting for the discontinuation of third-party brand sales on the ebags e-commerce platform in 2020, net sales in North America for the third quarter of 2023 increased by 15.3%^{1,3} versus the corresponding period in 2019. The Group's net sales, as reported, decreased by 5.2%¹ in North America during the third quarter of 2023 when compared to the corresponding period in 2019 due to Speck and ebags as explained.

When excluding the net sales by Speck, net sales in the United States increased by 8.0%³ for the three months ended September 30, 2023, compared to the third quarter of 2019. Further adjusting for the discontinuation of third-party brand sales on the ebags e-commerce platform in 2020, net sales in the United States increased by 14.6%³ for the three months ended September 30, 2023, versus the corresponding period in 2019. The Group's net sales, as reported, decreased by 6.8% in the United States during the third quarter of 2023 when compared to the corresponding period in 2019 due to Speck and ebags as explained. Net sales in Canada increased by 27.1%¹ during the third quarter of 2023 versus the corresponding period in 2019.

Europe

Three Months Ended September 30, 2023, vs. Three Months Ended September 30, 2022

For the three months ended September 30, 2023, the Group recorded net sales of US\$214.2 million in Europe, an increase of 6.7%¹ compared to the third quarter of 2022, driven by year-on-year net sales increases of 24.5%¹ in Germany, 15.4%¹ in Spain and 4.5%¹ in Italy. During the third quarter of 2023, net sales decreased year-on-year by 0.2%¹ in France, and by 6.2%¹ in the United Kingdom¹⁴ due to an exceptionally strong third quarter of 2022.

Three Months Ended September 30, 2023, vs. Three Months Ended September 30, 2019

For the three months ended September 30, 2023, the Group's net sales in Europe were 20.2%¹ higher than the corresponding period in 2019 (+31.0%^{1,2} when excluding the net sales in Russia). Most of the Group's key markets in Europe recorded net sales increases during the third quarter of 2023 when compared to the corresponding period in 2019, with net sales in Spain, Germany, Italy and France rising by 22.5%¹, 8.0%¹, 7.1%¹ and 0.8%¹, respectively. Net sales in the United Kingdom¹⁴ during the third quarter of 2023 decreased by 7.8%¹ versus the corresponding period in 2019 primarily due to lower DTC retail sales resulting from fewer company-operated retail stores open as of September 30, 2023.

Latin America

Three Months Ended September 30, 2023, vs. Three Months Ended September 30, 2022

For the three months ended September 30, 2023, the Group recorded net sales of US\$49.2 million in Latin America, an increase of 16.5%¹ compared to the corresponding period in 2022, driven by year-on-year net sales increases of 25.9%¹ in Mexico and 3.5%¹ in Chile. Net sales in Brazil decreased by 8.2%¹ year-on-year due to the non-recurrence of certain sales made during the third quarter of 2022.

Three Months Ended September 30, 2023, vs. Three Months Ended September 30, 2019

Samsonite's net sales in Latin America for the three months ended September 30, 2023, increased by 65.6%¹ with net sales increases of 83.4%¹ in Brazil, 19.6%¹ in Chile, and 18.4%¹ in Mexico, when compared to the corresponding period in 2019.

Net Sales Performance by Brand

Table 3: Net Sales by Brand

Brand	Three months ended September 30, 2023 US\$ millions	Three months ended September 30, 2022 US\$ millions	Percentage increase (decrease) 2023 vs. 2022	Percentage increase (decrease) 2023 vs. 2022 excl. foreign currency effects¹
<i>Samsonite</i>	498.2	414.8	20.1%	20.1%
<i>Tumi</i>	213.7	165.3	29.3%	29.8%
<i>American Tourister</i>	173.8	145.6	19.4%	19.8%
Other¹⁵	71.9	65.1	10.3%	9.3%
Total net sales	957.7	790.9	21.1%	21.2%

All of the Group's core brands made strong net sales gains during the three months ended September 30, 2023, powered by a robust recovery in leisure and business travel and increased demand for the Group's products.

For the three months ended September 30, 2023, net sales of the *Samsonite* brand increased by US\$83.4 million, or 20.1%¹, year-on-year, mainly driven by Asia (up US\$59.8 million, or 58.1%¹) and Europe (up US\$22.9 million, or 14.0%¹), with Latin America (up US\$3.6 million, or 17.1%¹) also registering strong year-on-year net sales gains. In the third quarter of 2023, net sales of the *Samsonite* brand in North America decreased slightly by US\$2.9 million, or 1.7%¹, year-on-year, due to a shift in timing of shipments to certain wholesale customers and certain wholesale customers managing their inventory levels.

Net sales of the *Tumi* brand increased by US\$48.4 million, or 29.8%¹, year-on-year, in the third quarter of 2023, with strong growth in North America (up US\$26.5 million, or 28.0%¹), Asia (up US\$18.8 million, or 43.3%¹) and Latin America (up US\$1.6 million, or 72.9%¹), while Europe (up US\$1.5 million, or 4.7%¹) also registered year-on-

year net sales gains. As a result, the *Tumi* brand's share of the Group's total net sales increased to 22.3% during the third quarter of 2023 from 20.9% during the corresponding period in 2022.

Net sales of the *American Tourister* brand increased by US\$28.2 million, or 19.8%¹, year-on-year, during the three months ended September 30, 2023, mainly driven by strong growth in Asia (up US\$28.0 million, or 39.6%¹), with Latin America (up US\$1.9 million, or 26.6%¹) and North America (up US\$1.6 million, or 6.3%¹) also recording year-on-year net sales gains. In the third quarter of 2023, net sales of the *American Tourister* brand in Europe decreased by US\$3.3 million, or 13.3%¹, year-on-year, primarily due to the timing of wholesale orders and certain customers managing their inventory levels compared to an exceptionally strong third quarter of 2022.

Net Sales Performance by Product Category

Table 4: Net Sales by Product Category

Product Category	Three months ended September 30, 2023 US\$ millions	Three months ended September 30, 2022 US\$ millions	Percentage increase (decrease) 2023 vs. 2022	Percentage Increase (decrease) 2023 vs. 2022 excl. foreign currency effects ¹
Travel	644.5	538.6	19.7%	19.7%
Non-travel ¹⁶	313.1	252.3	24.1%	24.3%
Total net sales	957.7	790.9	21.1%	21.2%

The Group's net sales in the travel product category continued to improve with a robust recovery in leisure and business travel and increased demand for the Group's products. Net sales in the travel product category increased by 19.7%¹ year-on-year and accounted for 67.3% of total net sales in the three months ended September 30, 2023, versus 68.1% of total net sales during the corresponding period in 2022. Total non-travel product category¹⁶ net sales increased by 24.3%¹ year-on-year and accounted for 32.7% of total net sales in the third quarter of 2023, versus 31.9% of total net sales during the third quarter of 2022, primarily driven by strong net sales growth in the Asia region and for *Tumi*-branded products.

Net Sales Performance by Distribution Channel

Table 5: Net Sales by Distribution Channel

Distribution Channel	Three months ended September 30, 2023 US\$ millions	Three months ended September 30, 2022 US\$ millions	Percentage increase (decrease) 2023 vs. 2022	Percentage Increase (decrease) 2023 vs. 2022 excl. foreign currency effects ¹
Wholesale	596.7	506.6	17.8%	18.0%
DTC	360.6	283.8	27.1%	26.9%
Other ¹⁷	0.3	0.4	(26.9)%	(26.9)%
Total net sales	957.7	790.9	21.1%	21.2%

The Group's wholesale net sales increased by 18.0%¹ to US\$596.7 million (representing 62.3% of net sales) for the three months ended September 30, 2023, from US\$506.6 million (representing 64.0% of net sales) in the corresponding period in 2022. Net sales to e-retailers, which are included in the Group's wholesale channel, increased by US\$4.5 million, or 6.9%¹, during the third quarter of 2023 compared to the third quarter of 2022.

During the three months ended September 30, 2023, the Group's net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, increased by US\$76.8 million, or 26.9%¹, to US\$360.6

million (representing 37.7% of net sales) from US\$283.8 million (representing 35.9% of net sales) in the third quarter of 2022. The Group's DTC retail net sales increased by US\$58.0 million, or 27.3%¹, to US\$268.5 million and comprised 28.0% of total net sales during the three months ended September 30, 2023, compared to US\$210.6 million, or 26.6% of net sales, during the third quarter of 2022. Meanwhile, DTC e-commerce net sales increased by US\$18.8 million, or 25.8%¹, to US\$92.1 million (representing 9.6% of net sales) during the third quarter of 2023, compared US\$73.3 million (representing 9.3% of net sales) during the third quarter of 2022.

During the three months ended September 30, 2023, the Group added 25 company-operated retail stores, partially offset by the permanent closure of 5 company-operated retail stores. This resulted in a net increase of 20 company-operated retail stores during the third quarter of 2023, compared to a net addition of 2 company-operated retail stores during the third quarter of 2022. The total number of company-operated retail stores was 1,021 as of September 30, 2023, compared to 965 as of September 30, 2022, and 1,285 as of September 30, 2019.

Gross Profit

The Group recorded gross profit of US\$570.9 million for the three months ended September 30, 2023, an increase of US\$135.7 million, or 31.2%, year-on-year. Gross profit margin expanded by 460 basis points year-on-year to 59.6% in the third quarter of 2023, driven mainly by year-on-year gross profit margin improvements in all regions and because Asia, the region with the highest gross profit margin, increased its share of total net sales to 39.0% in the third quarter of 2023 from 33.4% in the third quarter of 2022. The increase in gross profit margin was also driven by the higher-margin *Tumi* brand increasing its share of total net sales to 22.3% in the third quarter of 2023 from 20.9% in the third quarter of 2022, an increased proportion of total net sales attributable to DTC net sales, and overall reduced promotional activity.

Investment in Marketing

The Group increased marketing activities across all regions to support its core brands and capitalize on the global growth in travel. The Group spent US\$59.4 million on marketing during the three months ended September 30, 2023, an increase of US\$14.6 million, or 32.5%, year-on-year. As a percentage of net sales, marketing expenses were 6.2% of net sales for the three months ended September 30, 2023, an increase of 50 basis points from 5.7% for the corresponding period in 2022.

Distribution Expenses

Distribution expenses were US\$263.6 million for the three months ended September 30, 2023, an increase of US\$53.8 million, or 25.7%, year-on-year. Distribution expenses represented 27.5% of net sales during the third quarter of 2023 compared to 26.5% during the corresponding period in 2022, primarily due to the increased costs associated with company-operated retail stores as well as inflationary pressures.

General and administrative expenses

General and administrative expenses increased by US\$4.9 million, or 8.1%, year-on-year to US\$64.6 million for the three months ended September 30, 2023. General and administrative expenses represented 6.7% of net sales in the third quarter of 2023, 90 basis points lower compared to 7.6% during the corresponding period in 2022, reflecting the Group's ongoing attention to controlling expenses as sales increased year-on-year.

Operating Profit

The Group reported an operating profit of US\$182.6 million for the three months ended September 30, 2023, an increase of US\$60.9 million, or 50.0%, year-on-year.

Profit Attributable to the Equity Holders

The Group recorded profit attributable to the equity holders of US\$115.4 million for the three months ended September 30, 2023, an increase of US\$57.2 million, or 98.2%, year-on-year. This increase was driven by the Group's operating profit increasing by US\$60.9 million, partially offset by net finance costs rising by US\$1.4 million and income tax expense increasing by US\$1.7 million, year-on-year, during the three months ended September 30, 2023.

Adjusted EBITDA and Adjusted Net Income

Three Months Ended September 30, 2023, vs. Three Months Ended September 30, 2022

For the three months ended September 30, 2023, the Group recorded Adjusted EBITDA⁸ of US\$194.0 million, an increase of US\$59.9 million, or 44.7%, year-on-year. The Group's Adjusted EBITDA margin⁴ increased by 330 basis points to 20.3% for the three months ended September 30, 2023, compared to 17.0% for the three months ended September 30, 2022. The improvement in Adjusted EBITDA margin⁴ was primarily due to continued net sales growth and the increase in gross profit margin.

For the three months ended September 30, 2023, the Group recorded Adjusted Net Income⁷ of US\$125.7 million, an increase of US\$60.9 million, or 93.9%, year-on-year.

Three Months Ended September 30, 2023, vs. Three Months Ended September 30, 2019

The Group's Adjusted EBITDA margin⁴ expanded by 580 basis points to 20.3% for the three months ended September 30, 2023, from 14.5% for the three months ended September 30, 2019. This increase was driven by gross profit margin increasing by 390 basis points to 59.6% from 55.7% and fixed SG&A expenses as a percentage of net sales decreasing by 490 basis points to 22.4% from 27.3%, partially offset by marketing expenses as a percentage of net sales increasing by 130 basis points to 6.2% from 4.9% for the third quarter of 2023 compared to the third quarter of 2019. In dollar terms, the Group's Adjusted EBITDA⁸ for the three months ended September 30, 2023, increased by US\$60.1 million to US\$194.0 million from the US\$133.9 million recorded in the third quarter of 2019, despite reported net sales only rising by US\$36.2 million to US\$957.7 million for the three months ended September 30, 2023, from US\$921.5 million during the third quarter of 2019.

Adjusted Net Income⁷ increased by US\$63.8 million to US\$125.7 million for the three months ended September 30, 2023, compared to US\$62.0 million for the three months ended September 30, 2019.

Investment in Inventories and Working Capital

The Group continued to invest in working capital, particularly inventories, to support net sales growth. Inventories as of September 30, 2023, were US\$734.8 million, an increase of US\$47.2 million compared to US\$687.6 million at the end of 2022, and US\$178.2 million higher than the US\$556.7 million as of September 30, 2022. Inventories are expected to gradually decrease with continued strong sales and tapering product purchases.

Net working capital was US\$555.2 million as of September 30, 2023, an increase of US\$160.0 million from US\$395.3 million as of December 31, 2022, and US\$221.0 million higher than the US\$334.2 million as of September 30, 2022.

Total capital expenditures

The Group had total capital expenditures (made up of purchases of property, plant and equipment and software) of US\$23.4 million¹⁸ during the three months ended September 30, 2023, an increase of US\$6.1 million compared to US\$17.3 million¹⁸ during the third quarter of 2022. This brought total capital expenditures for the nine months ended September 30, 2023, to US\$49.1 million¹⁹, an increase of US\$16.1 million compared to US\$33.0 million¹⁹ in the first nine months of 2022. The Group intends to continue to spend on property, plant and equipment and

software to upgrade and expand its retail store fleet as well as to invest in core strategic functions to support continued sales growth.

Balance Sheet and Cash Flows

The Group remained focused on cash management and debt reduction. As a result of the substantial growth in Adjusted EBITDA⁸, along with the Group's consistent attention to cash flow management, Samsonite delivered Free Cash Flow⁵ of US\$88.8 million during the third quarter of 2023, and US\$152.2 million for the nine months ended September 30, 2023, despite the increased investment in working capital and total capital expenditures to support net sales growth. In comparison, the Group had Free Cash Flow⁵ of US\$66.2 million and US\$42.9 million for the three and nine months ended September 30, 2022, respectively.

Following the refinancing of the Group's senior credit facilities in June 2023, which reduced the aggregate principal amount of debt outstanding by US\$65.0 million, the Group repaid US\$76.5 million of outstanding borrowings during the three months ended September 30, 2023, consisting of a US\$70.0 million voluntary repayment of outstanding borrowings under its revolving credit facility and US\$6.5 million in required quarterly amortization payments. As a result, the Group had net debt of US\$1,239.1¹⁰ million as of September 30, 2023, versus US\$1,383.7 million¹⁰ at the end of 2022.

The reduction in net debt, together with the strong growth in Adjusted EBITDA⁸, enabled the Group to significantly lower its net leverage ratio⁶ to 1.81x as of September 30, 2023, compared to 2.85x as of December 31, 2022, and lower than the 2.63x as of December 31, 2019, before the pandemic.

The Group had US\$603.4 million in cash and cash equivalents as of September 30, 2023, compared to US\$635.9 million as of December 31, 2022. Total liquidity was US\$1,418.8 million¹¹ as of September 30, 2023, compared to US\$1,481.3 million¹¹ as of December 31, 2022.

Table 6: Key Financial Highlights for the Nine Months Ended September 30, 2023

US\$ millions, except per share data	Nine months ended September 30, 2023	Nine months ended September 30, 2022	Percentage increase (decrease) 2023 vs. 2022	Percentage increase (decrease) 2023 vs. 2022 excl. foreign currency effects ¹
Net sales	2,733.9	2,061.1	32.6%	35.6%
Gross profit	1,614.5	1,142.6	41.3%	44.7%
Gross profit margin	59.1%	55.4%		
Operating profit	494.7	281.7	75.6%	79.7%
Profit attributable to the equity holders	267.9	114.5	134.0%	142.4%
Adjusted Net Income ⁷	296.6	148.2	100.1%	106.7%
Adjusted EBITDA ⁸	528.3	329.7	60.2%	65.5%
Adjusted EBITDA Margin ⁴	19.3%	16.0%		
Basic earnings per share – US\$ per share	0.186	0.080	132.9%	141.4%
Diluted earnings per share – US\$ per share	0.184	0.080	131.9%	140.3%
Adjusted basic earnings per share ⁹ – US\$ per share	0.205	0.103	99.2%	105.8%
Adjusted diluted earnings per share ⁹ – US\$ per share	0.204	0.103	98.3%	104.9%

Results Highlights for the Nine Months Ended September 30, 2023

For the nine months ended September 30, 2023, the Group recorded net sales of US\$2,733.9 million, an increase of US\$672.8 million, or 35.6%¹, year-on-year, with strong net sales gains across all core brands and regions. The *Samsonite*, *Tumi* and *American Tourister* brands achieved year-on-year net sales growth of 36.3%¹, 43.6%¹ and 33.8%¹, respectively. Net sales in Asia, where travel reopened later than other regions, rose by 69.9%¹ year-on-year, while net sales in North America, Europe and Latin America increased by 19.6%¹, 18.5%¹ (+20.9%^{1, 2} when excluding the net sales in Russia) and 23.3%¹, year-on-year, respectively. When excluding the net sales in Russia, the Group's net sales increased by 36.2%^{1, 2}, year-on-year, during the nine months ended September 30, 2023.

The Group's gross profit was US\$1,614.5 million for the nine months ended September 30, 2023, an increase of US\$471.9 million, or 41.3%, year-on-year. Gross profit margin increased by 370 basis points to 59.1% for the first nine months of 2023 from 55.4% for the corresponding period in 2022. The increase in gross profit margin was driven mainly by year-on-year gross profit margin improvements in all regions and because Asia, the region with the highest gross profit margin, increased its share of total net sales to 39.1% from 31.9%, and the higher-margin *Tumi* brand increased its share of total net sales to 23.2% from 21.8%, for the nine months ended September 30, 2023, compared to the corresponding period in 2022, an increased proportion of total net sales attributable to DTC net sales, and overall reduced promotional activity.

The Group substantially increased marketing activities across all regions, particularly in Asia and Europe, to support its core brands and capitalize on the global growth in travel, spending US\$173.6 million on marketing during the nine months ended September 30, 2023, an increase of US\$71.1 million, or 69.3%, year-on-year. As a percentage of net sales, marketing expenses increased to 6.4% of net sales for the nine months ended September 30, 2023, from 5.0% for the corresponding period in 2022. As a result of disciplined expense management, for the nine months ended September 30, 2023, fixed SG&A expenses only increased by US\$111.4 million, even as net sales grew by US\$672.8 million, year-on-year. Consequently, fixed SG&A expenses amounted to 22.8% of net sales in the first nine months of 2023, 200 basis points lower than the 24.8% during the corresponding period in 2022. Together with the 370-basis point year-on-year increase in gross profit margin, Samsonite's Adjusted EBITDA margin⁴ expanded by 330 basis points to 19.3% for the nine months ended September 30, 2023, despite marketing spend as a percentage of net sales increasing by 140 basis points year-on-year. As a result, for the nine months ended September 30, 2023, the Group achieved Adjusted EBITDA⁸ of US\$528.3 million, an increase of US\$198.6 million, or 60.2%, year-on-year, and Adjusted Net Income⁷ of US\$296.6 million, an increase of US\$148.4 million, or 100.1%, year-on-year.

Compared to the nine months ended September 30, 2019, Samsonite's net sales for the nine months ended September 30, 2023, increased by 18.3%^{1, 2, 3}. For the nine months ended September 30, 2023, compared to the nine months ended September 30, 2019, gross profit margin increased by 320 basis points to 59.1% from 55.9%, driven by Asia, the region with the highest gross profit margin, increasing its share of total net sales to 39.1% from 36.5%, the *Samsonite* brand increasing its share of total net sales to 50.4% from 45.4%, and the *Tumi* brand increasing its share of total net sales to 23.2% from 20.4%. Fixed SG&A expenses as a percentage of net sales decreased by 510 basis points to 22.8% from 27.9%, reflecting the benefits of the Group's streamlined and efficient cost structure. As a result, the Group's Adjusted EBITDA margin⁴ increased by 630 basis points to 19.3% from 13.0%, despite the Group increasing its investment in marketing by 90 basis points to 6.4% of net sales from 5.5% of net sales. In dollar terms, for the nine months ended September 30, 2023, the Group's Adjusted EBITDA⁸ increased by US\$180.9 million to US\$528.3 million, and its Adjusted Net Income⁷ increased by US\$137.6 million to US\$296.6 million, despite reported net sales only rising by US\$56.7 million in the first nine months of 2023 versus the corresponding period in 2019.

2023 Third Quarter Results – Conference Call for Analysts and Investors:

Date: Monday, November 13, 2023

Time: 09:00 New York / 14:00 London / 22:00 Hong Kong

Webcast Link: http://webcast.live.wisdomir.com/samsonite_23q3/index_en.php

Dial-in Details: [https://corporate.samsonite.com/on/demandware.static/-/Sites-InvestorRelations-Library/default/dwa1c76b77/PDF/press-release/2023/E_Samsonite_3Q2023%20Results%20Date%20Conference%20Call%20\(FINAL%202023-11-06\).pdf](https://corporate.samsonite.com/on/demandware.static/-/Sites-InvestorRelations-Library/default/dwa1c76b77/PDF/press-release/2023/E_Samsonite_3Q2023%20Results%20Date%20Conference%20Call%20(FINAL%202023-11-06).pdf)

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About Samsonite

With a heritage dating back more than 110 years, Samsonite International S.A. (“Samsonite” or the “Company”, together with its consolidated subsidiaries the “Group”), is a leader in the global lifestyle bag industry and is the world’s best-known and largest travel luggage company. The Group is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags and travel accessories throughout the world, primarily under the *Samsonite*®, *Tumi*®, *American Tourister*®, *Gregory*®, *High Sierra*®, *Kamilant*®, *ebags*®, *Lipault*® and *Hartmann*® brand names as well as other owned and licensed brand names. The Company’s ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (“SEHK”).

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Notes:

- ¹ Results stated on a constant currency basis, a non-International Financial Reporting Standards (“IFRS”) measure, are calculated by applying the average exchange rate of the corresponding period in the year under comparison to current period local currency results.
- ² On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine. The Group subsequently completed the disposition of its Russian operations on July 1, 2022. As such, when comparing the Group’s net sales for the three months ended September 30, 2023, with its net sales for the corresponding period in 2019, net sales of the Group’s former Russian operations for the third quarter of 2019 are excluded. When comparing the Group’s net sales for the nine months ended September 30, 2023, with its net sales for the corresponding periods in 2022 and 2019, net sales of the Group’s former Russian operations for January through June 2022 and January through September 2019 are excluded.
- ³ On July 30, 2021, a wholly-owned subsidiary of the Company sold Speculative Product Design, LLC (“Speck”), including the *Speck* brand. As such, when comparing the Group’s net sales for the three months and nine months ended September 30, 2023, with its net sales for the corresponding periods in 2019, net sales by Speck for the three months and nine months ended September 30, 2019, are excluded.
- ⁴ Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing adjusted earnings before interest, taxes, depreciation and amortization of intangible assets (“Adjusted EBITDA”) by net sales.

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- ⁵ Free Cash Flow is defined as net cash generated from (used in) operating activities less (i) purchases of property, plant and equipment and software (“total capital expenditures”) and (ii) principal payments on lease liabilities (each as set forth on the condensed consolidated statements of cash flows).
- ⁶ The total net leverage ratio is calculated by dividing total consolidated net debt minus the aggregate amount of unrestricted cash by the consolidated Adjusted EBITDA for the trailing four fiscal quarters on a pro forma basis as defined in the credit agreement.
- ⁷ Adjusted Net Income, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact the Group’s reported profit attributable to the equity holders for the period, which the Group believes helps to give securities analysts, investors and other interested parties a better understanding of the Group’s underlying financial performance.
- ⁸ 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.
- ⁹ 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.
- ¹⁰ As of September 30, 2023, the Group had cash and cash equivalents of US\$603.4 million and outstanding financial debt of US\$1,842.5 million (excluding deferred financing costs of US\$17.8 million), resulting in a net debt position of US\$1,239.1 million. In comparison, as of December 31, 2022, the Group had cash and cash equivalents of US\$635.9 million and outstanding financial debt of US\$2,019.6 million (excluding deferred financing costs of US\$7.8 million), resulting in a net debt position of US\$1,383.7 million.
- ¹¹ Total liquidity is calculated as the sum of cash and cash equivalents per the condensed consolidated statements of financial position plus available capacity under the revolving credit facility. As of September 30, 2023, the Group had total liquidity of US\$1,418.8 million, comprising cash and cash equivalents of US\$603.4 million and US\$815.4 million available to be borrowed on the Group’s revolving credit facility. In comparison, as of December 31, 2022, the Group had total liquidity of US\$1,481.3 million, comprising cash and cash equivalents of US\$635.9 million and US\$845.4 million available to be borrowed on the Group’s revolving credit facility.
- ¹² 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.
- ¹³ Net sales reported for Hong Kong include net sales made domestically, net sales made in Macau, as well as net sales to distributors in certain other Asian markets.
- ¹⁴ Net sales reported for the United Kingdom include net sales made in Ireland.
- ¹⁵ “Other” includes certain other brands owned by the Group, such as *Gregory*, *High Sierra*, *Kamiliant*, *ebags*, *Xtrem*, *Lipault*, *Hartmann*, *Saxoline* and *Secret*, as well as third party brands sold through the Rolling Luggage and Chic Accent retail stores.
- ¹⁶ The non-travel product category includes business, casual, accessories and other products.
- ¹⁷ “Other” primarily consists of licensing revenue.
- ¹⁸ For the three months ended September 30, 2023, the Group spent US\$20.9 million and US\$2.5 million on property, plant and equipment and software purchases, respectively. In comparison, for the three months ended September 30, 2022, the Group spent US\$15.2 million and US\$2.1 million on property, plant and equipment and software purchases, respectively.
- ¹⁹ For the nine months ended September 30, 2023, the Group spent US\$41.8 million and US\$7.3 million on property, plant and equipment and software purchases, respectively. In comparison, for the nine months ended September 30, 2022, the Group spent US\$27.8 million and US\$5.2 million on property, plant and equipment and software purchases, respectively.

Non-IFRS Measures

The Company has presented certain non-IFRS measures in this press release because each of these measures provides additional information that management believes is useful for securities analysts, investors and other interested parties to gain a more complete understanding of the Group’s operational performance and of the trends impacting its business. These non-IFRS financial measures, as calculated herein, may not be comparable to similarly named measures used by other companies, and should not be considered comparable to IFRS measures. Refer to the relevant announcement/report published by the Company for the corresponding period for reconciliations of the Group’s non-IFRS financial information. Non-IFRS measures have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Group’s financial results as reported under IFRS.

Forward-looking Statements

This press release contains forward-looking statements. Forward-looking statements reflect the Company’s current views with respect to future events and performance. These statements may discuss, among other things, the Company’s net sales, gross profit margin, operating profit, Adjusted Net Income, Adjusted EBITDA, Adjusted EBITDA margin, cash flow, liquidity and capital resources, potential impairments, growth, strategies, plans, achievements, distributions, organizational structure, future store openings or closings, market opportunities and

general market and industry conditions. The Company generally identifies forward-looking statements by words such as “expect”, “seek”, “believe”, “plan”, “intend”, “estimate”, “project”, “anticipate”, “may”, “will”, “would” and “could” or similar words or statements. Forward-looking statements are based on beliefs and assumptions made by management using currently available information. These statements are only predictions and are not guarantees of future performance, actions or events. Forward-looking statements are subject to risks and uncertainties.

If one or more of these risks or uncertainties materialize, or if management’s underlying beliefs and assumptions prove incorrect, actual results may differ materially from those contemplated by a forward-looking statement. Among the factors that could cause actual results to differ materially are: the effect of worldwide economic conditions; the effect of political or social unrest and armed conflict; the effects of inflation; a general economic downturn or generally reduced consumer spending; significant changes in consumer spending patterns or preferences; interruptions or delays in the supply of finished goods or key components; the performance of the Group’s products within the prevailing retail environment; financial difficulties encountered by customers and related bankruptcy and collection issues; and risks related to the success of the Group’s restructuring programs.

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

Rounding

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