For Immediate Release

Samsonite International S.A. Announces Results for the Six Months Ended June 30, 2019

HONG KONG, August 21, 2019 – Samsonite International S.A. ("Samsonite" or "the Company", together with its consolidated subsidiaries, "the Group"; SEHK stock code: 1910), the world's largest travel luggage company, today published its unaudited consolidated financial results for the six months ended June 30, 2019.

Overview

Commenting on the results, Mr. Kyle Gendreau, Chief Executive Officer, said, "We are encouraged by our progress in the first half of 2019 as we continued to execute on our strategy to reposition the business for long-term growth and profitability. At the same time, we remain focused on navigating the macro-economic headwinds impacting our performance in certain markets, including the United States ("U.S."), which was affected by increased tariffs on products sourced from China and lower foreign tourist traffic, China's business-to-business ("B2B") market, South Korea and Chile."

Excluding those four markets, the Group continued to achieve steady growth in Europe and key Asian markets including Japan and India. For the six months ended June 30, 2019, the Group achieved constant currency net sales gains in all regions except North America (-5.7%[1]): Asia (+0.2%[1]; +4.6%[1] excluding B2B net sales in China and net sales in South Korea), Europe (+1.9%[1]) and Latin America (+3.4%[1]; +11.9%[1] excluding Chile). Overall, the Group's first half 2019 net sales decreased by 1.5%[1] year-on-year against a strong first half in 2018. Excluding the four challenged markets, the Group's net sales grew by 3.5%[1] during the first six months of 2019.

During the second quarter of 2019, the Group's overall net sales performance began to show signs of stabilizing, with improved performance in China and Latin America, along with continued growth in Europe, Japan and India. Even though B2B sales in China remained slow and the Group has been managing down the mix of sales from this channel, net sales in China increased by 5.1%[1] year-on-year (or +11.2%[1] excluding B2B), up from the 8.3%[1] net sales decrease (+5.9%[1] excluding B2B) recorded during the first quarter of 2019. Latin America had a strong second quarter, with net sales growth of 12.5%[1] compared to a decrease of 2.8%[1] in the first quarter of 2019. Overall, the Group's net sales decreased by 0.7%[1] during the second quarter of 2019, an improvement compared to the 2.4%[1] decline recorded in the first quarter of 2019.

Mr. Gendreau remarked, "As we navigate the business through the current macro-economic headwinds, we are focused on managing our cost base to position Samsonite for future growth. The Group's profitability was adversely affected by the combination of lower net sales and increased distribution expenses related to the expansion in bricks-and-mortar retail during 2017 and 2018, particularly in Europe. We responded with focused actions to tighten expense and working capital controls in the second half of 2018, and accelerated these initiatives during the first half of 2019, including making leadership changes in both Europe and South Korea. We

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

saw the benefits of these ongoing efforts to enhance margins begin to emerge in the second quarter of 2019, and are pushing to accelerate our repositioning of the business for sustained growth and improved profitability going forward."

The Group's Adjusted EBITDA[2, 3] and Adjusted Net Income[2, 4] both showed signs of improvement. Second quarter 2019 Adjusted EBITDA decreased by 13.0% compared to the same period in 2018 (as recast to adjust for IFRS 16 impacts)[2], a considerable improvement following the 27.6%[2] year-on-year decline recorded in the first quarter of 2019. As a result, the Group's Adjusted EBITDA margin[5] decreased by 150 basis points[2] to 13.9% for the second quarter in 2019 versus 15.4% for the same period in 2018[2], a significant improvement compared to the 300 basis points[2] decline recorded in the first quarter. The Group expects its profit enhancement initiatives will continue to yield benefits going into the second half of 2019 and into 2020. Overall, the Group's first half 2019 Adjusted EBITDA decreased by 19.4%[2, 6] year-on-year, and its Adjusted EBITDA margin was 12.2% for the first half of 2019, a decline of 210 basis points[2, 6] compared to the first half of 2018[2, 6]."

For the six months ended June 30, 2019, the Group's Adjusted Net Income decreased by US$14.2 million[2, 6] to US$97.0 million from US$111.2 million for the same period in 2018 (as recast to adjust for IFRS 16 impacts)[2, 6]. This represents a decrease of 12.8%[2, 6] year-on-year and an improvement compared to the 40.3%[2] year-on-year decline in Adjusted Net Income recorded for the first quarter of 2019.

The Group's disciplined approach to working capital management, cash flow generation and deleveraging the balance sheet has begun to deliver positive results. Cash generated from operating activities more than doubled

---

[2] On January 1, 2019, the Group adopted IFRS 16, *Leases* ("IFRS 16"). The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information for six months ended June 30, 2018 in the "as reported" column in the Key Financial Highlights table below has not been restated and continues to be reported under International Accounting Standards ("IAS") 17, *Leases* ("IAS 17") and IFRS Interpretations Committee ("IFRIC") 4, *Determining whether an Arrangement Contains a Lease* ("IFRIC 4"). The Group has included with respect to the six months ended June 30, 2018 an "as adjusted for IFRS 16" column in the Key Financial Highlights table below to present its financial performance for the six months ended June 30, 2018 on a comparable basis. Such amounts reflect management's best estimate on its evaluation of the impact and are non-IFRS measures. For further discussion regarding the Group's adoption of IFRS 16 on January 1, 2019, see note 3(b) Changes in Accounting Policies and note 16 Leases in the Notes to the Consolidated Interim Financial Statements in its Interim Results Announcement for the six months ended June 30, 2019 filed with The Stock Exchange of Hong Kong Limited.

[3] Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. Adjusted EBITDA includes the lease interest and amortization expense as a result of the Group's adoption of IFRS 16. The inclusion of IFRS 16 lease interest and amortization expense in Adjusted EBITDA allows this non-IFRS measure to be more comparable with the previous period's Adjusted EBITDA disclosure. The Group believes Adjusted EBITDA is useful in gaining a more complete understanding of its operational performance and the underlying trends of its business.

[4] Adjusted Net Income, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact the Group's reported profit for the period, which the Group believes helps to give securities analysts, investors and other interested parties a better understanding of the Group's underlying financial performance.

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

[6] For the six months ended June 30, 2019, the Group's

- Adjusted Net Income decreased by US$22.7 million, or 19.0%, to US$97.0 million;
- Adjusted EBITDA decreased by US$63.3 million, or 22.9%, to US$213.5 million; and
- Adjusted EBITDA margin decreased by 280 basis points year-on-year to 12.2%.

to US$113.0 million[7] in the first half of 2019, primarily driven by improved working capital management. Separately, cash used in investing activities in the first half of 2019 decreased by US$17.4 million year-on-year, driven by a US$15.1 million year-on-year decrease in capital expenditures mainly due to fewer new store openings.

As a result, net debt was US$1,432.8 million as of June 30, 2019[8], US$155.6 million lower than the same date a year ago. With this improvement in the Group's net debt position, the Group's pro forma net leverage ratio[9] was steady at 2.60:1:00 for the first half of 2019 compared to 2.57:1.00 for the same period in 2018, notwithstanding the decline in Adjusted EBITDA year-on-year. Separately, at June 30, 2019, the Group had US$624.3 million in liquidity available on its revolving credit facility.

Outlook and Strategy

Commenting on the outlook, Mr. Gendreau said, "The global outlook remains uncertain as we enter the second half of 2019, with U.S.-China trade tensions rising, Brexit still unresolved, economic growth slowing in parts of the European Union, the recent events in Hong Kong, and a general increase in political volatility and economic uncertainty impacting consumer sentiment worldwide. Considering these ongoing challenges, we will continue to invest in the business to position ourselves for long-term growth while maintaining our focus on controlling costs, managing working capital, generating cash and strengthening the balance sheet."

"We will continue to diversify our sourcing base and to renegotiate pricing with vendors to address the recent U.S. tariff increases. In addition, we intend to temporarily reduce advertising spend for the second half of 2019 to help offset the pressure on our profitability caused by current headwinds. We plan to execute this intended reduction in a targeted manner to ensure continued support for our growth initiatives, including the *Tumi* brand's further international expansion, our DTC e-commerce growth strategy and planned new product introductions."

In the first half of 2019, the *Tumi* brand continued to record solid net sales growth of 4.8%[1] in the first half of 2019, driven by sustained robust growth in Asia (+11.9%[1]) and Europe (+20.4%[1]). The Group will continue investing in expanding the brand's presence in international markets.

In the first half of 2019, the Group's DTC[10] e-commerce net sales increased by 23.9%[1], excluding eBags which was affected by the Group's actions to improve profitability. The Group will continue to invest in its DTC e-commerce growth strategy and focus on improving the margins of the eBags business.

Exciting and innovative new products have always been a key driver of our business, and we will continue to make significant investments in product research and development as well as in marketing to drive our brands' success globally. The *Samsonite* brand, in particular, has a long and illustrious history as the industry leader in

---

[7] The Group generated US$192.6 million of cash from operating activities during the six months ended June 30, 2019 compared to US$56.2 million for the first half of 2018. Excluding the impacts from IFRS 16, operating cash flow was US$113.0 million for the first half of 2019, reflecting a US$56.8 million increase from the first half of 2018.

[8] As of June 30, 2019, the Group had US$489.3 million of cash and cash equivalents and US$1,922.1 million of debt (excluding deferred financing costs of US$14.9 million), resulting in a net debt position of US$1,432.8 million.

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

[10] The direct-to-consumer ("DTC") distribution channel comprises company-operated retail stores and direct-to-consumer e-commerce.

innovation. We launched a number of exciting new products this year already and have a strong new product pipeline planned for the remainder of the year.

Mr. Gendreau concluded, "We remain focused on executing our cost cutting and profit enhancing initiatives, including increasing our bricks-and-mortar retail profitability while continuing targeted retail expansion at a slower pace, maintaining tight control on non-advertising SG&A expenses, and continuing to improve net working capital efficiency by bringing inventory turnover days back in line with prior years. These initiatives have begun to positively impact our results in the first half of this year, and we expect they will position the business to deliver improved results going into the remainder of 2019 and into 2020."

Table 1: Key Financial Highlights

	As reported		**As adjusted for IFRS 16[2]**	**As reported**	
US$ millions, except per share data	**Six months ended June 30, 2019**	Six months ended June 30, 2018	Six months ended June 30, 2018	Percentage increase (decrease) 2019 vs. 2018	Percentage increase (decrease) 2019 vs. 2018 excl. foreign currency effects[1]
Net sales	**1,755.7**	1,848.7	1,848.7	(5.0)%	(1.5)%
Operating profit[11]	**124.0**	201.8	208.3	(38.5)%	(36.9)%
Profit attributable to the equity holders[12]	**49.1**	67.8	60.4	(27.5)%	(26.0)%
Adjusted Net Income[2, 13]	**97.0**	119.8	111.2	(19.0)%	(17.7)%
Adjusted EBITDA[2, 13]	**213.5**	276.8	265.0	(22.9)%	(20.0)%
Adjusted EBITDA Margin[2, 13]	**12.2%**	15.0%	14.3%		

---

[11] Operating profit for the six months ended June 30, 2019 decreased by US$44.7 million, or 21.5%, to US$163.6 million when excluding the non-cash charge for the impairment of lease right-of-use assets and property, plant and equipment attributable to certain retail locations and the costs to implement profit improvement initiatives during the six months ended June 30, 2019, compared to US$208.3 million for the same period in the previous year (as recast to adjust for IFRS 16 impacts)[2].

[12] Profit attributable to the equity holders for the six months ended June 30, 2019 decreased by US$13.8 million, or 13.9%, to US$86.1 million when excluding the non-cash charge for the impairment of lease right-of-use assets and property, plant and equipment attributable to certain retail locations and the costs to implement profit improvement initiatives, net of the related tax impact during the six months ended June 30, 2019, compared to US$99.9 million for the six months ended June 30, 2018 (as recast to adjust for IFRS 16 impacts)[2] when excluding the non-cash charge of US$53.3 million and the related tax impact during the six months ended June 30, 2018 to write-off the deferred financing costs related to the refinancing of the Group's original senior credit facilities in the first half of 2018.

[13] When comparing the actual results for Adjusted Net Income and Adjusted EBITDA for the six months ended June 30, 2019 against the "as adjusted for IFRS 16" results[2] for the six months ended June 30, 2018, the year-on-year changes were:

- Adjusted Net Income decreased by 12.8% (-11.3% constant currency);
- Adjusted EBITDA decreased by 19.4% (-16.4% constant currency); and
- Adjusted EBITDA margin decreased by 210 basis points.

For Immediate Release

Table 1: Key Financial Highlights (continued)

	As reported		**As adjusted for IFRS 16[2]**	**As reported**	
US$ millions, except per share data	**Six months ended June 30, 2019**	Six months ended June 30, 2018	Six months ended June 30, 2018	Percentage increase (decrease) 2019 vs. 2018	Percentage increase (decrease) 2019 vs. 2018 excl. foreign currency effects[1]
Basic earnings per share ("EPS") – US$ per share	**0.034**	0.048	0.042	(27.8)%	(26.3)%
Diluted EPS – US$ per share	**0.034**	0.047	0.042	(27.2)%	(25.6)%
Adjusted basic EPS[14] – US$ per share	**0.068**	0.084	0.078	(19.3)%	(18.0)%
Adjusted diluted EPS[14] – US$ per share	**0.068**	0.083	0.077	(18.6)%	(17.3)%

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

Net Sales

Economic headwinds continued to impact certain of the Group's key markets during the first half of 2019, particularly the U.S., China's B2B market, South Korea and Chile. Excluding these four markets, the Group's net sales grew by 3.5%[1], driven by a 4.6%[1] increase in Asia (excluding B2B net sales in China and net sales in South Korea) and 1.9%[1] growth in Europe. Overall, the Group's net sales decreased by 1.5%[1] for the six months ended June 30, 2019. Unfavorable foreign currency conversion had a negative translation impact of approximately US$65.2 million, resulting in a 5.0% decrease in the Group's US Dollar reported net sales to US$1,755.7 million during the first half of 2019.

Net Sales Performance by Region

North America

During the first half of 2019, net sales in North America decreased by 5.7%[1] year-on-year to US$654.3 million, driven by a 5.6% decline in net sales in the U.S. This reduction was mainly attributable to a 7.3%[1] decrease in North American wholesale net sales as uncertainty about the timing and outcome of U.S.-China trade negotiations resulted in greater caution among U.S. retailers, leading them to more closely manage inventory levels and to shift the timing of wholesale orders. The Group's North American DTC net sales (which include net sales from both bricks-and-mortar retail and DTC e-commerce) were affected by ongoing efforts to phase out sales of certain lower margin third party brands on the Group's eBags e-commerce website to enhance profitability, as well as lower bricks-and mortar retail sales due to reduced foreign tourist traffic into gateway markets in the U.S. Excluding eBags, DTC net sales in North America were up slightly by 0.1%[1] year-on-year, with strong growth in DTC e-commerce (+20.6%[1]) offsetting headwinds in bricks-and-mortar retail. Overall, the Group's North American DTC net sales decreased by 3.5%[1] during the first half of 2019.

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

For Immediate Release

Net sales of the *Samsonite* brand in North America decreased by 4.7%[1] year-on-year due to the decreases in wholesale and bricks-and-mortar retail net sales discussed above. Net sales of the *Tumi* brand in North America decreased by 2.9%[1] driven by the Group's successful efforts to identify and stop sales to trans-shippers who were selling *Tumi* products to unauthorized distributors in Asia and from reduced tourist traffic in U.S. gateway cities. Net sales of the *American Tourister* brand during the first half of 2019 increased by 2.5%[1] compared to the same period in 2018, which was a strong half for the brand with net sales growth of 12.0%[1] year-on-year.

Asia

In Asia, the Group continued to achieve healthy net sales gains in Japan (+4.8%[1]), India (+9.2%[1]) and China excluding B2B sales during the first half of 2019, which were largely offset by declines in B2B sales in China and continued weakness in South Korea. In China, B2B sales remained slow and the Group has also been managing down the mix of sales from this channel, resulting in an overall net sales decrease of 1.6%[1] during the first half of 2019 compared to the same period in the previous year. Excluding B2B orders for both periods, net sales in China increased by 8.7%[1] year-on-year driven by the *Tumi* brand. The Group continued to experience challenging market conditions in South Korea, where net sales decreased by 8.7%[1]. Excluding net sales in South Korea and B2B sales in China, Asia recorded a net sales increase of 4.6%[1] during the first half of 2019. Overall, Asia recorded a net sales increase of 0.2%[1] to US$643.6 million for the six months ended June 30, 2019.

For the six months ended June 30, 2019, net sales of the *Tumi* brand increased by 11.9%[1] year-on-year due to the continued successful penetration of the brand throughout key markets in Asia. Net sales of the *Samsonite* brand decreased by 1.3%[1] year-on-year primarily due to challenging trading conditions in China and South Korea. Net sales of the *American Tourister* brand during the six months ended June 30, 2019 decreased by 3.0%[1] versus the first half of 2018 which had been particularly strong for the brand with net sales growth of 17.7%[1] year-on-year.

Europe

The Group recorded net sales growth of 1.9%[1] in Europe to US$371.3 million during the first half of 2019. Net sales gains in Germany (+6.8%[1]), Russia (+21.4%[1]) and Spain (+2.0%[1]) were partially offset by declines in Italy (-4.0%[1]) and the United Kingdom[15] (-3.6%[1]), where increased economic and political uncertainty impacted sales.

During the first half of 2019, net sales of the *Tumi* brand in Europe increased by 20.4%[1] compared to the same period in the previous year. Net sales of the *Samsonite* brand in Europe decreased by 2.2%[1] during the first half of 2019 compared to the same period in 2018. Net sales of the *American Tourister* brand increased by 3.0%[1] during the six months ended June 30, 2019 versus the first half of 2018, which was particularly strong for the brand with net sales growth of 49.5%[1] year-on-year.

Latin America

The Group's net sales in Latin America increased by 3.4%[1] for the six months ended June 30, 2019 compared to the same period in the prior year primarily due to increases in Mexico and Argentina. Net sales in Mexico increased by 4.7%[1] primarily attributable to increases in net sales of the *Tumi* brand resulting from the Group moving from a third party distributor model to direct distribution of the brand, as well as an increase in *Xtrem* brand net sales. Net sales in Argentina increased by 160.5%[1] due to the Argentinian government easing restrictions on imports, resulting in Argentinian consumers buying more products in their home country instead

---

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

of traveling to neighboring countries like Chile. Net sales in Brazil increased by 5.3%[1, 16]. These constant currency net sales gains were partially offset by a 7.5%[1] decrease in net sales in Chile due to a decrease in consumer traffic caused by Argentinian tourists purchasing more within their home country, along with weak domestic consumer sentiment.

Table 2: Net Sales by Region

Region[17]	**Six months ended June 30, 2019 US$ millions**	Six months ended June 30, 2018 US$ millions	Percentage increase (decrease) 2019 vs. 2018	Percentage increase (decrease) 2019 vs. 2018 excl. foreign currency effects[1]
North America	**654.3**	695.0	(5.9)%	(5.7)%
Asia	**643.6**	668.3	(3.7)%	0.2%
Europe	**371.3**	392.7	(5.4)%	1.9%
Latin America	**84.7**	90.6	(6.5)%	3.4%

Net Sales Performance by Brand

Samsonite

During the first half of 2019, net sales of the *Samsonite* brand decreased by 2.4%[1] year-on-year to US$792.6 million primarily due to economic headwinds in the U.S. and South Korea, as well as a reduction in B2B sales in China. Excluding these three markets, *Samsonite* brand net sales were down marginally by 0.3%[1] year-on-year. The *Samsonite* brand accounted for 45.1% of the Group's net sales in the first half of 2019 compared to 45.8% in the same period in 2018.

Tumi

The *Tumi* brand continued to achieve strong net sales growth in Asia (+11.9%[1]), Europe (+20.4%[1]) and Latin America (+178.2%[1]). Net sales of *Tumi* in North America decreased by 2.9%[1] year-on-year driven by the Group's successful efforts to identify and stop sales to trans-shippers who were selling *Tumi* products to unauthorized distributors in Asia and from reduced tourist traffic gateway cities in the U.S. Overall, *Tumi* brand net sales grew by 4.8%[1] to US$363.4 million for the six months ended June 30, 2019. The *Tumi* brand accounted for 20.7% of the Group's net sales in the first half of 2019 compared to 19.1% in the same period in 2018.

American Tourister

The *American Tourister* brand recorded net sales of US$320.6 million in the first half of 2019, a decrease of 0.8%[1] year-on-year, with increases in Europe (+3.0%[1]), North America (+2.5%[1]) and Latin America (+2.3%[1]) being offset by a decrease in Asia (-3.0%[1]). This performance was mainly attributable to the strong sales of the brand in the first half of 2018, when the *American Tourister* brand recorded robust net sales growth of 24.2%[1], driven by the launch of a major global marketing campaign. The *American Tourister* brand's share of the Group's net sales in the first half of 2019 remained unchanged at 18.3% compared to the same period in 2018.

---

[16] Excludes sales made to distributors in Brazil from outside the country.

[17] The geographic location of the Group's net sales generally reflects the country/territory from which its products were sold and does not necessarily indicate the country/territory in which its end consumers were actually located.

For Immediate Release

Speck, High Sierra* and *Gregory

During the first half of 2019, net sales of the *Speck* brand decreased by 10.6%[1] due to retailers managing inventory levels in anticipation of a new device launch. Net sales of the *High Sierra* brand decreased by 11.9%[1] year-on-year due to reduced replenishment orders and some shift in order timing by retailers in North America. Net sales of the *Gregory* brand increased by 22.1%[1] year-on-year driven by continued strong growth in Asia.

Table 3: Net Sales by Brand

Brand	**Six months ended June 30, 2019 US$ millions**	Six months ended June 30, 2018 US$ millions	Percentage increase (decrease) 2019 vs. 2018	Percentage increase (decrease) 2019 vs. 2018 excl. foreign currency effects[1]
Samsonite	**792.6**	847.3	(6.5)%	(2.4)%
Tumi	**363.4**	353.2	2.9%	4.8%
American Tourister	**320.6**	338.9	(5.4)%	(0.8)%
Speck	**50.2**	56.2	(10.6)%	(10.6)%
High Sierra	**39.3**	45.0	(12.8)%	(11.9)%
Gregory	**34.9**	29.1	19.7%	22.1%
Other[18]	**154.8**	179.1	(13.5)%	(9.7)%

Performance by Distribution Channel

The Group continued to grow its DTC distribution channel, focusing on DTC e-commerce while slowing the pace of its bricks-and-mortar retail expansion. The Group's DTC e-commerce net sales increased by 23.9%[1] during the first half of 2019, excluding eBags. Net sales through the eBags website in the U.S. were impacted by the Group's ongoing efforts to phase out sales of certain lower margin third party brands to drive profitability. Overall, the Group's DTC e-commerce net sales rose by 6.8%[1] year-on-year, contributing 9.6% of net sales for the six months ended June 30, 2019 versus 8.7% of net sales for the same period in 2018.

Net sales in the DTC retail channel grew by 3.3%[1] driven by the addition of 27 net new stores during the period, plus the contribution from the 84 net new company-operated retail stores added during 2018, partially offset by a 2.1% decrease in constant currency same store retail net sales[19]. This was due to constant currency same store net sales decreases of 5.3%, 0.2% and 0.2% in North America, Latin America and Europe, respectively, partly offset by a 0.8% constant currency same store net sales increase in Asia. Overall, net sales in the DTC distribution channel increased by 4.2%[1] year-on-year contributing US$624.8 million, or 35.6%, of the Group's net sales for the six months ended June 30, 2019 compared to 33.6% of net sales for the same period in 2018.

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

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

Net sales in the wholesale channel decreased by 4.4%[1] for the first half of 2019 compared to the same period in 2018, primarily due to sales decreases in North America, the China B2B market and South Korea.

Table 4: Net Sales by Distribution Channel

Distribution Channel	**Six months ended June 30, 2019 US$ millions**	Six months ended June 30, 2018 US$ millions	Percentage increase (decrease) 2019 vs. 2018	Percentage increase (decrease) 2019 vs. 2018 excl. foreign currency effects[1]
Wholesale	**1,129.1**	1,226.0	(7.9)%	(4.4)%
DTC	**624.8**	620.6	0.7%	4.2%

Gross Profit

The Group's gross profit margin decreased by 50 basis points to 56.0% for the first half of 2019 compared to 56.5% for the same period in the previous year due to additional U.S. tariffs on product sourced from China, sales mix, higher raw materials costs in Europe and increased sales promotions in certain markets. Gross profit decreased by US$60.7 million, or 5.8%, to US$983.0 million for the six months ended June 30, 2019. The Group will continue to diversify its sourcing base and to renegotiate pricing with vendors for the U.S. market to counter the recent U.S. tariff increases while maintaining high quality standards.

Operating Profit

Distribution expenses increased by 0.3% in the first half of 2019 compared to the first half of 2018. The increase in distribution expenses, along with the year-on-year decrease in net sales, resulted in distribution expenses as a percentage of the Group's net sales rising to 34.2% for the first half of 2019 from 32.4% during the same period in 2018.

Beginning in the second half of 2018, the Group slowed the pace of new store openings, particularly in Europe, to moderate the growth in distribution expenses, and continued to do so in the first half of 2019. The Group also performed a comprehensive review of its retail store portfolio during the second quarter of 2019, evaluating the closure of unprofitable stores where it saw limited future potential and where the Group will attempt to negotiate acceptable exit terms, while continuing to focus on enhancing profitability across the rest of its store network. In Europe, the Group added 13 net new stores in the first half of 2019 versus 28 in the first half of 2018, and reorganized the retail management team to enhance operational efficiency. On a consolidated basis, the Group added 27 net new company-operated retail stores during the first half of 2019, compared to the 84 added in 2018 (of which 52 were added during the first half of 2018 and 32 during the second half). The year-on-year increase in distribution expenses began to moderate as the pace of retail expansion slowed and profit improvement initiatives began to take effect.

The Group spent US$103.1 million on marketing during the six months ended June 30, 2019 compared to US$114.3 million for the same period in 2018, a decrease of 9.8%. As a percentage of net sales, marketing expenses decreased by 30 basis points to 5.9% for the first half of 2019 from 6.2% for the same period in 2018 (advertising spend in the first half of 2018 was higher due to the timing of the *American Tourister* global marketing campaign).

For Immediate Release

General and administrative expenses were down to 6.5% of net sales in the first half of 2019 from 6.7% of net sales in the first half of 2018, largely driven by a reduction in professional advisory fees related to the implementation of new accounting standards along with the Group maintaining tight control of its general and administrative costs.

For the six months ended June 30, 2019, the Group recognized a non-cash impairment charge totaling US$29.7 million[20] related to lease right-of-use assets[21] and store fixed assets associated with unprofitable retail locations and the anticipated closure of some of these stores. The Group also recorded net other expenses of US$11.9 million for the first half of 2019, which included costs related to profit improvement initiatives totaling US$9.8 million.

For the six months ended June 30, 2019, the Group's operating profit decreased by US$44.7 million, or 21.5%, to US$163.6 million when excluding the aforementioned non-cash impairment charge and the costs to implement profit improvement initiatives during the six months ended June 30, 2019, compared to US$208.3 million for the same period in the previous year (as recast to adjust for IFRS 16 impacts)[2]. The Group's operating profit, as reported, decreased by US$77.8 million, or 38.5%, year-on-year to US$124.0 million.

Net Finance Costs

Net finance costs decreased by US$43.1 million, or 46.2%, to US$50.1 million for the six months ended June 30, 2019 versus US$93.2 million for the same period in the previous year. For the six months ended June 30, 2018, net finance costs of US$93.2 million included a US$53.3 million write-off of deferred financing costs associated with the Group refinancing its debt. Excluding the non-cash deferred financing costs write-off, net finance costs were US$56.7 million for the first half of 2018 (as recast to adjust for IFRS 16 impacts)[2].

Profit Attributable to Equity Holders

The Group's profit attributable to the equity holders for the six months ended June 30, 2019 decreased by US$13.8 million, or 13.9%, to US$86.1 million when excluding the non-cash charge for the impairment of lease right-of-use assets and property, plant and equipment attributable to certain retail locations and the costs to implement profit improvement initiatives, net of the related tax impact during the six months ended June 30, 2019, compared to US$99.9 million for the six months ended June 30, 2018 (as recast to adjust for IFRS 16 impacts)[2] when excluding the non-cash charge of US$53.3 million and the related tax impact during the six months ended June 30, 2018 to write-off the deferred financing costs associated with the Group refinancing its

---

[20] Based on an evaluation of loss-making stores in the six months ended June 30, 2019 and the anticipated closure of some of these stores due to reduced traffic and under-performance, the Group determined that the carrying amounts of certain lease right-of-use assets and certain property, plant and equipment as of June 30, 2019 exceeded their respective recoverable amounts. The Group recognized a non-cash impairment charge totaling US$29.7 million for the first half of 2019, recorded in the Group's consolidated income statements in the line item "Impairment of property, plant and equipment and lease right-of-use assets". This non-cash impairment charge comprised the write-off of US$21.0 million of lease right-of-use assets associated with such stores that were recently recognized with the adoption of IFRS 16 and US$8.7 million in impairment for property, plant and equipment of such stores.

[21] The adoption of IFRS 16 resulted in most of the Group's leases being recognized on the consolidated statement of financial position. Under the new standard, an asset (the right-to-use the underlying asset) and a financial liability to make minimum contractual payments have been recognized. For further discussion regarding the Group's adoption of IFRS 16 on January 1, 2019, see note 3(b) Changes in Accounting Policies and note 16 Leases in the Notes to the Consolidated Interim Financial Statements in its Interim Results Announcement for the six months ended June 30, 2019 filed with The Stock Exchange of Hong Kong Limited.

debt. Profit attributable to the equity holders, as reported, decreased by US$18.7 million, or 27.5%, from the same period in the previous year to US$49.1 million.

Adjusted EBITDA and Adjusted Net Income

The Group's Adjusted EBITDA decreased by US$51.5 million, or 19.4%, to US$213.5 million for the six months ended June 30, 2019 compared to US$265.0 million for the same period in the previous year (as recast to adjust for IFRS 16 impacts)[2]. Adjusted EBITDA margin was 12.2% for the six months ended June 30, 2019 compared to 14.3% for the six months ended June 30, 2018 (as recast to adjust for IFRS 16 impacts)[2]. This decrease was primarily due to the decrease in net sales and the effect of investments in the DTC distribution channel, particularly in connection with bricks-and-mortar retail stores that were opened in 2017 and 2018. For the six months ended June 30, 2019, the Group's Adjusted EBITDA decreased by US$63.3 million, or 22.9%, to US$213.5 million and the Group's Adjusted EBITDA margin decreased by 280 basis points year-on-year to 12.2%.

The Group's Adjusted Net Income decreased by US$14.2 million, or 12.8%, to US$97.0 million for the six months ended June 30, 2019 from US$111.2 million for the six months ended June 30, 2018 (as recast to adjust for IFRS 16 impacts)[2] due to the factors discussed above. The Group's reported Adjusted Net Income decreased by US$22.7 million, or 19.0%, to US$97.0 million during the first half of 2019.

Cash Flow and Working Capital

The Group generated US$192.6 million of cash from operating activities during the six months ended June 30, 2019 compared to US$56.2 million for the first half of 2018. Excluding the impacts from IFRS 16, operating cash flow was US$113.0 million for the first half of 2019, reflecting a US$56.8 million increase from the first half of 2018, primarily driven by improved working capital management, coming from a US$52.9 million reduction in cash outflows from changes in inventories (from US$56.4 million in the first half of 2018 to US$3.5 million in the first half of 2019), and a US$22.2 million reduction in cash outflows from changes in trade and other payables (from US$41.4 million in the first half of 2018 to US$19.2 million in the first half of 2019). Separately, cash used in investing activities in the first half of 2019 decreased by US$17.4 million year-on-year, driven by a US$15.1 million year-on-year decrease in capital expenditures (from US$41.1 million in the first half of 2018 to US$26.0 million in the first half of 2019) mainly due to fewer new store openings.

The Group maintained its focus on improving its working capital. The Group's net working capital balances at June 30, 2019 were more or less consistent with the levels at June 30, 2018. Net working capital efficiency[22] came in at 14.8% of net sales at June 30, 2019, 80 basis points higher than last year (14.0% at June 30, 2018) due to the decrease in net sales year-on-year. This was an improvement from March 31, 2019, when net working capital efficiency was 220 basis points higher year-on-year (16.7% at March 31, 2019 compared to 14.5% at March 31, 2018). The Group continues to focus on improving its net working capital efficiency and returning to target levels.

2019 First Half Results Live Webcast Information:

Date: Wednesday, August 21, 2019
Time: 09:00 New York / 14:00 London / 21:00 Hong Kong
Webcast Link: http://webcast.live.wisdomir.com/samsonite_19ir/index_en.php

– End –

[22] Net working capital efficiency is calculated as net working capital (the sum of inventories and trade and other receivables, net less accounts payable) divided by annualized net sales.

For Immediate Release

About Samsonite

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

For more information, please contact:

Samsonite International S.A. – Hong Kong Branch

William Yue
Tel: +852 2422 2611
Fax: +852 2480 1808
Email: william.yue@samsonite.com

Helena Sau
Tel: +852 2945 6278
Fax: +852 2480 1808
Email: helena.sau@samsonite.com

Artemis Associates

Diana Footitt
Tel: +852 2861 3488
Mob: +852 9183 0667
Email: diana.footitt@artemisassociates.com

Liz Kenyon
Tel: +852 2861 3285
Mob: +852 6908 7578
Email: liz.kenyon@artemisassociates.com

Bowen Chui
Tel: +852 2861 3222
Mob: +852 9783 0643
Email: bowen.chui@artemisassociates.com

United States – Joele Frank, Wilkinson Brimmer Katcher

Michael Freitag
+1 212 355 4449
Samsonite-JF@joelefrank.com

Tim Ragones
Tel: +1 212 355 4449

United Kingdom – Newgate Communications

Andrew Adie
+44 20 7680 6556

Clotilde Gros
+44 20 7680 6522
+44 789 9790 749

Jessica Hodson-Walker
+44 20 7680 6538
+44 7471 215 781

samsonite@newgatecomms.com

Non-IFRS Measures

The Company has presented certain non-IFRS measures in this press release because each of these measures provides additional information that management believes is useful in gaining a more complete understanding of the Group's operational performance and of the trends impacting its business to securities analysts, investors and other interested parties. These non-IFRS financial measures, as calculated herein, may not be comparable to similarly named measures used by other companies, and should not be considered comparable to IFRS measures. 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.

For Immediate Release

Forward-Looking Statements

This press release contains forward-looking statements. All statements other than statements of historical fact contained in this press release, including, without limitation, the discussions of the Group's business strategies and expectations concerning future operations, margins, profitability, liquidity and capital resources, the future development of the Group's industry and the future development of the general economy of the Group's key markets and any statements preceded by, followed by or that include words and expressions such as "expect", "seek", "believe", "plan", "intend", "estimate", "project", "anticipate", "may", "will", "would" and "could" or similar words or statements, as they relate to the Group or its management, are intended to identify forward-looking statements.

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

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

Rounding

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