



## **Samsonite International S.A. Announces Results for the Three and Nine Months Ended September 30, 2024**

**Third quarter 2024 consolidated net sales decreased by 6.8%<sup>1</sup>  
versus a strong net sales base in prior year period**

**Recorded gross profit margin of 59.3% and Adjusted EBITDA margin<sup>2</sup> of 17.6% for the third quarter of 2024**

**Generated strong third quarter 2024 Free Cash Flow<sup>3</sup> of US\$94.2 million,  
a year-on-year increase of US\$5.4 million**

**Returned a total of US\$222.0 million to shareholders through a cash distribution of US\$150.0 million and  
share buybacks of US\$72.0 million during the third quarter of 2024**

**Maintained substantial liquidity<sup>4</sup> of US\$1.4 billion and healthy total net leverage ratio<sup>5</sup> at 1.68x  
as of September 30, 2024**

**HONG KONG, November 13, 2024** – 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 information for the three and nine months ended September 30, 2024.

### **Overview**

Commenting on the results, Mr. Kyle Gendreau, Chief Executive Officer, said, “We are encouraged by Samsonite’s results in the third quarter of 2024. While our net sales performance was impacted by softer-than-expected global consumer sentiment, an elevated promotional environment across our markets, as well as comparison to a record third quarter 2023 net sales that were driven by the post-pandemic surge in travel, we moderated the resulting impact on our profitability which remained well above the comparable period in 2019. We achieved this by leveraging our decentralized organizational structure and empowering our local teams to maintain discipline with promotional discounts and control expenses. We continued to invest in elevating our brands and driving long-term growth, including maintaining marketing spend as a percentage of net sales at a higher level compared to the corresponding period in 2019, as well as continuing to expand and upgrade our company-operated retail store fleet. Furthermore, we remain focused on closely managing cash and working capital to maintain strong Free Cash Flow<sup>3</sup> generation. We initiated our share buyback program in August 2024 and repurchased approximately 30.0 million shares during the third quarter. At the same time, we continued to maintain substantial liquidity<sup>4</sup> and a healthy total net leverage ratio<sup>5</sup> as of September 30, 2024, positioning Samsonite to continue to invest for long-term growth.”

“We are seeing improving trends as we go into the fourth quarter of 2024, and we expect to benefit from an anticipated improvement in consumer confidence in China from the economic stimulus measures recently announced by the Chinese government, as well as sequentially more favorable year-on-year net sales comparisons relative to the third quarter of 2024. Our view on full year net sales remains relatively unchanged since our last earnings report; we expect the Group’s net sales for full year 2024 to be approximately flat on a constant currency basis versus a strong net sales base in 2023.”

“Looking ahead, we expect annual net sales growth to resume in 2025 versus a more normalized base, as we continue to invest in the business to drive new product innovations, channel and product category expansion, and optimized marketing spend to elevate our brands. Consumers have continued to prioritize travel despite macroeconomic headwinds, and travel trends are expected to remain robust over the next several years, driving long-term growth in our business.”

“We remain focused on driving profitable sales growth through our higher-margin brands, channels, and regions, supported by disciplined expense management. We are confident in our ability to maintain robust margins in the near term, and to deliver positive operating leverage and margin expansion in the long run. Additionally, we will continue to leverage our asset-light business model to maintain strong Free Cash Flow<sup>3</sup> generation. This will provide additional flexibility in capital allocation allowing us to continue to invest in organic growth, return cash to our shareholders, and deleverage our balance sheet going forward.”

“We continue to make great progress on ‘Our Responsible Journey’, leveraging our leadership position to create a path towards a more sustainable future for the industry. At the beginning of November, we announced an ambitious near-term science-based target to reducing emissions across our operations and supply chain. As part of this announcement, we committed to continuing to use 100% renewable electricity in all our own operations, and to significantly increase the recycled content in the materials used to manufacture our products to reduce Scope 3 emissions from purchased goods and services by 2030.”

Mr. Gendreau concluded, “Our preparations for a potential dual listing of the Company’s securities in the United States continue to progress. Our Board of Directors and management believe this process will enhance value creation for our shareholders over time by increasing trading volumes and making our securities more accessible to investors in the U.S. and globally.”

### **2024 Third Quarter Highlights**

During the three months ended September 30, 2024, the Group recorded net sales of US\$877.7 million, a decrease of 6.8%<sup>1</sup> year-on-year. The decline was driven by global consumer sentiment that was softer than the Group's expectations and by an elevated promotional environment across the Group's markets, particularly in India. The year-over-year net sales comparison was also impacted by record third quarter 2023 net sales that were driven by the post-pandemic surge in travel.

For the three months ended September 30, 2024, net sales of the *Samsonite* brand decreased by 2.2%<sup>1</sup> with growth in North America and Latin America, offset by decreases in Asia and Europe. Total net sales for the *Tumi* brand decreased by 8.9%<sup>1</sup> year-on-year due to softer consumer demand and traffic impacting many premium and luxury brands, particularly in the United States and China. Total net sales of the *American Tourister* brand decreased by 15.1%<sup>1</sup> due to intensified promotional activity by competitors in India and greater caution from wholesale customers in North America.

The year-over-year decrease in net sales during the third quarter of 2024 was attributable to a 11.5%<sup>1</sup> decline in net sales in Asia due to consumer sentiment that was softer than anticipated, particularly in China where net sales decreased by 14.9%<sup>1</sup>, while net sales in India decreased by 24.3%<sup>1</sup> due to increased promotional activity by competitors. Excluding China and India, net sales in Asia decreased by 6.2%<sup>1</sup> year-on-year. In North America, net sales of the *Samsonite* brand increased by 3.5%<sup>1</sup>, offset by a 14.2%<sup>1</sup> decline in net sales of the *Tumi* brand due to slower retail traffic and decreased consumer spending on premium and luxury brands, as well as a 27.5%<sup>1</sup> decrease in net sales of the *American Tourister* brand due to greater caution from wholesale customers. As a result, net sales in North America declined by 7.8%<sup>1</sup> during the third quarter of 2024, year-on-year. In Europe, net sales of the *Tumi* brand increased by 7.1%<sup>1</sup> as we continued to invest behind the brand, including the addition of 7 net new company-operated *Tumi* retail stores opened since September 30, 2023, though total net sales in Europe decreased by 1.7%<sup>1</sup> overall due to softened consumer demand within the region. Net sales in Latin America increased by 13.7%<sup>1</sup>, year-on-year, for the three months ended September 30, 2024.

During the three months ended September 30, 2024, total net sales in the Group's direct-to-consumer ("DTC") channel decreased by 0.8%<sup>1</sup> and net sales in the Group's wholesale channel decreased by 10.4%<sup>1</sup>, year-on-year. The DTC channel accounted for 39.8% of total net sales during the third quarter of 2024 versus 37.7% during the comparable period in 2023. The Group added a net 21 company-operated retail stores during the third quarter of 2024, bringing the total number of company-operated retail stores to 1,104 as of September 30, 2024, compared to 1,021 as of September 30, 2023.

The Group recorded gross profit margin of 59.3% for the three months ended September 30, 2024, a slight reduction of 30 basis points year-on-year, due to the decrease in net sales from the higher-margin Asia region and *Tumi* brand, partially offset by an increased share of total net sales from the Group's DTC channel and continued discipline on promotional discounts. Although the Group's third quarter 2024 gross profit margin decreased year-over-year, at 59.3% it remained 360 basis points higher than the 55.7% for the third quarter of 2019.

The Group continued to invest in marketing to support its brands, spending US\$55.7 million during the third quarter of 2024. This represents a decrease of 6.3% year-on-year, as the regional and country teams proactively adjusted marketing spend in response to evolving market conditions. As a percentage of net sales marketing expenses increased by 10 basis points to 6.3% for the three months ended September 30, 2024, compared to 6.2% during the corresponding period in 2023, and by 140 basis points versus 4.9% for the third quarter of 2019.

Third quarter 2024 fixed SG&A expenses were relatively unchanged at US\$215.6 million compared to the US\$214.8 million recorded in the third quarter of 2023, despite the addition of 83 net new company-operated retail stores opened since September 30, 2023. Fixed SG&A expenses represented 24.6% of net sales in the third quarter of 2024, 270 basis points lower than the 27.3% for the third quarter of 2019, underscoring the Group's ongoing focus on managing the fixed cost structure of the business.

For the three months ended September 30, 2024, the Group's Adjusted EBITDA margin<sup>2</sup> declined by 270 basis points year-over-year to 17.6% but remained 310 basis points higher than the 14.5% for the corresponding period in 2019. As a result, the Group's Adjusted EBITDA<sup>6</sup> decreased by 20.3% to US\$154.6 million, while its Adjusted Net Income<sup>7</sup> decreased by 36.6% to US\$79.7 million for the third quarter of 2024 compared to the corresponding period in 2023.

With prudent cash and working capital management, Samsonite generated strong Free Cash Flow<sup>3</sup> of US\$94.2 million during the third quarter of 2024, and US\$175.8 million for the nine months ended September 30, 2024.

In June 2024, the Company announced a share buyback program of up to US\$200.0 million, reflecting the Company's confidence in its long-term business and growth prospects. The Company initiated the program in August 2024 and repurchased approximately 30.0 million shares for US\$72.0 million in cash during the three months ended September 30, 2024. The Company plans to continue share buybacks through the remainder of 2024 and into 2025. Additionally, the Company paid US\$150.0 million in cash distributions to shareholders in July 2024.

Supported by its strong Free Cash Flow<sup>3</sup> generation, the Group's net debt remained relatively unchanged at US\$1.1 billion<sup>8</sup> as of September 30, 2024, compared to December 31, 2023, despite returning approximately US\$222.0 million to shareholders during the third quarter of 2024. Total net leverage ratio<sup>5</sup> remained healthy at 1.68x as of September 30, 2024.

**Table 1: Key Financial Highlights for the Three Months Ended September 30, 2024**

US\$ millions, except per share data	Three months ended September 30, 2024	Three months ended September 30, 2023	Percentage increase (decrease) 2024 vs. 2023	Percentage increase (decrease) 2024 vs. 2023 excl. foreign currency effects <sup>1</sup>
Net sales	877.7	957.7	(8.3)%	(6.8)%
Gross profit	520.1	570.9	(8.9)%	(7.0)%
Gross profit margin	59.3%	59.6%		
Operating profit	133.0	182.6	(27.2)%	(25.0)%
Profit for the period <sup>9</sup>	71.5	116.5	(38.6)%	(34.1)%
Profit attributable to the equity holders <sup>9</sup>	66.2	108.7	(39.1)%	(34.2)%
Adjusted Net Income <sup>7</sup>	79.7	125.7	(36.6)%	(32.6)%
Adjusted EBITDA <sup>6</sup>	154.6	194.0	(20.3)%	(18.5)%
Adjusted EBITDA margin <sup>2</sup>	17.6%	20.3%		
Basic earnings per share – US\$ per share <sup>9</sup>	0.046	0.075	(39.5)%	(34.6)%
Diluted earnings per share – US\$ per share <sup>9</sup>	0.045	0.075	(39.2)%	(34.3)%
Adjusted basic earnings per share <sup>10</sup> – US\$ per share	0.055	0.087	(37.0)%	(33.0)%
Adjusted diluted earnings per share <sup>10</sup> – US\$ per share	0.055	0.086	(36.7)%	(32.7)%

**Results for the Three Months Ended September 30, 2024**

The Group's performance for the three months ended September 30, 2024, is discussed in greater detail below.

**Net Sales**

For the three months ended September 30, 2024, the Group recorded net sales of US\$877.7 million, a decrease of 6.8%<sup>1</sup> compared to a strong third quarter in 2023, during which net sales increased by 21.2%<sup>1</sup> year-on-year. Global consumer sentiment was softer than the Group anticipated, particularly in China. The Group also continued to experience an elevated promotional environment across its markets, particularly in India.

**Net Sales Performance by Region****Table 2: Net Sales by Region**

Region <sup>11</sup>	Three months ended September 30, 2024 US\$ millions	Three months ended September 30, 2023 US\$ millions	Percentage increase (decrease) 2024 vs. 2023	Percentage Increase (decrease) 2024 vs. 2023 excl. foreign currency effects <sup>1</sup>
Asia	327.6	373.0	(12.2)%	(11.5)%
North America	295.8	321.0	(7.9)%	(7.8)%
Europe	209.2	214.2	(2.3)%	(1.7)%
Latin America	45.1	49.2	(8.3)%	13.7%
Corporate	0.1	0.3	(72.1)%	(72.1)%
Total net sales	877.7	957.7	(8.3)%	(6.8)%

### **Asia**

During the three months ended September 30, 2024, the Group's net sales in Asia decreased by 11.5%<sup>1</sup> to US\$327.6 million against a strong third quarter in 2023, during which net sales increased by 44.9%<sup>1</sup> year-on-year. This resulted in Asia's share of total net sales decreasing to 37.3% in the third quarter of 2024 versus 39.0% in the corresponding period in 2023.

During the third quarter of 2024, net sales in China decreased by 14.9%<sup>1</sup> year-on-year due to softening sentiment among Chinese consumers. Net sales in India declined by 24.3%<sup>1</sup> year-on-year due to intensified promotional activity by competitors while the Group maintained discipline on promotional discounts to protect brand equity. Increased consumer caution also impacted performance in South Korea, Hong Kong<sup>12</sup> and Singapore<sup>13</sup>, where net sales decreased by 10.8%<sup>1</sup>, 31.0%<sup>1</sup> and 13.7%<sup>1</sup>, respectively, compared to the same period in 2023. These net sales declines were partially offset by net sales increases in Japan of 1.4%<sup>1</sup> and in Australia of 19.1%<sup>1</sup> in the third quarter of 2024 compared to the same period in 2023.

### **North America**

For the three months ended September 30, 2024, the Group recorded net sales of US\$295.8 million in North America, a decrease of 7.8%<sup>1</sup> compared to a high net sales base in the prior year period, during which net sales increased by 10.0%<sup>1</sup> year-on-year. During the third quarter of 2024, net sales of the *Samsonite* brand increased by 3.5%<sup>1</sup> due to stronger resilience in consumer demand in the mid-section of the market, offset by a 14.2%<sup>1</sup> decline in net sales of the *Tumi* brand due to slower retail traffic and decreased consumer spending on premium and luxury brands, as well as a 27.5%<sup>1</sup> decrease in net sales of the *American Tourister* brand due to greater caution from wholesale customers. The Group's net sales in the United States and Canada decreased by 6.8%<sup>1</sup> and 21.6%<sup>1</sup>, respectively, in the third quarter of 2024 compared to the corresponding period in 2023.

### **Europe**

For the three months ended September 30, 2024, the Group's net sales in Europe decreased by 1.7%<sup>1</sup> year-on-year to US\$209.2 million. During the third quarter of 2024, net sales of the *Tumi* brand in Europe increased by 7.1%<sup>1</sup> as we continued to invest behind the brand, including the addition of 7 net new company-operated *Tumi* retail stores opened since September 30, 2023. The slight decrease in net sales in Europe during the third quarter of 2024 compared to the same period in 2023 was due to softer consumer sentiment within the region, which resulted in net sales decreases in Germany of 20.6%<sup>1</sup>, in Italy of 9.7%<sup>1</sup>, in the United Kingdom<sup>14</sup> of 8.5%<sup>1</sup>, and in France of 7.7%<sup>1</sup>, partially offset by Belgium<sup>15</sup>, where net sales increased by 9.8%<sup>1</sup>, and Spain, with net sales growth of 3.9%<sup>1</sup>. A strong net sales base in the third quarter of 2023 also impacted year-over-year net sales comparison.

### **Latin America**

For the three months ended September 30, 2024, the Group recorded net sales of US\$45.1 million in Latin America, an increase of 13.7%<sup>1</sup> compared to the corresponding period in 2023, driven by year-on-year net sales increases of 4.6%<sup>1</sup> in Mexico, partially offset by decreases of 2.4%<sup>1</sup> in Chile and 12.4%<sup>1</sup> in Brazil.

## Net Sales Performance by Brand

**Table 3: Net Sales by Brand**

Brand	Three months ended September 30, 2024 US\$ millions	Three months ended September 30, 2023 US\$ millions	Percentage increase (decrease) 2024 vs. 2023	Percentage increase (decrease) 2024 vs. 2023 excl. foreign currency effects <sup>1</sup>
<i>Samsonite</i>	<b>479.0</b>	498.2	(3.9)%	(2.2)%
<i>Tumi</i>	<b>193.3</b>	213.7	(9.5)%	(8.9)%
<i>American Tourister</i>	<b>144.3</b>	173.8	(17.0)%	(15.1)%
<b>Other<sup>16</sup></b>	<b>61.1</b>	71.9	(14.9)%	(11.9)%
<b>Total net sales</b>	<b>877.7</b>	957.7	(8.3)%	(6.8)%

For the three months ended September 30, 2024, net sales of the *Samsonite* brand decreased by 2.2%<sup>1</sup> year-on-year due to challenging trading conditions. The decline was mainly attributable to a 10.7%<sup>1</sup> net sales decrease in Asia and a 1.9%<sup>1</sup> decrease in Europe, partially offset by net sales increases of 3.5%<sup>1</sup> in North America and 19.4%<sup>1</sup> in Latin America.

For the three months ended September 30, 2024, net sales of the *Tumi* brand decreased by 8.9%<sup>1</sup> versus the comparable period in 2023, during which net sales increased by 29.8%<sup>1</sup> year-on-year. Supported by ongoing investments in marketing and distribution, net sales of the *Tumi* brand increased by 7.1%<sup>1</sup> in Europe and 27.4%<sup>1</sup> in Latin America, year-on-year. These net sales gains were offset by a 14.2%<sup>1</sup> decrease in North America against a high net sales base in the same period in the previous year, and a 6.6%<sup>1</sup> decrease in Asia due to increased caution among consumers impacting many premium and luxury brands.

Net sales of the *American Tourister* brand declined by 15.1%<sup>1</sup> for the three months ended September 30, 2024, compared to the same period in 2023. During the third quarter of 2024, net sales increased by 6.6%<sup>1</sup> in Latin America. Net sales in Asia decreased by 15.8%<sup>1</sup> primarily due to reduced sales in India because of increased promotional activity by competitors. Net sales in Europe decreased by 8.0%<sup>1</sup>, and net sales in North America decreased by 27.5%<sup>1</sup> due to greater caution from wholesale customers.

## Net Sales Performance by Product Category

**Table 4: Net Sales by Product Category**

Product Category	Three months ended September 30, 2024 US\$ millions	Three months ended September 30, 2023 US\$ millions	Percentage increase (decrease) 2024 vs. 2023	Percentage Increase (decrease) 2024 vs. 2023 excl. foreign currency effects <sup>1</sup>
<b>Travel</b>	<b>588.7</b>	644.5	(8.7)%	(7.3)%
<b>Non-travel<sup>17</sup></b>	<b>289.1</b>	313.1	(7.7)%	(5.7)%
<b>Total net sales</b>	<b>877.7</b>	957.7	(8.3)%	(6.8)%

Net sales in the travel product category decreased by 7.3%<sup>1</sup> year-on-year and accounted for 67.1% of total net sales in the three months ended September 30, 2024, versus 67.3% of total net sales during the same period in 2023. Total non-travel product category<sup>17</sup> net sales decreased by 5.7%<sup>1</sup> year-on-year and accounted for 32.9% of total net sales in the third quarter of 2024, versus 32.7% of total net sales during the third quarter of 2023.

## Net Sales Performance by Distribution Channel

**Table 5: Net Sales by Distribution Channel**

Distribution Channel	Three months ended September 30, 2024 US\$ millions	Three months ended September 30, 2023 US\$ millions	Percentage increase (decrease) 2024 vs. 2023	Percentage Increase (decrease) 2024 vs. 2023 excl. foreign currency effects <sup>1</sup>
Wholesale	527.9	596.7	(11.5)%	(10.4)%
Direct-to-consumer ("DTC")	349.6	360.6	(3.1)%	(0.8)%
Other <sup>18</sup>	0.3	0.3	7.6%	7.6%
<b>Total net sales</b>	<b>877.7</b>	<b>957.7</b>	<b>(8.3)%</b>	<b>(6.8)%</b>

During the three months ended September 30, 2024, the Group's net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, decreased by 0.8%<sup>1</sup> to US\$349.6 million (representing 39.8% of net sales) from US\$360.6 million (representing 37.7% of net sales) in the third quarter of 2023. The Group's DTC retail net sales decreased by 1.8%<sup>1</sup> to US\$257.3 million and comprised 29.3% of net sales during the three months ended September 30, 2024, compared to US\$268.5 million, or 28.0% of net sales, during the third quarter of 2023. Meanwhile, DTC e-commerce net sales increased by 2.1%<sup>1</sup> to US\$92.3 million (representing 10.5% of net sales) during the third quarter of 2024, compared US\$92.1 million (representing 9.6% of net sales) during the third quarter of 2023.

During the three months ended September 30, 2024, the Group added 30 company-operated retail stores, partially offset by the permanent closure of 9 company-operated retail stores. This resulted in a net increase of 21 company-operated retail stores during the third quarter of 2024, compared to a net addition of 20 company-operated retail stores during the third quarter of 2023. The total number of company-operated retail stores was 1,104 as of September 30, 2024, compared to 1,021 as of September 30, 2023.

### Gross Profit

The Group recorded gross profit of US\$520.1 million for the three months ended September 30, 2024, a decline of US\$50.8 million, or 8.9%, year-on-year. Gross profit margin decreased by 30 basis points year-on-year to 59.3% in the third quarter of 2024, due to the decrease in net sales from the higher-margin Asia region and *Tumi* brand, partially offset by an increased share of total net sales from the Group's DTC channel and continued discipline on promotional discounts.

### Distribution Expenses

Distribution expenses were US\$267.1 million for the three months ended September 30, 2024, a slight increase of US\$3.5 million, or 1.3%, compared to US\$263.6 million for the same period in 2023 despite the addition of 83 net new company-operated retail stores opened since September 30, 2023 (including 52 net new company-operated retail stores opened during the first nine months of 2024). Distribution expenses as a percentage of net sales increased to 30.4% of net sales during the third quarter of 2024 compared to 27.5% during the corresponding period in 2023 due to the year-on-year reduction in net sales.

### Investment in Marketing

The Group spent US\$55.7 million on marketing during the three months ended September 30, 2024, a reduction of US\$3.7 million, or 6.3%, year-on-year. As a percentage of net sales, marketing expenses were 6.3% of net sales for the third quarter of 2024, an increase of 10 basis points from 6.2% for the corresponding period in 2023.



**General and administrative expenses**

General and administrative expenses decreased by US\$9.0 million, or 13.9%, year-on-year to US\$55.7 million for the three months ended September 30, 2024. General and administrative expenses represented 6.3% of net sales in the third quarter of 2023, 40 basis points lower compared to 6.7% during the corresponding period in 2023, reflecting the Group's ongoing discipline in managing the fixed cost structure of the business.

**Other expenses**

The Group recorded other expense of US\$8.6 million for the three months ended September 30, 2024, compared to other expense of US\$0.6 million in the same period in 2023, primarily attributable to US\$5.1 million of costs associated with the preparation for a potential dual listing of the Company's securities and complying with related increased regulatory requirements.

**Operating Profit**

The Group reported an operating profit of US\$133.0 million for the three months ended September 30, 2024, a decrease of US\$49.6 million, or 27.2%, year-on-year, primarily due to lower gross profit because of reduced net sales.

**Net Finance Costs and Income Tax Expense**

Net finance costs decreased by US\$8.6 million, or 19.7%, to US\$35.1 million<sup>9</sup> for the three months ended September 30, 2024, from US\$43.7 million<sup>9</sup> for the same period in 2023. This reduction was attributable to a decrease in the non-cash charge associated with redeemable non-controlling interest put options of US\$9.9 million<sup>9</sup>, and a US\$3.1 million reduction in interest expense on loans and borrowings.

The Group recorded an income tax expense of US\$26.5 million for the three months ended September 30, 2024, compared to income tax expense of US\$22.5 million for the same period in 2023.

**Profit for the Period**

Profit for the three months ended September 30, 2024, was US\$71.5 million<sup>9</sup>, a decline of US\$45.0 million, or 38.6%, compared to US\$116.5 million<sup>9</sup> for the third quarter of 2023.

**Profit Attributable to the Equity Holders**

The Group recorded profit attributable to the equity holders of US\$66.2 million<sup>9</sup> for the three months ended September 30, 2024, compared to US\$108.7 million<sup>9</sup> for the same period in 2023, a decrease of US\$42.5 million, or 39.1%, driven primarily by the decline in the Group's operating profit year-on-year.

**Adjusted EBITDA<sup>6</sup> and Adjusted Net Income<sup>7</sup>**

For the three months ended September 30, 2024, the Group recorded Adjusted EBITDA<sup>6</sup> of US\$154.6 million, a decline of US\$39.4 million, or 20.3%, year-on-year. The Group's Adjusted EBITDA margin<sup>2</sup> decreased by 270 basis points to 17.6% for the three months ended September 30, 2024, versus 20.3% for the comparable period in 2023. The decline in Adjusted EBITDA margin<sup>2</sup> was primarily due to the decrease in net sales and gross profit, and higher marketing expenses as a percentage of net sales.

Adjusted Net Income<sup>7</sup> decreased by US\$46.0 million, or 36.6%, to US\$79.7 million for the three months ended September 30, 2024, compared to US\$125.7 million during the prior year period.

### **Investment in Inventories and Working Capital**

The Group continued to closely manage its working capital, particularly inventories. Inventories as of September 30, 2024, were US\$672.9 million, a reduction of US\$23.0 million compared to the US\$695.9 million as of December 31, 2023, and US\$61.9 million lower than the US\$734.8 million as of September 30, 2023.

Net working capital was US\$508.1 million as of September 30, 2024, a reduction of US\$7.0 million compared to the US\$515.1 million as of December 31, 2023, and US\$47.1 million lower than the US\$555.2 million as of September 30, 2023.

### **Total capital expenditures**

The Group had total capital expenditures (consisting of purchases of property, plant and equipment and software) of US\$20.6 million<sup>19</sup> during the three months ended September 30, 2024, a decrease of US\$2.8 million compared to US\$23.4 million<sup>19</sup> during the third quarter of 2023. This brought total capital expenditures for the nine months ended September 30, 2024, to US\$61.8 million<sup>20</sup>, an increase of US\$12.7 million compared to US\$49.1 million<sup>20</sup> in the first nine months of 2023. 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**

Free Cash Flow<sup>3</sup> increased by US\$5.4 million to US\$94.2 million for the three months ended September 30, 2024, compared to US\$88.8 million for the same period in 2023, driven by changes in working capital, partially offset by a decrease in profit for the period year-on-year. This brought Free Cash Flow<sup>3</sup> for the nine months ended September 30, 2024, to US\$175.8 million, an increase of US\$23.6 million compared to US\$152.2 million for the first nine months of 2023.

In August 2024, the Company initiated its previously announced share buyback program of up to US\$200.0 million. During the three months ended September 30, 2024, the Company repurchased 29,967,000 shares with an associated cash outflow of US\$72.0 million. The shares purchased are held in treasury. The Company plans to continue share buybacks through the remainder of 2024 and into 2025.

In June 2024, the Company's shareholders approved the US\$150.0 million cash distribution recommended by the Company's board of directors, and the cash distribution was paid in July 2024.

As of September 30, 2024, the Group had US\$682.3 million in cash and cash equivalents, compared to US\$716.6 million as of December 31, 2023. Net debt stayed relatively stable at US\$1,148.1 million<sup>8</sup> as of September 30, 2024, compared to a net debt position of US\$1,107.4 million<sup>8</sup> as of December 31, 2023. Consequently, the Group's total net leverage ratio<sup>5</sup> remained at a healthy 1.68x as of September 30, 2024, compared to 1.53x as of December 31, 2023.

Total liquidity<sup>4</sup> as of September 30, 2024, was US\$1,426.4 million compared to US\$1,562.0 million as of December 31, 2023.

**Table 6: Key Financial Highlights for the Nine Months Ended September 30, 2024**

US\$ millions, except per share data	Nine months ended September 30, 2024	Nine months ended September 30, 2023	Percentage increase (decrease) 2024 vs. 2023	Percentage increase (decrease) 2024 vs. 2023 excl. foreign currency effects <sup>1</sup>
Net sales	2,646.2	2,733.9	(3.2)%	(0.6)%
Gross profit	1,584.9	1,614.5	(1.8)%	1.3%
Gross profit margin	59.9%	59.1%		
Operating profit	447.7	494.7	(9.5)%	(5.7)%
Profit for the period <sup>9</sup>	255.6	281.3	(9.1)%	(2.7)%
Profit attributable to the equity holders <sup>9</sup>	235.6	254.6	(7.5)%	(0.4)%
Adjusted Net Income <sup>7</sup>	253.7	296.6	(14.5)%	(8.4)%
Adjusted EBITDA <sup>6</sup>	488.1	528.3	(7.6)%	(4.0)%
Adjusted EBITDA margin <sup>2</sup>	18.4%	19.3%		
Basic earnings per share – US\$ per share <sup>9</sup>	0.162	0.176	(8.2)%	(1.2)%
Diluted earnings per share – US\$ per share <sup>9</sup>	0.161	0.175	(8.4)%	(1.4)%
Adjusted basic earnings per share <sup>10</sup> – US\$ per share	0.174	0.205	(15.2)%	(9.2)%
Adjusted diluted earnings per share <sup>10</sup> – US\$ per share	0.173	0.204	(15.4)%	(9.4)%

**Results Highlights for the Nine Months Ended September 30, 2024**

For the nine months ended September 30, 2024, the Group's net sales decreased by 0.6%<sup>1</sup> to US\$2,646.2 million against a strong net sales base during the corresponding period in 2023. Softer consumer sentiment in certain markets has resulted in reduced spending on discretionary items during the first nine months of 2024. In comparison, the Group's net sales during the first nine months of 2023 were fueled by strong travel demand and consumer spending, as well as large wholesale customers rebuilding their inventory levels following the pandemic.

During the first nine months of 2024, net sales in Europe grew by 2.3%<sup>1</sup> to US\$581.5 million, and in Latin America by 18.2%<sup>1</sup> to US\$152.6 million, year-on-year. However, these net sales gains were offset by a 2.7%<sup>1</sup> net sales decrease to US\$1,007.6 million in Asia, where net sales in China decreased by 1.1%<sup>1</sup> due to softening sentiment among Chinese consumers, and net sales in India decreased by 15.3%<sup>1</sup> due to intensified promotional activity by competitors, year-on-year. In addition, net sales in North America decreased by 3.0%<sup>1</sup> to US\$904.0 million during the first nine months of 2024 versus the comparable period in 2023.

For the nine months ended September 30, 2024, net sales of the *Samsonite* brand increased by 2.9%<sup>1</sup>. Net sales of the *Tumi* brand decreased by 2.8%<sup>1</sup> due to slower retail traffic and decreased consumer spending on premium and luxury brands, as well as a high net sales base in the first nine months of 2023 that was driven by elevated demand for its core collections and supported by the arrival of delayed inventory. Net sales of the *American Tourister* brand decreased by 5.9%<sup>1</sup> primarily due to lower net sales in India where the Group was impacted by competitors significantly discounting their products, and in North America due to greater caution from wholesale customers.

During the nine months ended September 30, 2024, the Group's net sales in the DTC channel increased by 2.8%<sup>1</sup> to US\$1,023.1 million, year-on year. The DTC channel contributed 38.7% of net sales in the first nine months of

2024, compared to 37.7% for the corresponding period in 2023. During the nine months ended September 30, 2024, the Group added 78 company-operated retail stores, partially offset by the permanent closure of 26 company-operated retail stores, resulting in a net addition of 52 company-operated retail stores during the first nine months of 2024, compared to a net addition of 36 company-operated retail stores during the first nine months of 2023. The total number of company-operated retail stores was 1,104 as of September 30, 2024, compared to 1,021 as of September 30, 2023.

The Group achieved gross profit margin of 59.9% for the nine months ended September 30, 2024, an increase of 80 basis points compared to the 59.1% for the same period in 2023, driven by an increased share of total net sales from the Group's DTC channel and continued discipline with respect to promotional discounts, partially offset by the decrease in net sales from the higher-margin Asia region and *Tumi* brand. Gross profit decreased by 1.8% year-on-year to US\$1,584.9 million for the nine months ended September 30, 2024, from US\$1,614.5 million for the first nine months of 2023 due to the decrease in net sales, partially offset by higher gross profit margin.

The Group spent US\$173.1 million on marketing during the nine months ended September 30, 2024, compared to US\$173.6 million for the nine months ended September 30, 2023, a decrease of US\$0.5 million, or 0.3%, year-on-year. As a percentage of net sales, marketing expenses were relatively stable at 6.5% for the nine months ended September 30, 2024, compared to 6.4% for the first nine months of 2023.

Due to disciplined expense management, fixed SG&A expenses increased by US\$18.2 million to US\$641.1 million for the nine months ended September 30, 2024, from US\$623.0 million for the corresponding period in 2023, despite the total number of company-operated retail stores increasing by 83 year-on-year. However, due to the year-on-year reduction in net sales, fixed SG&A expenses amounted to 24.2% of net sales in the first nine months of 2024 compared to 22.8% of net sales during the corresponding period in 2023.

For the nine months ended September 30, 2024, Samsonite's Adjusted EBITDA margin<sup>2</sup> decreased by 90 basis points to 18.4% due to the decrease in net sales and gross profit, and higher marketing expenses as a percentage of net sales, year-on-year. Adjusted EBITDA<sup>6</sup> decreased by 7.6% to US\$488.1 million, and Adjusted Net Income<sup>7</sup> decreased by 14.5% to US\$253.7 million for the first nine months of 2024 versus the corresponding period in 2023.

#### **2024 Third Quarter Results – Conference Call for Analysts and Investors:**

Date: Wednesday, November 13, 2024

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

Webcast Link: <https://media.website.wisdomir.com/live/land/00311/>

Dial-in Details: [https://corporate.samsonite.com/on/demandware.static/-/Sites-InvestorRelations-Library/default/dw2748cb7d/PDF/announcements/2024/E\\_Samsonite\\_3Q2024%20Results%20Date%20&%20Conference%20Call%20\(FINAL%202024-11-04\).pdf](https://corporate.samsonite.com/on/demandware.static/-/Sites-InvestorRelations-Library/default/dw2748cb7d/PDF/announcements/2024/E_Samsonite_3Q2024%20Results%20Date%20&%20Conference%20Call%20(FINAL%202024-11-04).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*®, *Kamiliant*®, *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").

### For more information, please contact:

#### United States: Samsonite LLC

Tel: +1 508 851 1586

Alvin Concepcion

Email:

[Alvin.Concepcion@samsonite.com](mailto:Alvin.Concepcion@samsonite.com)

#### Hong Kong: Samsonite International S.A. – Hong Kong Branch

Tel: +852 2422 2611

William Yue

Email:

[William.Yue@samsonite.com](mailto:William.Yue@samsonite.com)

Helena Sau

Email:

[Helena.Sau@samsonite.com](mailto:Helena.Sau@samsonite.com)

#### United States – Joele Frank, Wilkinson Brimmer Katcher

Tel: +1 212 355 4449

Michael Freitag / Tim Ragones / Ed Trissel

Email: [Samsonite-JF@joelefrank.com](mailto:Samsonite-JF@joelefrank.com)

### Notes:

- <sup>1</sup> Results stated on a constant currency basis, a non-International Financial Reporting Standards ("IFRS") Accounting Standards measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.
- <sup>2</sup> 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.
- <sup>3</sup> Free Cash Flow, a non-IFRS measure, 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).
- <sup>4</sup> 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.
- <sup>5</sup> 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.
- <sup>6</sup> 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 under IFRS 16, *Leases* ("IFRS 16") to account for operational rent expenses. 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.
- <sup>7</sup> 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.
- <sup>8</sup> As of September 30, 2024, the Group had US\$682.3 million in cash and cash equivalents and outstanding financial debt of US\$1,830.4 million (excluding deferred financing costs of US\$8.5 million), resulting in a net debt position of US\$1,148.1 million. As of December 31, 2023, the Group had US\$716.6 million in cash and cash equivalents and outstanding financial debt of US\$1,824.0 million (excluding deferred financing costs of US\$17.0 million), resulting in a net debt position of US\$1,107.4 million.
- <sup>9</sup> Effective since the third quarter of 2024, the Group voluntarily made a change in accounting policy related to the recognition of the subsequent changes in fair value of the put option financial liabilities associated with the non-controlling interests in certain of the Group's majority owned subsidiaries. See Change in Accounting Policy in the Group's Quarterly Report for further discussion on this voluntary change in accounting policy.
- <sup>10</sup> 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.
- <sup>11</sup> 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.

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- <sup>12</sup> 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.
- <sup>13</sup> Net sales reported for Singapore include net sales made domestically and net sales to distributors in certain other Asian markets.
- <sup>14</sup> Net sales reported for the United Kingdom include net sales made in Ireland.
- <sup>15</sup> Net sales in Belgium were US\$6.6 million and US\$6.9 million for the three months ended September 30, 2024, and September 30, 2023, respectively, a decrease of US\$0.3 million, or 4.2% (-6.0% constant currency). Remaining sales consisted of direct shipments to distributors, customers and agents in other European countries, including e-commerce.
- <sup>16</sup> "Other" includes certain other non-core brands owned by the Group, such as *Gregory*, *High Sierra*, *Kamiliant*, *Lipault*, *Hartmann*, *Saxoline* and *Secret*, as well as certain third-party brands.
- <sup>17</sup> The non-travel product category includes business, casual, accessories and other products.
- <sup>18</sup> "Other" primarily consists of licensing revenue.
- <sup>19</sup> For the three months ended September 30, 2024, the Group spent US\$18.6 million and US\$1.9 million on property, plant and equipment and software purchases, respectively. 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.
- <sup>20</sup> For the nine months ended September 30, 2024, the Group spent US\$57.8 million and US\$4.0 million on property, plant and equipment and software purchases, respectively. 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.

### **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 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 Accounting Standards 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 Accounting Standards.*

### **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.*