

Samsonite (1910 HK)

Weak FY24 dragged by TUMI and American Tourister, 1Q25 sales to decline LSD-MSD

Samsonite delivered mixed performance in FY24 with in-line revenue, yet NP missed CMBI estimate by 8%. Overall net sales (organic) were flat in both FY24 and 4Q24 (-0.2%/+1% YoY) at US\$ 3.6bn on a high base in 2023 revenge travel theme. Major markets Asia and North America retreated 3.6%/1.2% YoY, but were offset by Europe & Latin America markets that grew 3.1%/17.0% YoY. Net profit was down 13% YoY to US\$ 346mn mainly due to 1) higher selling expense ratio from revenue shrink and new store opening (+67 in FY24), and 2) fewer impairment reversals in FY23. Despite sequential improvement materializing since 3Q24, management guided 1Q25 sales to fall by LSD to MSD with recovery in Asia, but weak US consumer sentiment will likely persist. Due to normalization of travel frequency and uncertainty in the recovery pace of the premium retail sector, we expect organic sales/net profit to grow 1.5%/1.8% YoY in FY25E, but ongoing share buyback and progress of dual-listing may provide some support on share price. We maintain BUY with TP revised down by 9% to HK\$ 25.35 given lower earnings estimate. The TP implies a 13x FY25E P/E.

■ **Growth from Samsonite was offset by decline in TUMI and American Tourister.** The Samsonite brand achieved 3.3% organic sales growth in FY24, with a 4.6% YoY rise in 4Q24, due to strong holiday season and shifts in the US wholesaler order timing. TUMI performed weaker in the full year with organic sales down 0.8% YoY, but 4Q24 was strong, showing notable growth in Europe (+12 % YoY), Latin America (+17% YoY) and North America (+5% YoY). Asia was a drag and booked -0.2% YoY. American Tourister struggled due to weak North American wholesaler demand and intense competition in the Indian market, resulting in a 6.1% organic YoY decline (excl. India was 1.9%).

■ **2M25 stagnant online sales in China.** In 2M25, Samsonite saw varied sales performance across platforms. Sales on TBTM and JD witnessed -7% and -18% YoY, respectively. In contrast, sales on Douyin surged by 200% YoY, bolstered by strategic marketing investments. TUMI, now targeting both business and lifestyle segments, had mixed results with -11% on TMTB and a steady 26% rise YoY on JD. Despite these fluctuations, we expect the brand value to gradually strengthen as it refines its digital marketing and localizations campaigns.

■ **Valuation.** Due to normalization of travel frequency and uncertainty in the recovery pace of the premium retail sector, we expect organic sales/net profit to grow 1.5%/1.8% YoY in FY25E, but ongoing share buyback and progress of dual-listing may provide some support on share price. We maintain BUY with TP revised down by 9% to HK\$ 25.35 given lower earnings estimates. Our DCF-based TP (WACC:8.6%, terminal growth:2.0%) represents 13.4x 2025E P/E.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (US\$ mn)	3,683	3,589	3,731	3,938	4,093
YoY growth (%)	27.9	(2.5)	4.0	5.6	3.9
Net profit (US\$ mn)	396.9	345.6	351.8	376.7	395.4
YoY growth (%)	26.9	(12.9)	1.8	7.1	5.0
EPS (Reported) (US\$)	0.28	0.24	0.24	0.26	0.27
Consensus EPS (US\$)	na	na	0.26	0.28	0.29
P/E (x)	8.7	10.0	9.8	9.1	8.7
P/B (x)	2.4	2.3	1.8	1.6	1.4
EV/EBITDA (x)	6.6	7.2	6.5	5.8	5.2
Yield (%)	4.3	4.3	4.4	4.7	4.9
ROE (%)	32.0	23.6	20.5	18.2	17.2
Net gearing (%)	75.1	74.2	24.5	5.3	(11.2)

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price **HK\$25.35**

(Previous TP) HK\$28.00)

Up/Downside **36.9%**

Current Price **HK\$18.52**

China Consumer

Miao ZHANG

(852) 3761 8910

zhangmiao@cmbi.com.hk

Bella LI

(852) 3757 6202

bellali@cmbi.com.hk

Stock Data

Mkt Cap (HK\$ mn)	26,729.4
Avg 3 mths t/o (HK\$ mn)	128.1
52w High/Low (HK\$)	30.00/17.16
Total Issued Shares (mn)	1443.3

Source: FactSet

Shareholding Structure

Schroders PLC	6.0%
Bank of New York Mellon Cor	5.4%

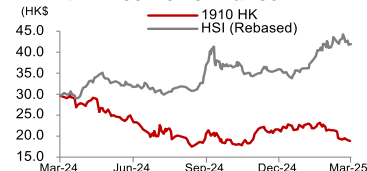
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-14.1%	-15.8%
3-mth	-14.3%	-26.5%
6-mth	-9.9%	-20.6%

Source: FactSet

12-mth Price Performance



Source: FactSet

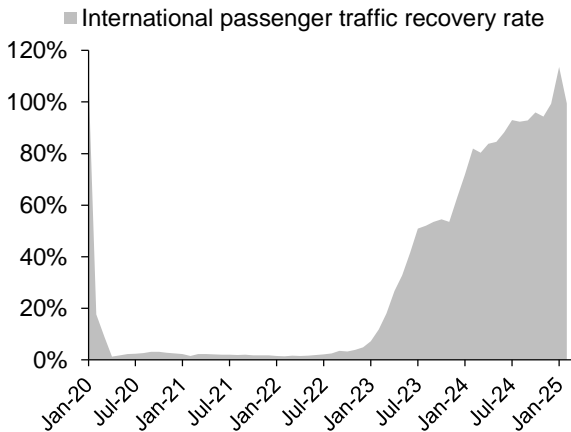
Related reports:

1. [Nongfu Spring \(9633 HK\) - Flat FY24 earnings, with FY25 set for double-digit growth](#)
2. [CR Beverage \(2460 HK\) - FY24: Pleasant surprises from special dividends and target hike](#)
3. [Consumer Staples - Cosmetics monthly: Mao Geping & Giant Bio surged, Marubi & Jahwa had a strong start](#)

Traveling activities updates in China:

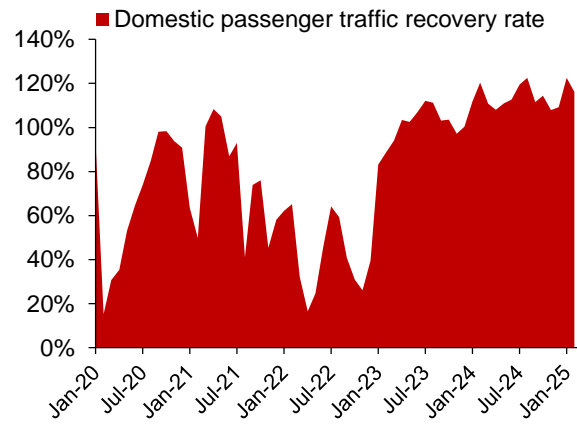
With the continuous improvement in airline travel activities and the gradual easing of international travel restrictions, Chinese air passenger volumes have experienced a steady increase. As of 2M25, compared with 2019, recovery rates stood at 119% for international travel and 107% for domestic travel, maintaining a positive momentum for the luggage market.

Figure 1: International airline passenger traffic recovery rate compared to 2019



Source: Moojing database, CMBIGM estimates

Figure 2: China domestic airline passenger traffic recovery rate compared to 2019

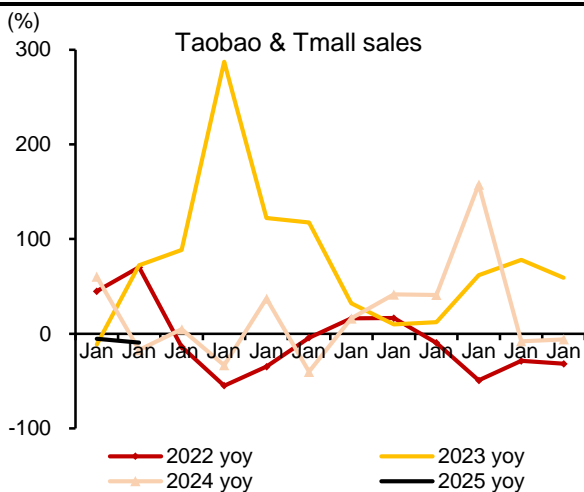


Source: Moojing database, CMBIGM estimates

Online sales updates in China:

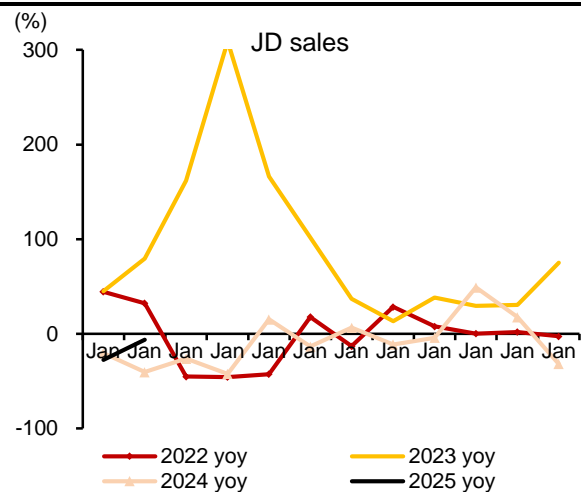
Regarding e-commerce platforms, Samsonite's product sales on Taobao/Tmall and JD.com showed a YoY decrease of 7% and 18%, respectively, during 2M25. However, sales surged by 200% YoY on Douyin, highlighting the brand's growing popularity thanks to its marketing investment. Meanwhile, TUMI's performance varied across platforms, with YoY sales declining by 11% on TBTM but increasing by 26% on JD.com. The brand still anchored as a premium brand targeting both business and lifestyle.

Figure 3: Samsonite's monthly sales YoY trends on TMTB



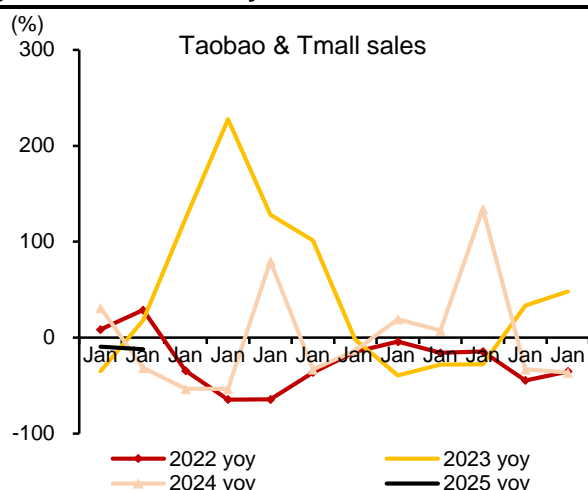
Source: Moojing database, CMBIGM estimates

Figure 4: Samsonite's monthly sales YoY trends on JD



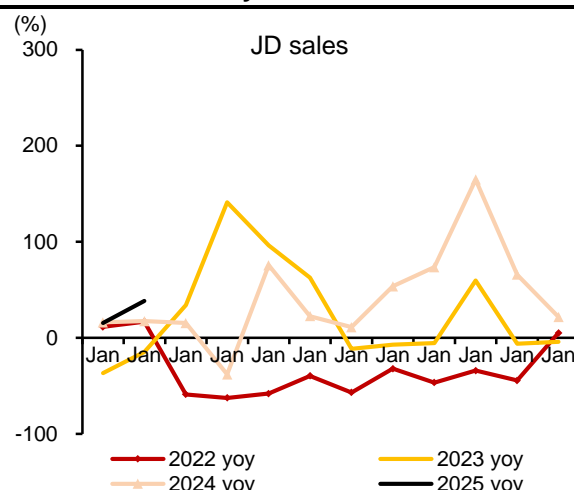
Source: Moojing database, CMBIGM estimates

Figure 5: TUMI monthly sales YoY trends on TMTB



Source: Moojing database, CMBIGM estimates

Figure 6: TUMI monthly sales YoY trends on JD



Source: Moojing database, CMBIGM estimates

Figure 7: DCF assumptions

Present value calculation	
Net Present Value	3,373
+ Terminal Value	2,435
= Enterprise value	5,808
- Net debt	1,095
= Total Equity value	4,713
Number of shares (mn)	1,446
DCF value per share (HK\$)	25.4

WACC assumptions	
Debt %	55.5%
Equity %	44.5%
Tax rate	24.1%
Borrowing premium	4.6%
Post-tax cost of debt	6.8%
Risk free rate	4.4%
Risk Premium	8.0%
Beta	0.8
Cost of equity	10.8%
WACC	8.598%
Long-term growth	2.0%
1 USD =	7.78

Source: CMBIGM estimates

Figure 8: DCF sensitivity analysis

Sensitivity to WACC and long-term growth					
25.4	8.4%	8.5%	8.6%	8.7%	8.8%
1.8%	25.7	25.3	24.9	24.6	24.2
1.9%	25.9	25.5	25.1	24.8	24.4
2.0%	26.1	25.7	25.4	25.0	24.6
2.1%	26.4	26.0	25.6	25.2	24.8
2.2%	26.6	26.2	25.8	25.4	25.0

Sensitivity to RF and long-term growth					
25.4	1.8%	1.9%	2.0%	2.1%	2.2%
4.2%	25.6	25.8	26.0	26.2	26.5
4.3%	25.3	25.5	25.7	25.9	26.1
4.4%	24.9	25.1	25.4	25.6	25.8
4.5%	24.6	24.8	25.0	25.2	25.5
4.6%	24.3	24.5	24.7	24.9	25.1

Sensitivity to RF and Equity Risk Premium (ERP)					
25.4	4.2%	4.3%	4.4%	4.5%	4.6%
7.8%	26.3	26.0	25.6	25.3	25.0
7.9%	26.2	25.8	25.5	25.2	24.8
8.0%	26.0	25.7	25.4	25.0	24.7
8.1%	25.9	25.5	25.2	24.9	24.6
8.2%	25.7	25.4	25.1	24.8	24.5

Source: CMBIGM estimates

Figure 9: Earnings revision

US\$ mn	New			Old			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	3,731	3,938	4,093	3,947	4,238	n.a.	-5.5%	-7.1%	n.a.
Gross profit	2,220	2,343	2,435	2,389	2,590	n.a.	-7.1%	-9.5%	n.a.
Operating profit	638	673	700	745	808	n.a.	-14.4%	-16.7%	n.a.
Net profit	352	377	395	418	463	n.a.	-15.8%	-18.6%	n.a.
Gross margin	59.5%	59.5%	59.5%	60.5%	61.1%	n.a.	-1ppt	-1.6ppt	n.a.
OP margin	17.1%	17.1%	17.1%	18.9%	19.1%	n.a.	-1.8ppt	-2ppt	n.a.
Net margin	9.4%	9.6%	9.7%	10.6%	10.9%	n.a.	-1.2ppt	-1.4ppt	n.a.

Source: CMBIGM estimates

Figure 10: CMBIGM estimates vs consensus

US\$ mn	CMBIGM			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	3,731	3,938	4,093	3,679	3,679	4,000	1.4%	7.0%	2.3%
Gross profit	2,220	2,343	2,435	2,197	2,196	2,384	1.0%	6.7%	2.2%
Operating profit	638	673	700	642	689	716	-0.6%	-2.3%	-2.3%
Net profit	352	377	395	362	397	417	-2.8%	-5.1%	-5.2%
Gross margin	59.5%	59.5%	59.5%	59.7%	59.7%	59.6%	-0.2ppt	-0.2ppt	-0.1ppt
OP margin	17.1%	17.1%	17.1%	17.5%	18.7%	17.9%	-0.4ppt	-1.6ppt	-0.8ppt
Net margin	9.4%	9.6%	9.7%	9.8%	10.8%	10.4%	-0.4ppt	-1.2ppt	-0.8ppt

Source: Bloomberg, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
Revenue	2,880	3,683	3,589	3,731	3,938	4,093
Cost of goods sold	(1,274)	(1,500)	(1,436)	(1,511)	(1,595)	(1,658)
Gross profit	1,605	2,183	2,152	2,220	2,343	2,435
Operating expenses	(1,185)	(1,519)	(1,520)	(1,582)	(1,670)	(1,735)
Selling expense	(963)	(1,269)	(1,289)	(1,347)	(1,422)	(1,478)
Admin expense	(222)	(250)	(231)	(235)	(248)	(258)
Operating profit	492	744	629	638	673	700
EBITDA	668	936	851	856	900	932
Adjusted EBITDA	472	709	683	638	673	700
Depreciation	(35)	(40)	(52)	(65)	(73)	(80)
Goodwill amortisation	(141)	(153)	(170)	(153)	(153)	(153)
EBIT	492	744	629	638	673	700
Net Interest income/(expense)	(130)	(179)	(138)	(138)	(138)	(138)
Other income/expense	0	0	0	0	0	0
Pre-tax profit	363	565	491	500	535	562
Income tax	(24)	(135)	(118)	(120)	(129)	(135)
After tax profit	338	430	373	379	406	426
Minority interest	(26)	(33)	(27)	(27)	(29)	(31)
Net profit	313	397	346	352	377	395
Core net profit	296	392	370	352	377	395
Gross dividends	0	149	148	151	162	170
Net dividends	0	149	148	151	162	170

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
Current assets	1,695	1,836	1,743	2,265	2,586	2,913
Cash & equivalents	636	717	676	1,190	1,456	1,742
Account receivables	291	320	325	330	348	362
Inventories	688	696	651	656	693	720
Other current assets	80	104	90	90	90	90
Non-current assets	3,027	3,276	3,337	3,218	3,091	2,958
PP&E	162	223	262	297	323	343
Deferred income tax	174	191	166	166	166	166
Intangibles	1,459	1,534	1,520	1,500	1,480	1,461
Goodwill	824	826	820	820	820	820
Other non-current assets	94	67	70	70	70	70
Total assets	4,721	5,112	5,079	5,483	5,678	5,871
Current liabilities	1,213	1,157	1,090	1,082	1,121	1,150
Short-term borrowings	119	77	84	84	84	84
Account payables	779	725	712	704	743	772
Tax payable	77	89	45	45	45	45
Other current liabilities	120	135	104	104	104	104
Non-current liabilities	2,428	2,437	2,444	2,344	2,244	2,144
Long-term borrowings	1,893	1,730	1,687	1,587	1,487	1,387
Other non-current liabilities	278	349	350	350	350	350
Total liabilities	3,642	3,594	3,534	3,426	3,365	3,294
Share capital	14	15	15	15	15	15
Retained earnings	1,017	1,437	1,462	1,947	2,172	2,406
Total shareholders equity	1,032	1,451	1,476	1,961	2,187	2,421
Minority interest	48	67	69	96	126	156
Total equity and liabilities	4,721	5,112	5,079	5,483	5,678	5,871

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
Operating						
Profit before taxation	363	565	491	500	535	562
Depreciation & amortization	57	59	75	84	93	99
Tax paid	(51)	(119)	(118)	(120)	(129)	(135)
Change in working capital	(175)	(101)	(5)	(18)	(16)	(12)
Others	83	131	147	134	134	134
Net cash from operations	278	534	590	580	617	647
Investing						
Capital expenditure	(52)	(99)	(99)	(99)	(99)	(99)
Net proceeds from disposal of short-term investments	0	0	0	0	0	0
Others	(11)	(11)	0	0	0	0
Net cash from investing	(63)	(110)	(99)	(99)	(99)	(99)
Financing						
Dividend paid	0	0	(149)	(148)	(151)	(162)
Net borrowings	(741)	(27)	(100)	(100)	(100)	(100)
Others	(9)	(181)	0	0	0	0
Net cash from financing	(881)	(348)	(249)	(248)	(251)	(262)
Net change in cash						
Cash at the beginning of the year	1,325	636	717	958	1,190	1,456
Exchange difference	(23)	4	0	0	0	0
Cash at the end of the year	636	717	958	1,190	1,456	1,742
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	42.5%	27.9%	(2.5%)	4.0%	5.6%	3.9%
Gross profit	45.7%	36.0%	(1.4%)	3.1%	5.6%	3.9%
Operating profit	270.8%	51.1%	(15.4%)	1.4%	5.6%	3.9%
EBITDA	102.0%	40.2%	(9.1%)	0.6%	5.1%	3.6%
EBIT	270.8%	51.1%	(15.4%)	1.4%	5.6%	3.9%
Net profit	2,086.7%	26.9%	(12.9%)	1.8%	7.1%	5.0%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	55.8%	59.3%	60.0%	59.5%	59.5%	59.5%
Operating margin	17.1%	20.2%	17.5%	17.1%	17.1%	17.1%
EBITDA margin	23.2%	25.4%	23.7%	22.9%	22.8%	22.8%
Return on equity (ROE)	36.3%	32.0%	23.6%	20.5%	18.2%	17.2%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Net debt to equity (x)	1.3	0.8	0.7	0.2	0.1	(0.1)
Current ratio (x)	1.4	1.6	1.6	2.1	2.3	2.5
Receivable turnover days	52.5	40.5	32.2	32.2	32.2	32.2
Inventory turnover days	273.0	199.3	158.5	158.5	158.5	158.5
Payable turnover days	309.1	207.7	173.3	170.0	170.0	170.0
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	10.9	8.7	10.0	9.8	9.1	8.7
P/E (diluted)	11.6	8.8	9.3	9.8	9.1	8.7
P/B	3.3	2.4	2.3	1.8	1.6	1.4
Div yield (%)	na	4.3	4.3	4.4	4.7	4.9
EV	6,421.9	6,156.3	6,170.2	5,556.7	5,190.5	4,804.7
EV/Sales	2.2	1.7	1.7	1.5	1.3	1.2
EV/EBIT	13.0	8.3	9.8	8.7	7.7	6.9
EV/EBITDA	9.6	6.6	7.2	6.5	5.8	5.2

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

Disclosures & Disclaimers

Analyst Certification

The research analyst who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that analyst in this report. Besides, the analyst confirms that neither the analyst nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

CMBIGM Ratings

BUY : Stock with potential return of over 15% over next 12 months
HOLD : Stock with potential return of +15% to -10% over next 12 months
SELL : Stock with potential loss of over 10% over next 12 months
NOT RATED : Stock is not rated by CMBIGM

OUTPERFORM : Industry expected to outperform the relevant broad market benchmark over next 12 months
MARKET-PERFORM : Industry expected to perform in-line with the relevant broad market benchmark over next 12 months
UNDERPERFORM : Industry expected to underperform the relevant broad market benchmark over next 12 months

CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.