



Rating
Hold

Asia
Hong Kong

Consumer

Company Samsonite International

Reuters 1910.HK Bloomberg 1910 HK Exchange HSI Ticker 1910
ADR Ticker SMSEY ISIN US79604U1079

Date
17 March 2015

Forecast Change

Price at 17 Mar 2015 (HKD)	24.90
Price target - 12mth (HKD)	23.44
52-week range (HKD)	27.15 - 20.70
HANG SENG INDEX	23,950

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FY15 outlook: investing for future growth; Hold

Lowering target price to HK\$23.44, in line with NP revision

Although FY14 results were below our/market forecasts, management achieved its target of double-digit growth in both the top line and adjusted EBITDA. Management is maintaining this target for 2015. This is still an investment year and thus EBITDM is expected to be flat or to decline marginally. On the macro front, management is not concerned about currency tailwinds (Euro hedged until end of 2015, with a price increase planned for September 2015). Lower commodities should start to benefit 2H2015. We believe the stock is fairly valued and we maintain our Hold recommendation.

2015 target: double-digit sales and adjusted EBITDA growth

Management targets double-digit growth in sales and adjusted EBITDA growth in constant currency. It guides for flat GPM and flat or slightly lower adjusted EBITDAM. It will continue with its multi-brand strategy, focus on further integrating Speck Products, Lipault, and Gregory into its existing business, and attempt to realize synergies in sourcing, systems, and back-office support functions.

FY14 results: 5%/9% below our/market forecasts

NP rose 6% to USD186m on 15.4% growth (17.3% in LCY) in sales to USD2.35bn. Excluding acquisition cost and forex losses, NP rose 16%. Adjusted NP rose 9% to USD206m. Adjusted NP was 3.6% lower than our forecast of USD214m. Samsonite declared DPS of USD0.0625, implying a payout ratio of 43% (42% in FY13) on adjusted net profit.

Fine-tuning target price to HK\$23.44 (HK\$24.38); maintaining Hold

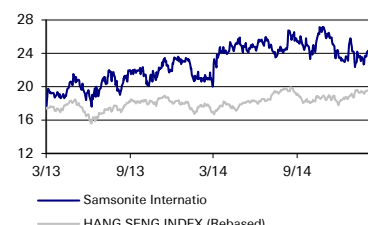
We lower our FY15/16 forecast by 4/3% and introduce our 2017 forecast. We like Samsonite's strong position in the travel segment, its strong cash flow and market share, and the synergy gains from its multi-brand strategy. Even so, given current currency headwinds and investment, we think the shares are fairly valued. We cut our DCF-based TP to HK\$23.44 (of 7.9% CoE). Risks: FX changes, M&A potential, and the performance of newly acquired brands.

Key changes

Price target	24.38 to 23.44	↓	-3.9%
Sales (FYE)	2,537 to 2,545	↑	0.3%
Op prof margin (FYE)	13.2 to 12.7	↓	-4.1%
Net profit (FYE)	210.9 to 203.9	↓	-3.3%

Source: Deutsche Bank

Price/price relative



Performance (%)	1m	3m	12m
Absolute	3.3	5.1	24.5
HANG SENG INDEX	-3.4	6.0	11.5

Source: Deutsche Bank

Forecasts And Ratios

Year End Dec 31	2013A	2014A	2015E	2016E	2017E
Sales (USDm)	2,037.8	2,350.7	2,545.3	2,857.8	3,180.9
Reported NPAT (USDm)	176.1	186.3	203.9	234.5	266.3
Reported EPS FD (USD)	0.13	0.13	0.14	0.16	0.19
DB EPS FD (USD)	0.13	0.14	0.15	0.17	0.19
OLD DB EPS FD (USD)	0.13	0.14	0.15	0.17	-
% Change	0.0%	-5.1%	-4.3%	-2.8%	-
DB EPS growth (%)	15.9	4.2	8.4	14.4	13.0
PER (x)	19.8	23.1	21.9	19.1	16.9
DPS (net) (USD)	0.06	0.06	0.07	0.07	0.09
Yield (net) (%)	2.2	2.0	2.0	2.3	2.7

Source: Deutsche Bank estimates, company data

¹ DB EPS is fully diluted and excludes non-recurring items

² Multiples and yields calculations use average historical prices for past years and spot prices for current and future years, except P/B which uses the year end close

Deutsche Bank AG/Hong Kong

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Model updated: 17 March 2015

Running the numbers

Asia

Hong Kong

Consumer

Samsonite International S.A

Reuters: 1910.HK

Bloomberg: 1910 HK

Hold

Price (17 Mar 15) HKD 24.90

Target Price HKD 23.44

52 Week range HKD 20.70 - 27.15

Market Cap (m) HKDm 35,059
USDm 4,515

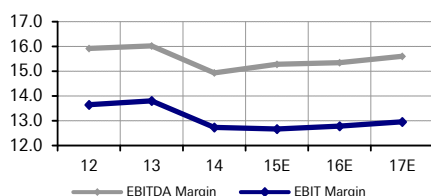
Company Profile

Samsonite International S.A., the world's largest travel luggage company, is principally engaged in the design, manufacture, sourcing and distribution of luggage, bags, and travel accessories throughout the world.

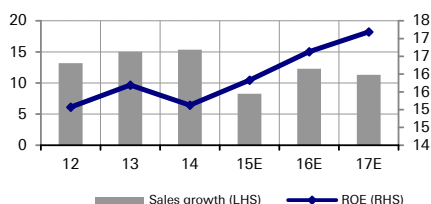
Price Performance



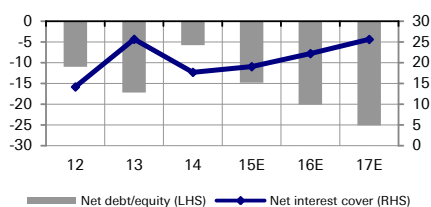
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

Financial Summary

	2012	2013	2014	2015E	2016E	2017E
DB EPS (USD)	0.11	0.13	0.14	0.15	0.17	0.19
Reported EPS (USD)	0.11	0.13	0.13	0.14	0.16	0.19
DPS (USD)	0.03	0.06	0.06	0.07	0.07	0.09
BVPS (USD)	0.7	0.8	0.9	1.0	1.1	1.2
Weighted average shares (m)	1,407	1,407	1,408	1,408	1,408	1,408
Average market cap (USDm)	2,547	3,619	4,400	4,515	4,515	4,515
Enterprise value (USDm)	2,428	3,407	4,324	4,302	4,195	4,072

Valuation Metrics

P/E (DB) (x)	16.2	19.8	23.1	21.9	19.1	16.9
P/E (Reported) (x)	17.2	20.6	23.7	22.4	19.5	17.2
P/BV (x)	2.73	3.59	3.29	3.27	2.99	2.73
FCF Yield (%)	1.0	4.1	3.5	4.0	4.5	5.2
Dividend Yield (%)	1.5	2.2	2.0	2.0	2.3	2.7
EV/Sales (x)	1.4	1.7	1.8	1.7	1.5	1.3
EV/EBITDA (x)	8.6	10.4	12.3	11.1	9.6	8.2
EV/EBIT (x)	10.0	12.1	14.4	13.3	11.5	9.9

Income Statement (USDm)

Sales revenue	1,772	2,038	2,351	2,545	2,858	3,181
Gross profit	951	1,088	1,244	1,347	1,521	1,702
EBITDA	282	326	351	389	439	496
Depreciation	32	37	43	57	64	75
Amortisation	8	8	9	9	9	9
EBIT	242	281	299	322	365	412
Net interest income(expense)	-17	-11	-17	-17	-16	-16
Associates/affiliates	0	0	0	0	0	0
Exceptionals/extraordinaries	0	0	0	0	0	0
Other pre-tax income/(expense)	0	0	0	0	0	0
Profit before tax	225	270	282	306	349	396
Income tax expense	58	73	77	81	91	103
Minorities	18	21	19	21	24	27
Other post-tax income/(expense)	0	0	0	0	0	0
Net profit	148	176	186	204	235	266
DB adjustments (including dilution)	9	6	4	10	11	11
DB Net profit	157	182	191	214	245	277

Cash Flow (USDm)

Cash flow from operations	204	207	224	261	281	321
Net Capex	-179	-57	-70	-82	-76	-86
Free cash flow	25	150	155	179	205	235
Equity raised/(bought back)	0	0	0	0	0	0
Dividends paid	-36	-46	-95	-41	-98	-112
Net inc/(dec) in borrowings	21	-19	0	0	0	0
Other investing/financing cash flows	1	-12	-196	0	0	0
Net cash flow	10	74	-136	138	107	123
Change in working capital	2	-48	-36	-17	-56	-64

Balance Sheet (USDm)

Cash and other liquid assets	151	225	140	279	385	509
Tangible fixed assets	136	155	178	203	215	226
Goodwill/intangible assets	672	663	767	758	748	739
Associates/investments	214	214	270	270	270	270
Other assets	640	677	776	827	910	996
Total assets	1,813	1,935	2,131	2,337	2,529	2,740
Interest bearing debt	32	14	65	65	65	65
Other liabilities	695	691	759	831	871	909
Total liabilities	727	704	824	896	936	974
Shareholders' equity	1,052	1,193	1,270	1,382	1,511	1,657
Minorities	35	38	38	58	82	109
Total shareholders' equity	1,086	1,231	1,307	1,440	1,593	1,766
Net debt	-119	-212	-75	-213	-320	-444

Key Company Metrics

Sales growth (%)	13.2	15.0	15.4	8.3	12.3	11.3
DB EPS growth (%)	60.0	15.9	4.2	8.4	14.4	13.0
EBITDA Margin (%)	15.9	16.0	14.9	15.3	15.3	15.6
EBIT Margin (%)	13.6	13.8	12.7	12.7	12.8	13.0
Payout ratio (%)	25.3	45.4	47.2	45.0	45.0	45.0
ROE (%)	15.1	15.7	15.1	15.8	16.6	17.2
Capex/sales (%)	10.1	2.8	3.0	3.2	2.7	2.7
Capex/depreciation (x)	4.5	1.3	1.3	1.2	1.0	1.0
Net debt/equity (%)	-11.0	-17.2	-5.8	-14.8	-20.1	-25.1
Net interest cover (x)	14.2	25.7	17.7	19.1	22.2	25.6

Source: Company data, Deutsche Bank estimates



Company update

Valuations and risks

DCF-based target price of HK\$23.44; fairly valued, maintaining Hold

As Samsonite is an international company, we use a blended weighted-average COE of its top five sales markets, namely, the US, the PRC, South Korea, India, and Japan, to derive its COE. This generates a COE assumption of 7.9%, with a risk-free rate of 2.89%, an equity risk premium of 5.34%, and a beta of 0.94 (its two-year average according to Bloomberg Finance LP). We use a long-term growth rate of 2%. This is within the range of rates that we use for HK/China consumer companies (2-2.5%) listed in HK (assuming that the ex-growth rate may be closer to the CPI).

Target price represents FY15E PE of 20.9x

We add back the change value of minority shareholders' put option to arrive at the adjusted net profit, as we believe this helps investors to better evaluate the underlying profitability of the business. For reference, the company has reported adjusted net profit by adding back the change in fair value of the put option and the non-cash charge of amortization of intangible assets.

Risks: **upside** 1) fluctuations in the USD vs. other currencies; 2) faster-than-expected M&A pipeline, resulting in successful brand diversification strategy and market share gain; and 3) A&P ratio to sales lower than expected.

Downside: 1) the failure of newly acquired brands to perform; and 2) continued USD strength.

Figure 1: Forecast changes

	DB estimates		Previous forecast		Market consensus		% change vs. previous forecast		Difference from market consensus	
	FY15E	FY16E	FY15E	FY16E	FY15E	FY16E	FY15E	FY16E	FY15E	FY16E
YE 31Dec, USDm										
Sales	2,545	2,858	2,537	2,811	2,642	2,979	0.3%	1.7%	-3.7%	-4.1%
EBIT	322	365	335	378	367	430	-3.8%	-3.3%	-12.2%	-15.1%
Net profit	204	235	211	239	235	284	-3.3%	-1.9%	-13.3%	-17.4%
Adj. net profit	210	241	223	251	239	280	-5.8%	-4.3%	-11.9%	-14.0%

Source: Deutsche Bank, Bloomberg Finance LP

2015 outlook

For 2015, the company aims to deliver top-line growth, maintain GPM, and increase adjusted EBITDA margin. This would likely be achieved via market-share gain from all brands (through further investment and integration of newly acquired brands), investment in direct-to-consumer channels, investment in Latam to expand into new markets, supply chain improvements, and M&A opportunities.

Management targets double-digit sales and adjusted EBITDA growth

During the analyst meeting, management guided for double-digit sales growth and double-digit adjusted EBITDA growth in constant currency. Potential upside on this guidance will be 1) higher-than-expected sales from America Tourister, especially in Europe, and 2) better-than-expected Latam performance.



GP margin is likely to be maintained at the current level, according to management, as it has a good FX hedging program this year. It notes that the decline in oil prices helps the lower commodity price. It will see part of the benefit in 2015, as it takes time for the company to negotiate with outsourcing partners. Management believes it has pricing power, backed by its leading position in the market, and therefore might raise prices in Europe in September.

EBITDA margin is guided at flat to lower than last year due to more investment; e.g., marketing American Tourister in Europe.

Continuing with multi-brand strategy.

It will focus on further integrating Speck Products, Lipault, and Gregory into the company's existing business and continue to realize anticipated synergies in sourcing, systems, and back-office support functions.

- **Speck** was weak in 1Q15 on seasonality. Management expects USD100m/150m sales in 2015/16. This brand is profitable, and its margin will be in line with other products within three to five years.
- **Gregory.** The company will set up a design team in Japan, designing products especially for the Japan market, given the positive reception there.
- **Hartmann.** It plans to allocate more resources to the Hartmann brand to increase sales and gain market share worldwide. Hartmann has just begun operations and management needs to be more patient with it. Management expects it to become one of the strongest brands in the next five years.
- **High Sierra** is reworking products for China, Korea, and Germany, which will be available in 2H15.

Continuing focus on retail channel

It plans to add 100-120 stores each year (net added 152 stores in FY14) and increase the pace of adding stores, including multi-brand stores. It plans to increase the retail footprint and expects retail to contribute more to sales. It is also looking for acquisition opportunities to grow the retail channel.

ETR is likely to come down and to stabilize at around 26% in the next few years.

Capex. We budget USD82m. It plans to set up a distribution center in China in 2015.

FY14 results below our estimate

FY14 NP 5%/9% below our/market forecasts of USD195m/USD206m

Net sales reached HK\$2.35bn, a 15% yoy increase. In LCY, it rose 17%. NP rose 6% to USD186m. However, excluding acquisition costs and forex losses, NP rose 16%. Adjusted NP rose 9% to USD206m. Sales were in line with our and market forecast. NP was 5%/9% below Deutsche Bank/market forecasts of USD195m/USD206m, respectively. Adjusted NP was 3.6% lower than our forecast of USD214m. The key discrepancy lies in a lower-than-expected GPM and a higher-than-expected opex ratio. Samsonite announced DPS of USD0.0625 (an increase of 9%), which is in line with the adjusted NP, maintaining a payout of 42% (of adjusted NP).



Key highlights

Sales increased 15.4% yoy to USD2.35bn, with LCY growth of 17.3%, driven mainly by strong growth for its all regions. Excluding 2014 acquisitions (Lipault, Speck, and Gregory), LCY grew 11.9% yoy.

SSSg increased 7.9% in LCY. By region, Europe/NA/Asia/Latam grew 8.8%/6.0%/7.8%/11.7%, respectively.

Store network. The company net added 3,622 POS, bringing the total number of POS to 49,665 (1,315 retail POS and 48,350 wholesale POS), as of the end of FY14. By region, Latam added 450 new POS, due to the strengthening of Brazil's direct sales model, and NA added 2,500 POS, mainly due to the inclusion of Gregory.

Sales by region. The US (31% of total sales) is the key growth driver, while China sales picked up in 2H.

Figure 2: Sales growth in LCY and comments for major markets

Region	1H14	2H14	2014	Comments
Asia	16.9%	19.1%	18.0%	Continued strong growth and profitability led by China (18.7% yoy), South Korea (12.8% yoy), India (19.9% yoy) and Japan (32.3% yoy). Excluding acquisitions, sales growth of 17.0% driven by AT (17.5% yoy) and Samsonite (15.4% yoy). Casual is up 52.4%, driven by Samsonite Red and High Sierra.
China	8.1%	29.3%	18.7%	Strong China sales growth of 18.7% driven by American Tourister, Samsonite Original, and Samsonite Red. Wholesale growth of 17.1% is due largely to increases in TV home shopping and B2B.
India	24.6%	15.2%	19.9%	Sales growth in India of 19.9% is driven by the continued success of American Tourister and the introduction of High Sierra in 2014.
South Korea	14.6%	11.0%	12.8%	South Korea sales growth of 12.8% is driven by the continued strong growth of the Samsonite Red brand (up 66.9%), as well as Samsonite Original, American Tourister, and High Sierra.
HK & Macau	14.6%	9.8%	12.2%	Hong Kong sales growth of 12.2% is led by growth of Samsonite Red and the acquisition of Gregory. Sales experienced a slowdown at the end of the year due to protesters
Japan	22.9%	41.7%	32.3%	Japan sales are up 32.3%. Excluding the acquisition of Gregory, sales growth of 24.5% is led by strong growth of Samsonite and American Tourister.
Europe	10.3%	10.5%	10.4%	Excluding the acquisitions of Lipault and Gregory, sales growth was 9.3%, led by Germany (+10.6%), Italy (+12.3%), UK (+12.2%), and Turkey (+34.9%). American Tourister sales increased 54.8% as a result of a strategic initiative to accelerate American Tourister brand penetration in the region. Business category sales increased by 34.9% due to the success of new product introductions
Italy	13.1%	11.5%	12.3%	Continued to show signs of economic improvement.
Germany	6.2%	15.0%	10.6%	Leading market in Europe, representing 14.7% of total net sales in the region.
Spain	11.3%	11.3%	11.3%	Continued to show signs of economic improvement.
UK	10.2%	14.2%	12.2%	Strong constant currency net sales growth.
Russia	11.2%	0.2%	5.7%	Negatively impacted by the economic downturn and devaluation of the Russian Ruble.
North America	11.8%	34.0%	22.9%	Net sales growth of 22.9%. Excluding acquisitions, net sales increased 7.3%. Sales in non-travel categories are up 67.0% mainly due to the acquisitions of Speck and Gregory.
US	10.6%	33.8%	22.2%	Wholesale sales grew 4.9% due to sell-through outpacing the category in almost all existing accounts. Retail sales enjoyed strong growth of 9.3%, consisting of +6.6% same-store comps, five net new stores in 2014, and e-commerce sales growth of 11.6%.
Canada	36.5%	33.5%	35.0%	Canada contributed tremendous sales growth of 35.0% due mainly to strong sales of the travel product category through the wholesale channel and the addition of three new stores extending outside the Toronto area.
Latin America	20.4%	11.0%	15.7%	Sales increased 15.7% on strong growth in Brazil (+105.0%), Mexico (+14.6%) and Chile (+8.1%). Excluding Argentina, sales growth in Latin America is 20.0%.
Chile	10.2%	6.0%	8.1%	Driven by the recently launched women's handbag brand Secret.
Mexico	13.1%	19.5%	16.3%	Driven by the Samsonite and High Sierra brands.
Argentina	-59.9%	-60.3%	-60.1%	Argentina sales are down 60.1% due to continued import restrictions imposed by the local government.
Brazil	236.7%	-26.7%	105.0%	Mainly due to the direct import and sales model implemented in 2H13. Excluding USD6.0m sales of obsolete inventory related to the transition to a direct sales model, sales growth in Brazil is 43.7%.
Overall	13.8%	20.8%	17.3%	All regions contributing strong growth in LCY.

Source: Deutsche Bank, Company data



Sales by brands – Samsonite remains the key contributor (65% of sales), with sales growth of 10.2% yoy in LCY.

- **Samsonite Red** sales grew 92% yoy to USD58m, driven by successful new product introductions and the marketing program.
- **Hartmann.** Market reaction to the new product line-up has been encouraging, with 2014 net sales growing 10.3%. Following the revamp of the brand's product range and the development of its retail store concept, the company launched Hartmann globally in 4Q14, with the opening of the New York/Tokyo flagship stores in October/December. Hartmann had more than 350 points of sales in 19 markets at the end of 2014.
- **High Sierra.** Sales grew 12.2% in NA and 24.9% overall on the back of the successful introduction of the brand in Asia, Europe, and Latin America.
- **Gregory.** Gregory-branded lifestyle backpacks are popular in Japan and other Asian countries, with net sales of USD13m in FY14.
- **Speck.** Speck contributed better-than-expected turnover of USD92m since its acquisition in May 2014.

Sales by product. Travel (70% of total sales) remains the largest product category, with 10.9% yoy growth in LCY.

- **Casual** sales rose 25.1% in LCY, driven by the success of the High Sierra brand and the Samsonite Red sub-brand, as well as the contribution from the Gregory brand.
- **Business** category increased 34.6% in LCY, due to tablet and laptop cases from Speck Products as well as new product introductions.
- **Accessories** category increased 76.3% in LCY, largely due to protective phone cases from Speck Products.

Sales by distribution channels. Retail sales increased 18.3% in LCY and the wholesale business increased by 17.2% in LCY.

E-commerce. Direct-to-consumer internet sales and wholesale sales to e-tailers grew 37.5% in LCY. E-commerce sales accounted for 6.6% of total net sales (5.6% in FY13).

GPM decreased 0.5ppts to 52.9%, mainly due to acquisitions, the increased contribution from NA, and a lower GPM in Latam. Excluding acquisitions, GPM increased 0.3ppts to 53.7%. Speck has a similar margin to the US wholesale business, which has a lower GPM. GPM in Latam decreased due to the transition to a direct sales model in Brazil.

Opex as a percentage of sales increased by 0.6 ppts to 40.2%, mainly due to the increase of acquisition costs (USD13.5m in FY14 vs. USD1m in FY13). Excluding acquisition costs, opex ratio was flat at 39.6%. Ad spending as a percentage of sales decreased by 0.1 ppts to 6.2%, due to strong sales growth and efficiencies in ad spending.

EBIT rose 6.4% yoy to USD299m, or 10.8% yoy excluding acquisition costs. Adjusted EBITDA increased 13.8% yoy to USD384m.

Finance cost increased 54% yoy to USD17m, mainly due to FX loss (USD6m) on the strong US dollar.



ETR is higher at 27.3% (FY13: 27.0%), due to increased withholding taxes on dividend and royalty income.

Working capital well controlled. The inventory turnover period is down nine days to 106 days. The AR turnover period is flat at 44 days. The AP turnover period is down eight days to 100 days, due to the timing of inventory purchases and payments.

Cash position. Net cash decreased USD137m to USD73m as of end-2014. Regarding revolving credit facility, it has USD438m available to borrow, with USD60m in outstanding borrowing as of end-2014.

Capex was USD69.6m (USD57.2m in FY13) as the company expanded its warehouse and production facilities in Europe and expanded its retail stores.

Figure 3: Quarterly sales performance

YE 31 Dec, USDm	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
Net sales by region												
Asia	155	169	183	177	179	192	199	199	204	217	242	228
Europe	103	118	125	119	108	128	141	138	120	147	155	136
North America	110	128	118	144	142	169	162	149	147	198	198	218
Latin America	33	24	24	32	36	26	26	36	38	29	30	33
Corporate	2	3	2	2	2	3	2	2	2	3	2	2
Total	404	443	451	474	467	517	529	525	511	594	627	618
YoY growth												
Asia	24.2%	18.8%	14.8%	16.6%	15.1%	13.1%	8.9%	12.7%	14.4%	13.3%	21.8%	14.7%
Europe	2.7%	-5.8%	-7.6%	0.9%	5.0%	8.8%	12.9%	15.3%	10.9%	14.2%	10.0%	-1.0%
North America	24.3%	30.8%	17.4%	42.2%	28.4%	31.7%	37.5%	4.0%	4.0%	17.5%	22.2%	45.7%
Latin America	-3.6%	-0.3%	1.8%	17.8%	10.2%	5.2%	8.2%	14.0%	4.3%	15.3%	18.5%	-8.7%
Corporate	-14.0%	10.8%	-22.8%	-19.9%	-14.7%	-11.0%	-4.2%	0.6%	-7.4%	-8.0%	1.9%	-0.9%
Overall	15.1%	12.7%	7.3%	18.2%	15.6%	16.7%	17.3%	10.7%	9.6%	14.9%	18.5%	17.7%
YoY growth in LCY												
Asia	25.8%	23.8%	18.9%	15.5%	16.6%	14.4%	13.3%	18.1%	19.1%	14.7%	20.1%	18.1%
Europe	7.0%	5.8%	3.8%	3.0%	5.3%	8.5%	9.8%	13.2%	9.8%	10.8%	10.9%	10.1%
North America	24.4%	31.4%	17.5%	42.3%	28.4%	32.0%	37.8%	0.2%	4.5%	19.1%	22.5%	45.5%
Latin America	0.9%	8.3%	5.6%	15.2%	7.6%	2.8%	12.6%	23.8%	17.3%	23.5%	25.1%	-3.1%
Corporate	-14.0%	10.8%	-22.8%	-19.2%	-14.7%	-10.5%	-4.2%	-1.8%	-7.4%	-8.2%	2.0%	-2.0%
Overall	17.0%	19.4%	12.7%	18.1%	16.0%	17.0%	18.6%	12.8%	12.3%	15.3%	18.6%	23.0%
As % to full year												
Asia	22.7%	24.7%	26.7%	25.8%	23.2%	24.9%	25.9%	25.9%	22.9%	24.3%	27.2%	25.6%
Europe	22.2%	25.4%	26.8%	25.7%	21.0%	24.9%	27.3%	26.7%	21.5%	26.3%	27.7%	24.4%
North America	22.1%	25.6%	23.6%	28.7%	22.8%	27.2%	26.1%	24.0%	19.4%	26.1%	26.0%	28.6%
Latin America	29.0%	21.6%	21.0%	28.4%	29.1%	20.7%	20.7%	29.5%	28.7%	22.5%	23.2%	25.5%
Corporate	24.5%	31.6%	20.6%	23.3%	22.7%	30.5%	21.4%	25.5%	21.9%	29.2%	22.7%	26.3%
Total	22.8%	25.0%	25.5%	26.8%	22.9%	25.4%	26.0%	25.8%	21.7%	25.3%	26.7%	26.3%

Source: Deutsche Bank, Company data



Figure 4: Half year P&L performance

YE 31Dec, USDm	1H10	2H10	1H11	2H11	1H12	2H12	1H13	2H13	1H14	2H14
Turnover	553	662	744	821	847	925	984	1,054	1,105	1,245
YOY % growth			35%	24%	14%	13%	16%	14%	12%	18%
Sales split %	45%	55%	48%	52%	48%	52%	48%	52%	47%	53%
Gross profit	311	379	410	447	456	495	523	565	589	655
YOY % growth			32%	18%	11%	11%	15%	14%	13%	16%
Sales split %	45%	55%	48%	52%	48%	52%	48%	52%	47%	53%
GPM	56.2%	57.2%	55.1%	54.4%	53.8%	53.6%	53.2%	53.6%	53.3%	52.6%
Operating cost	-239	-283	-313	-335	-340	-369	-387	-420	-436	-508
Opex cost ratio	-43%	-43%	-42%	-41%	-40%	-40%	-39%	-40%	-39%	-41%
EBITDA	82	107	116	131	135	147	158	168	176	175
YOY % growth			42%	23%	16%	12%	18%	14%	11%	4%
EBITDA split %	43%	57%	47%	53%	48%	52%	48%	52%	50%	50%
EBITDAM	15%	16%	16%	16%	16%	16%	16%	16%	16%	14%
EBIT	72	96	97	112	116	126	136	145	152	147
YOY % growth			35%	16%	19%	13%	18%	15%	12%	1%
EBIT split %	43%	57%	46%	54%	48%	52%	48%	52%	51%	49%
EBITM	13%	15%	13%	14%	14%	14%	14%	14%	14%	12%
Interest expense	(18)	(11)	(59)	(12)	(5)	(12)	(8)	(3)	(3)	(13)
Profit before tax	50	464	39	100	110	115	128	142	149	133
Tax	-14	-134	-14	-21	-20	-38	-34	-39	-39	-38
ETR %	-26%	-157%	-37%	-21%	-18%	-33%	-26%	-28%	-26%	-28%
Minority interest	-6	-6	-8	-8	-8	-10	-10	-12	-13	-7
Net profit	31	324	16	70	82	66	85	91	97	89
YOY % growth			-47%	-78%	402%	-6%	3%	38%	14%	-2%
Profit split %	9%	91%	19%	81%	55%	45%	48%	52%	52%	48%
Net profit margin	5.6%	49.0%	2.2%	8.6%	9.7%	7.1%	8.7%	8.6%	8.8%	7.2%

Source: Deutsche Bank, Company data



Appendix 1

Important Disclosures

Additional information available upon request

Disclosure checklist

Company	Ticker	Recent price*	Disclosure
Samsonite International S.A.	1910.HK	24.90 (HKD) 17 Mar 15	6,14,15

*Prices are current as of the end of the previous trading session unless otherwise indicated and are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies.

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Historical recommendations and target price: Samsonite International S.A. (1910.HK) (as of 3/17/2015)



Previous Recommendations

Strong Buy
Buy
Market Perform
Underperform
Not Rated
Suspended Rating

Current Recommendations

Buy
Hold
Sell
Not Rated
Suspended Rating

*New Recommendation Structure
as of September 9, 2002

1. 06/08/2013:	Upgrade to Buy, Target Price Change HKD25.00	4. 27/08/2014:	Buy, Target Price Change HKD27.10
2. 28/08/2013:	Buy, Target Price Change HKD25.09	5. 16/10/2014:	Buy, Target Price Change HKD26.00
3. 19/03/2014:	Buy, Target Price Change HKD24.71	6. 28/01/2015:	Downgrade to Hold, Target Price Change HKD24.38

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Buy: Based on a current 12- month view of total share-holder return (TSR = percentage change in share price from current price to projected target price plus pro-jected dividend yield) , we recommend that investors buy the stock.

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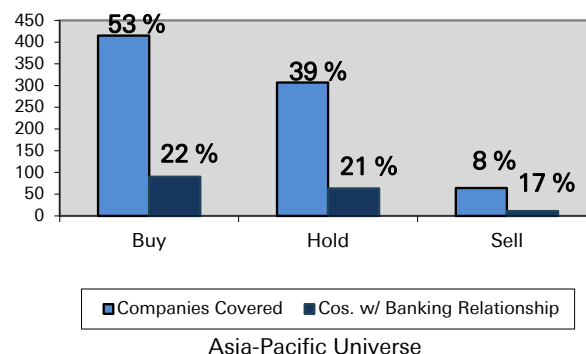
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