



Rating
Hold

Asia
Hong Kong

Consumer

Company
**Samsonite
International Alert**

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

Date
17 March 2015

Company Update

Price at 16 Mar 2015 (HKD)	25.30
Price target - 12mth (HKD)	24.38
52-week range (HKD)	27.15 - 20.00
HANG SENG INDEX	23,950

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Stock data

Market cap (HKDm)	35,623
Market cap (USDm)	4,588
Shares outstanding (m)	1,407.7
Major shareholders	-
Free float (%)	95
Avg daily value traded (USDm)	0.0

Source: Deutsche Bank

Key data

FYE 12/31	2013A	2014E	2015E
Sales (USDm)	2,038	2,322	2,537
Net Profit (USDm)	176.1	195.6	210.9
DB EPS (USD)	0.13	0.14	0.15
PER (x)	19.8	22.9	21.3
Yield (net) (%)	2.2	1.9	2.1

Source: Deutsche Bank

2014 results – lower than our/market forecasts; maintaining Hold

2014 NP 5%/9% below our/market forecasts of US\$195m/US\$206m

Samsonite announced its 2014 results this morning. Net sales reached HK\$2.35bn, a 15% yoy increase. In LCY, it rose 17%. NP rose 4% to USD186m. However, with acquisition cost and forex losses excluded, NP rose 16%. Adjusted NP rose 9% to US\$206m. NP was 5%/9% below Deutsche Bank/market forecasts of US\$195m/US\$206m, respectively. Adjusted NP was 3.6% lower than our forecast of US\$214m. Samsonite announced DPS of US\$0.0625 (an increase of 9%), which is in line with the adjusted NP, maintaining a payout of 42%.

Outlook for 2015

In its results announcement, management stated that for 2015 it 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 improvement and M&A opportunities. There will be an analyst meeting this morning.

Deutsche Bank AG/Hong Kong

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