



## 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.

- Tourister. The 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.

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Farnings	Summary

Earmings 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

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### 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



Source: FactSet

### Related reports:

- Nongfu Spring (9633 HK) Flat FY24 earnings, with FY25 set for double-digit growth
- CR Beverage (2460 HK) -FY24: Pleasant surprises from special dividends and target hike
- 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

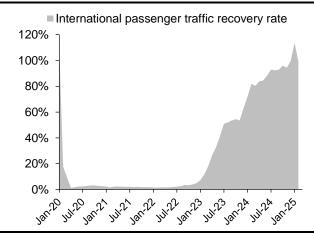
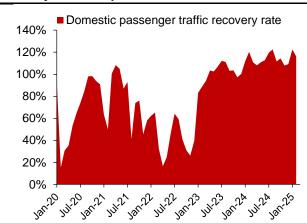


Figure 2: China domestic airline passenger traffic recovery rate compared to 2019



Source: Moojing database, CMBIGM estimates

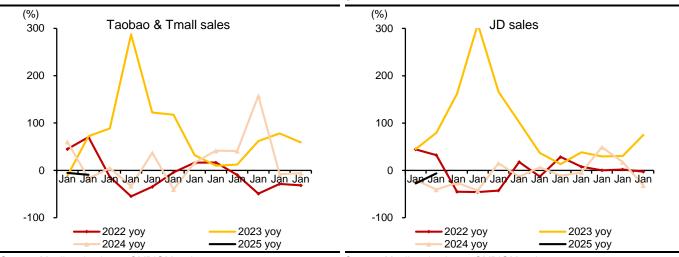
Source: Moojing database, CMBIGM estimates

### 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

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



Source: Moojing database, CMBIGM estimates

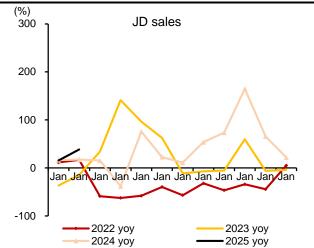
Source: Moojing database, CMBIGM estimates



Figure 5: TUMI monthly sales YoY trends on TMTB

(%) 300 Taobao & Tmall sales 200 100 0 Jan Jan Jan Jan Jan Jan Jan Jan Jan -100 2022 yoy 2023 yoy

Figure 6: TUMI monthly sales YoY trends on JD



Source: Moojing database, CMBIGM estimates

2024 yoy

Figure 7: DCF assumptions

Present value calculation Net Present Value 3,373 2,435 + Terminal Value = 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

2025 yoy

Figure 8: DCF sensitivity analysis

Sensitivity to RF and long-term growth 1.8%

25.6

25.3

24.9

24.6

4.2%

4.3%

4.4%

4.5%

Source: CMBIGM estimates

Source: Moojing database, CMBIGM estimates

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			

26.0

25.7

25.4

25.0

2.1%

26.2

25.9

25.6

25.2

2.2%

26.5

26.1

25.8

25.5

25.1

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%

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%

4.6%	24.3	24.5	24.7	24.9

1.9%

25.8

25.5

25.1

24.8

Sensitivity	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

1 USD =

Figure 9: Earnings revision

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	New			Old			Diff (%)		
US\$ mn	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.

7.78

Source: CMBIGM estimates



Figure 10: CMBIGM estimates vs consensus

		CMBIGM		C	Consensus			Diff (%)	
US\$ mn	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	0	0	0	0	0	0
investments 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)	(102)
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	ZUZZA	202014	2024A	20202	20202	ZUZIL
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.



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Stock with potential return of over 15% over next 12 months
SELL
Stock with potential return of +15% to -10% over next 12 months
SELL
Stock with potential loss of over 10% over next 12 months

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