

What's Hot Today:

► **Samsonite (1910 HK, HK\$14.06, HK\$19.4bn) 1Q25 topline missed, deleveraging the profit**

Profitability deteriorated. Samsonite reported a worse-than-expected 1Q25 results with the revenue down 7.3% YoY to US\$800mn, 5% below the consensus, mainly due to the weak consumption sentiment. Gross profit declined by 8.9% YoY to US\$473mn, with a stable GPM of 59%. Although the Company lowered marketing expenses to an appropriate level considering slower retail traffic, its NPM contracted by 3.7ppts YoY to 6.9% as the distribution and G&A expenses maintained at a high level. Net profit plunged 40% YoY to US\$48mn, 38% below market expectations.

Europe's growth can't offset Asia & North America weakness. In terms of regions, Europe market was the only market to achieve growth but offset by lower net sales in Asia and North America. The Asia market, accounting for the largest share of 38.5%, showed sluggish recovery with net sales declining 7% YoY. While India returned to growth, core markets like South Korea, China and Hong Kong remained weak. North America (32.8% of total) also saw HSD decrease. Latin America, which accounts for 6.7% of total, posted the largest drop of 26% YoY.

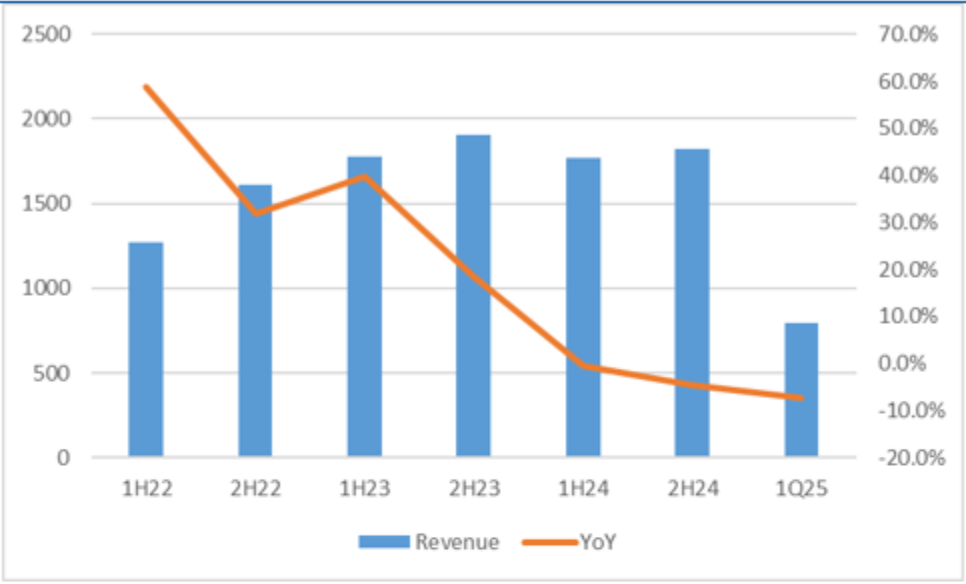
Luxury outperforms while value segment buckles under competition. The core Samsonite brand fell 7% YoY. Luxury brand Tumi dropped 4% YoY, showing a relative resilience of high-end consumption. American Tourister plunged 14% YoY, mainly due to the price competition.

FY25 outlook-headwinds remain. As per the Mgt, tariff policies will unfavorably impact demand and add cost pressures, forecasting the 2H25 will be challenge. However, we believe Samsonite faces relatively less pressure than expected, as the company has implemented measures to mitigate the uncertainty from the tariff policies, like continuing to source majority of the products for the U.S. outside of China and further shifting production to lower tariff regions. As a result, the proportion of the products in the U.S. market sourced from China has dropped from 70% in 2019 to 14% in 1Q25. Looking forward to 2Q25, the Mgt anticipates MSD YoY revenue decline on constant currency. Profitability is expected to face headwinds from tariffs but partly eased by the low base in 2Q24.

China & HK Indices		CLOSE	1D	YTD		
HSI		23,640	2.3%	17.9%		
HSCBI		8,593	2.5%	17.9%		
HSCCI		3,868	1.3%	2.3%		
CSI300		3,943	1.2%	0.2%		
Shanghai A		3,568	0.9%	-2.1%		
Shanghai B		261	0.4%	-2.1%		
Shenzhen A		2,103	0.5%	2.7%		
Shenzhen B		1,198	0.5%	-1.2%		
Key Int'l Indices		CLOSE	1D	YTD		
Dow Jones		42,051	-0.2%	-1.2%		
S&P 500		5,892	0.1%	0.2%		
Nasdaq		19,146	0.7%	-0.8%		
NIKKEI Index		37,773	-0.9%	-5.3%		
FTSE Index		8,585	-0.2%	5.0%		
CAC Index		7,836	-0.5%	6.2%		
DAX Index		23,527	-0.5%	18.2%		
Commodities		CLOSE	1D	YTD		
GOLD	(US\$/oz.)	3,177	-2.2%	21.2%		
STEEL	(US\$/oz.)	1,917	0.4%	7.4%		
SILVER	(US\$/oz.)	32	-2.1%	11.3%		
CRUDE OIL	(US\$/bbl)	63	-0.8%	-13.5%		
COPPER	(US\$/oz.)	9,606	0.9%	9.6%		
ALUMINIUM	(US\$/oz.)	2,528	2.0%	-0.9%		
PLATINUM	(US\$/oz)	985	-0.7%	8.6%		
ZINC	(US\$/oz.)	2,765	3.2%	-7.2%		
WHEAT	(US\$/bu)	524	4.6%	-5.1%		
CORN	(US\$/bu)	445	0.7%	-5.2%		
SUGAR	(US\$/lb)	N/A	N/A			
SOYBEAN	(US\$/bu)	1,077	0.5%	3.1%		
PVC	(US\$/t.)	N/A	N/A	-8.1%		
CRB		298	1.0%	3.0%		
BDI				28.4%		
Exchange Rates						
	USD	HKD	EUR	JPY	CHF	RMB
USD		7.807	0.895	146.750	0.842	7.208
HKD	0.128		0.115	18.797	10.786	0.923
EUR	1.118	8.724		163.990	1.063	8.058
JPY	0.007	5.320	0.610		0.573	0.049
CHF	1.187	9.271	1.063	174.245		8.552
RMB	0.139	1.083	0.124	20.351	0.117	
Market Sentiment		CURRENT		5D		
CDS Monitor - USD SR 5Y						
Greece				N/A	N/A	
Ireland				83	-2.4%	
Italy				139	-0.6%	
Portugal				207	-0.0%	
Spain				108	0.3%	
VIX				18	-20.9%	
Source: Bloomberg						

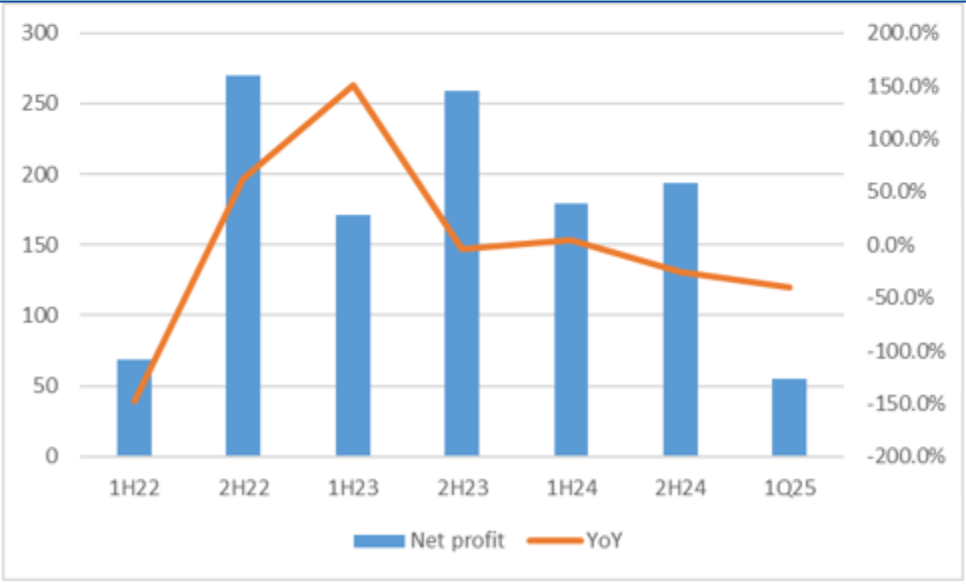
Our view: Although Samsonite has proactively changed its strategy, given the uncertain tariff policy and sluggish consumption sentiment, the company still faces pressure in the rest of FY25. The counter is currently trading at FY25 PE of 7.6x, with a yield of 6%. (Ensley LIU)

Fig 1: Revenue(US\$ mn) and YoY



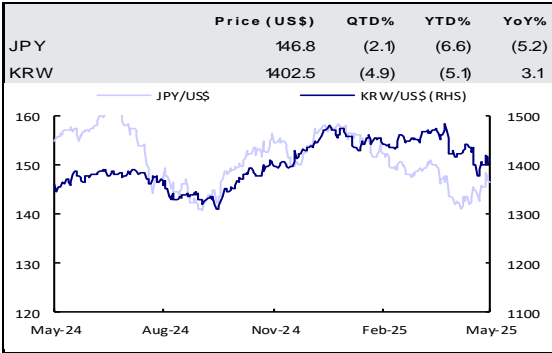
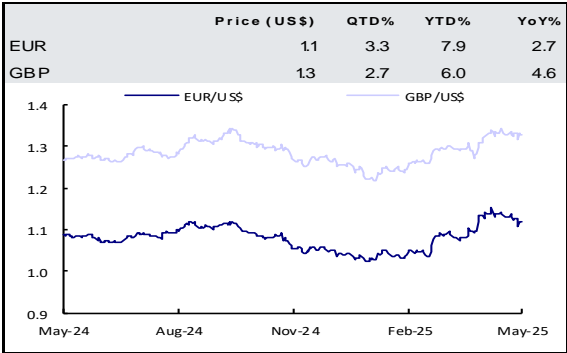
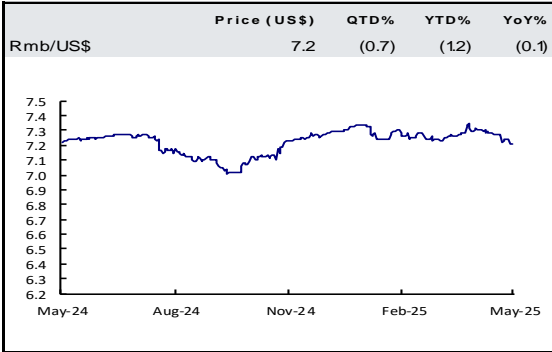
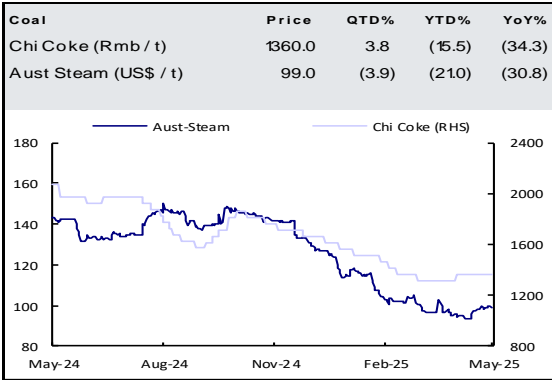
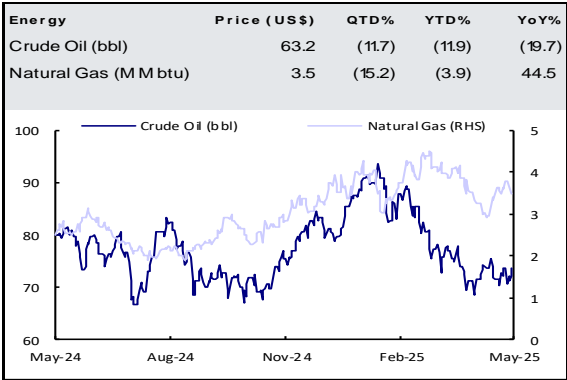
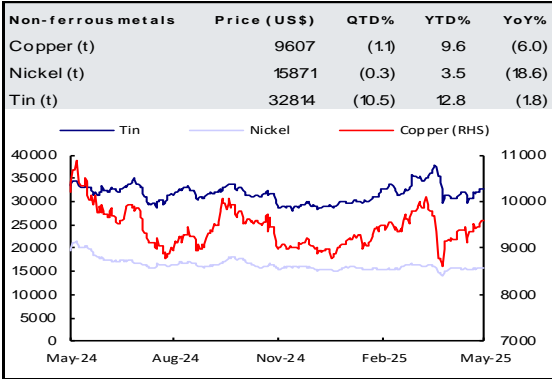
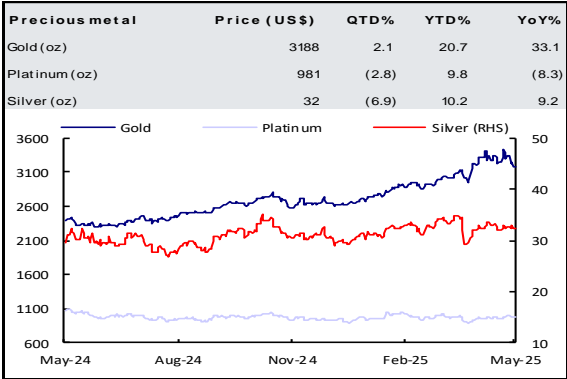
Source: Company Data, Sunwah Kingsway Research

Fig 2: Net profit(US\$ mn) and YoY



Source: Company Data, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Initial Jobless Claims	WoW		15-May-25
PPI	MoM		15-May-25
Business Inventories	MoM		15-May-25
Retail Sales	MoM		15-May-25
Industrial Production	MoM		15-May-25
Housing Starts / Building Permits	MoM		16-May-25
Existing Home Sales	MoM		22-May-25
New home Sales	MoM		23-May-25
Durable Goods Orders	MoM		27-May-25
Consumer Confidence	MoM		27-May-25
GDP	QoQ		29-May-25
Wholesale Inventories	MoM		30-May-25
Personal Income & Spending	MoM		30-May-25
ISM Manufacturing PMI	MoM		2-Jun-25
Factory Orders	MoM		3-Jun-25
Trade Balance	MoM		5-Jun-25
Employment Report	MoM		6-Jun-25
CPI	MoM		11-Jun-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Retail Sales	MoM		19-May-25
Industrial Production	MoM		19-May-25
PMI Manufacturing	MoM		31-May-25
Foreign Exchange Reserves	QoQ		7-Jun-25
Money Supply - M2	MoM		9-Jun-25
Trade Balance	MoM		9-Jun-25
PPI	MoM		9-Jun-25
CPI	MoM		9-Jun-25
GDP	YoY		15-Jul-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
GDP	QoQ		16-May-25
Unemployment Rate	MoM		20-May-25
CPI	MoM		22-May-25
Trade Balance	MoM		26-May-25
Money Supply - M2	MoM		30-May-25
Retail Sales	MoM		2-Jun-25
PMI	MoM		4-Jun-25
Foreign Currency Reserve	MoM		6-Jun-25
Producer Prices Index	QoQ		12-Jun-25
Industrial Production	QoQ		12-Jun-25
Composite Interest Rate	MoM		

Kingsway Research Team

Analyst
Howard Wong
Ensley Liu

Email
Howard.wong@sunwahkingsway.com
Ensley.liu@sunwahkingsway.com

Phone No.
(852) 2283 7307
(852) 2283 7618

Source: HKEx

Disclaimer

This document is not an offer to sell or the solicitation of an offer to buy or subscribe for any securities. The securities referred to in this document may not be eligible for sale in certain jurisdiction. Neither this document nor any portion hereof may be taken distributed or transmitted directly or indirectly into such jurisdiction nor to any residents thereof. Any failure to comply with this restriction may constitute a violation of the applicable laws and regulations and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. This document has been produced for private circulation and may not be copied, photocopied, duplicated, or redistributed without the prior written consent of Kingsway Financial Services Group Limited (“KFS”) and its affiliated companies (collectively, “Kingsway Group”).

This report is distributed in Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) by KFS which is registered as a licensed corporation under the Securities and Futures Ordinance (Cap.571 of The Laws of Hong Kong) with the Securities and Futures Commission of Hong Kong (“SFC”) and its SFC CE number is ADF346.

The information contained in this report has been taken from sources believed to be reliable but no representation or warranty expressed or implied is made as to their accuracy or correctness. This report is published for the assistance of recipients but is not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient. It is not to be construed as an offer, invitation or solicitation to buy or sell any securities of the company or companies covered herein. Any recommendation contained in this report does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. All opinions and estimates reflect our judgment on the date of this report and are subject to change without notice.

KFS, including its parent, subsidiaries and/or affiliates, may act as lead or co-manager in an offering of the securities of any issuer discussed herein, may from time to time perform financial services or other advisory services for, or solicit financial services or other business from, any issuer.

Within the past year, KFS, including its parent, subsidiaries and/or affiliates, may have acted as market maker or traded on a principal basis in the financial instruments of any issuer discussed herein and may act as underwriter, placement agent, advisor or lender to such issuer.

KFS, including its parent, subsidiaries, affiliates, shareholders, officers, directors, and employees may have long or short positions in, and buy or sell, the securities, commodities or derivatives (including options) or any other financial instruments thereof, of any issuers.

An employee of KFS, including its parent, subsidiaries and/or affiliates, may act as director, or be represented on the boards of directors, of any such entities or issuers.

Copyright 2025 Kingsway Group. All rights reserved.

Head Office

Hong Kong
Kingsway Financial Services Group Limited
7/F, Tower One, Lippo Centre,
89 Queensway, Hong Kong
Tel: 852-2283-7000
Fax: 852-2877-2665

Affiliated & Overseas Offices

Guangdong
廣東新華滙富商業保理有限公司
2701, Dongshan Plaza,
69 Xianlie Middle Road, Yuexiu District
Guangzhou, 510095

Vietnam
Sunwah Kingsway Vietnam Services Limited
Representative Office
Sunwah Tower, Mezzanine Floor
115 Nguyen Hue
District 1
Ho Chi Minh City
Vietnam