

What's Hot Today:

► Samsonite (1910 HK, HK\$14.03, HK\$20.6bn) – 1Q26 net sales stabilized despite geopolitical headwinds

Samsonite has faced persistent growth headwinds in both revenue and profit, particularly due to a deleveraging effect weighing on earnings. Nevertheless, the company delivered a steady 1Q26 topline performance amid the Middle East conflict, signaling underlying demand resilience.

Topline growth steady – 1Q26 Net sales rose 4.1% YoY to USD829mn (+0.4% on a constant-currency basis), largely in line with market consensus. The improvement was primarily driven by DTC channels and the core Samsonite brand. The core brand recorded 5.8% YoY net sales growth (+1.3% constant currency). Meanwhile, the Asia segment (accounting for 38.1% of total net sales) saw net sales increase 3.0% YoY (+1.3% constant currency), underpinned by stronger demand in China and South Korea. Excluding the Middle East and India, Asia's net sales jumped 8.4% YoY (+5.1% constant currency). Thus, while geopolitical conflicts remain a headwind, the core business is still growing in most major markets.

Margin improvement expected in 2H26 – In contrast to the resilient topline, profitability was hit by geopolitical disruptions and higher distribution and marketing expenses (up 10.8% and 12.8% YoY, respectively). As a result, net profit dropped 33.2%, while adjusted EBITDA declined 14.6%, with the adjusted EBITDA margin contracting sharply to 13.1% (compared with 16% in the same period last year). Nevertheless, we believe the increased distribution and marketing spending will support long-term branding and indirectly contribute to topline growth. Management expects the company to maintain similar sales momentum after 2Q26, with a clearer improvement in 2H26, such that full-year 2026 net sales would increase by a LSD percentage.

Cash flow and capital allocation strengthens – Despite the NP drop, it generated robust operating cash flow of USD85.4mn during the quarter, a significant turnaround from USD8.5mn in 1Q25, contributed by disciplined inventory management and tighter working capital control. Net debt down slightly to USD1.07bn from USD1.1bn at end-2025. Moreover, management announced a USD50mn share buyback program. Underlying cash generation remains solid, providing ample financial flexibility to support shareholder returns.

Our view: We expect Samsonite to deliver stable revenue growth but weaker margins for FY26. Near-term margin pressure poses challenges, as higher oil prices dampen travel demand and put further pressure on global transportation and raw material costs, pushing expenses higher. Moreover, Mgt estimates that distribution and marketing expenses for FY26 will rise to 6.5% of sales, up from 5.7% in 1Q26, aiming to amplify brand awareness and fuel future growth. A potential secondary listing in the US can be a near-term catalyst. The counter is trading at 9.0x FY26 PE. (Research Department)

China & HK Indices	CLOSE	1D	YTD
HSI	26,389	0.0%	3.0%
HSCEI	8,858	-0.2%	-0.6%
HSCCI	4,574	-0.9%	13.9%
CSI300	4,914	-1.7%	6.1%
Shanghai A	4,381	-1.5%	13.5%
Shanghai B	288	-0.7%	13.5%
Shenzhen A	3,021	-2.1%	14.1%
Shenzhen B	1,142	-0.5%	-9.6%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	50,063	0.7%	4.2%
S&P500	7,501	0.8%	9.6%
Nasdaq	26,635	0.9%	14.6%
NIKKEI Index	62,640	-0.0%	24.4%
FTSE Index	10,372	0.5%	4.4%
CAC Index	8,082	0.9%	-0.8%
DAX Index	24,456	1.3%	-0.1%

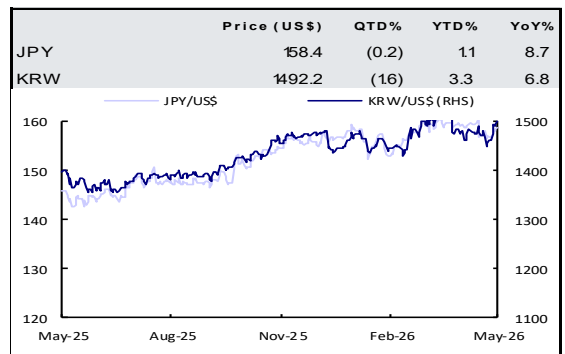
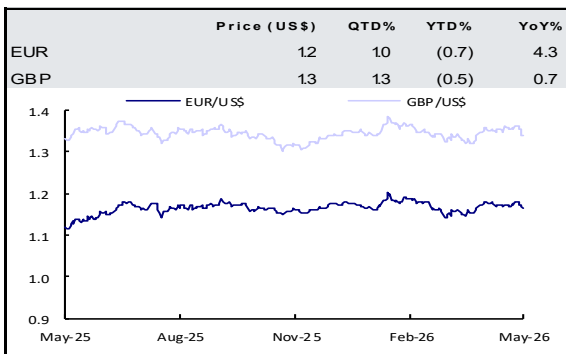
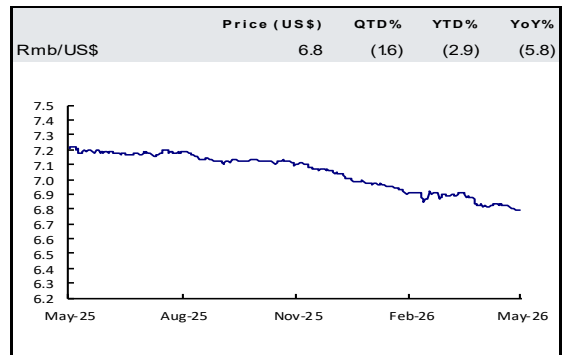
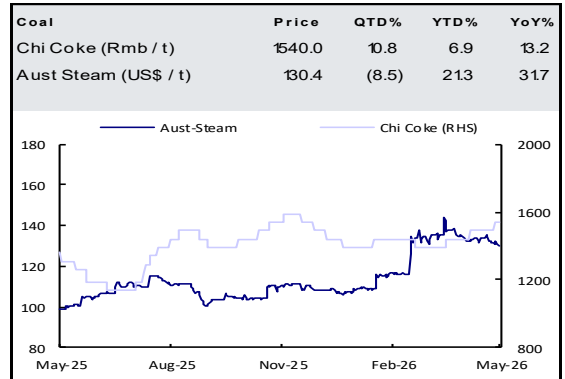
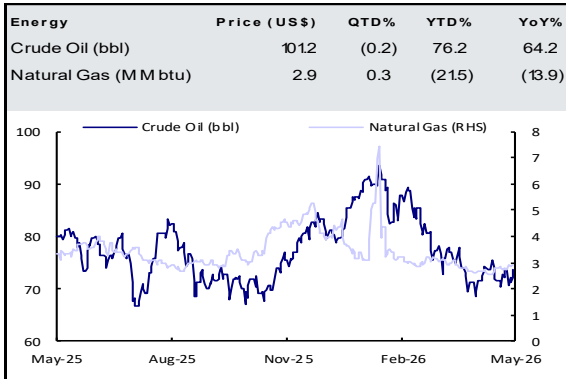
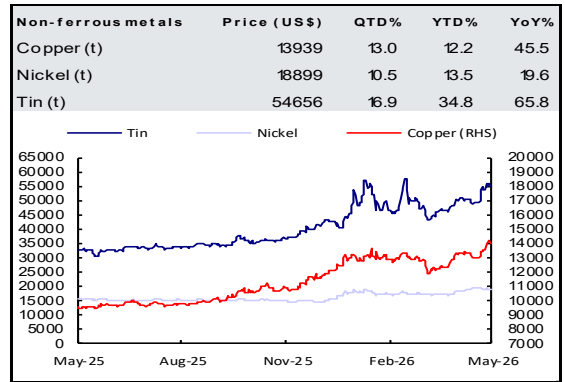
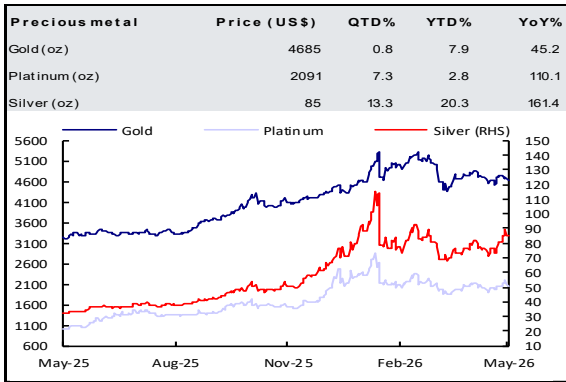
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,651	-0.8%	7.0%
STEEL (US\$/oz.)	3,242	0.7%	27.5%
SILVER (US\$/oz.)	83	-4.6%	14.2%
CRUDE OIL (US\$/bbl)	101	0.1%	77.6%
COPPER (US\$/oz.)	13,938	-0.6%	12.2%
ALUMINIUM (US\$/oz.)	3,657	2.7%	22.1%
PLATINUM (US\$/oz.)	2,062	-3.7%	-0.6%
ZINC (US\$/oz.)	3,584	1.5%	15.0%
WHEAT (US\$/bu)	658	-1.1%	30.3%
CORN (US\$/bu)	467	-2.8%	3.5%
SUGAR (US\$/lb)	116	-0.1%	
SOYBEAN (US\$/bu)	1,192	-3.0%	11.4%
PVC (US\$/t)	5,146	0.4%	58.3%
CRB	400	-1.1%	3.0%
BDI			69.9%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.833	0.857	158.370	0.784	6.787
HKD	0.128		0.109	20.221	10.007	0.867
EUR	1.167	9.141		184.800	1.093	7.925
JPY	0.006	4.945	0.541		0.495	0.043
CHF	1.276	9.993	1.093	202.071		8.662
RMB	0.147	1.154	0.126	23.306	0.116	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece		N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	17	1.1%

Source: Bloomberg

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Initial Jobless Claims	WoW		14-May-26
Retail Sales	MoM		14-May-26
Business Inventories	MoM		14-May-26
Industrial Production	MoM		15-May-26
Housing Starts / Building Permits	MoM		21-May-26
Consumer Confidence	MoM		26-May-26
Personal Income & Spending	MoM		28-May-26
Durable Goods Orders	MoM		28-May-26
GDP	QoQ		28-May-26
New home Sales	MoM		28-May-26
Wholesale Inventories	MoM		29-May-26
ISM Manufacturing PMI	MoM		1-Jun-26
Factory Orders	MoM		3-Jun-26
Employment Report	MoM		5-Jun-26
Trade Balance	MoM		9-Jun-26
Existing Home Sales	MoM		9-Jun-26
CPI	MoM		10-Jun-26
PPI	MoM		11-Jun-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Retail Sales	MoM		18-May-26
Industrial Production	MoM		18-May-26
PMI Manufacturing	MoM		31-May-26
Foreign Exchange Reserves	QoQ		7-Jun-26
Money Supply - M2	MoM		9-Jun-26
Trade Balance	MoM		9-Jun-26
PPI	MoM		10-Jun-26
CPI	MoM		10-Jun-26
GDP	YoY		15-Jul-26

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
GDP	QoQ		15-May-26
Unemployment Rate	MoM		19-May-26
CPI	MoM		21-May-26
Trade Balance	MoM		28-May-26
Money Supply - M2	MoM		29-May-26
Retail Sales	MoM		2-Jun-26
PMI	MoM		3-Jun-26
Foreign Currency Reserve	MoM		5-Jun-26
Producer Prices Index	QoQ		12-Jun-26
Industrial Production	QoQ		12-Jun-26
Composite Interest Rate	MoM		

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