Samsonite Group S.A.

13-15 Avenue de la Liberté, L-1931 Luxembourg
R.C.S. Luxembourg: B 159.469
(Incorporated under the laws of Luxembourg with limited liability)

Consolidated report for the year ended December 31, 2024

Disclaimer

Non-IFRS Financial Measures

The Company has presented certain non-IFRS[1] financial measures in the Directors' Report because each of these measures provides additional information that management believes is useful for securities analysts, investors and other interested parties to gain a more complete understanding of the Company's operational performance and the trends impacting its business. These non-IFRS financial measures, as calculated herein, may not be comparable to similarly named measures used by other companies and should not be considered comparable to IFRS financial measures. Non-IFRS financial measures have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Company's financial results as reported under IFRS Accounting Standards. For a description and reconciliation of the non-IFRS financial measures, see Non-IFRS Financial Measures in the Directors' Report.

Special Note Regarding Forward-looking Statements

This document contains forward-looking statements that involve substantial risks and uncertainties. In some cases, you can identify forward-looking statements by the words "aim", "anticipate", "believe", "commit", "continue", "could", "estimate", "expect", "intend", "may", "might", "ongoing", "opportunity", "plan", "potential", "project", "target", "trend", "will", "would", or the negative of these terms, or other comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties and other important factors that may cause the Company's actual results, performance or achievements to materially differ from the information expressed or implied by these forward-looking statements. The forward-looking statements and opinions contained in this document are based upon information available to the Company as of the date of this document and, while the Company believes such information forms a reasonable basis for such statements, such information may be limited or incomplete, and the Company's statements should not be read to indicate that it has conducted an exhaustive inquiry into, or review of, all potentially available relevant information. Forward-looking statements contained in this document include, but are not limited to, statements concerning:

- the Company's expectations with respect to first-quarter and full-year 2025 financial and operating performance, including expected constant currency net sales growth and marketing spend and the Company's ability to maintain robust margins;
- the strength and positioning of the Company's brands and its ability to preserve its desirability;
- the Company's ability to implement its growth strategies and expand its product offerings and market reach, including with respect to the non-travel category;
- the Company's market opportunity and its ability to grow sales in established markets and deepen penetration in emerging markets with higher growth potential;
- the Company's ability to manage its channel mix and execute on its multi-channel strategy;
- the performance of the Company's direct-to-consumer ("DTC") channel, including the expansion and success of its company-operated retail stores and e-commerce platforms;
- the effects of trends in the travel industry, and air travel in particular, on the Company's business;
- the Company's platform and other competitive advantages and the competitive environment in which it operates;
- the Company's focus on innovative design, durability and sustainability and its ability to differentiate its products on this basis;
- the Company's ability to tailor its brand and product strategies to local market preferences;
- the Company's financial profile, including with respect to operating leverage and margins, and the resiliency of its operating model;
- the Company's ability to generate cash from operations, invest in its business and return capital to shareholders;

- the Company's in-house design, development and manufacturing abilities;
- the Company's ability to expand its brand portfolio;
- the Company's marketing and advertising strategy;
- the abilities of the Company's management team and its ability to retain such management team;
- the Company's ability to manage the availability and cost of raw materials;
- the advantages of the Company's sourcing and distribution model and its ability to manage inventories;
- the strength of the Company's relationships with third-party suppliers, manufacturers, distribution, wholesale and franchise partners;
- the performance, financial conditions and capabilities of the Company's third-party suppliers, manufacturers and other partners;
- the Company's ability to navigate general economic conditions worldwide and the effects of macroeconomic factors on its business;
- the economic and political conditions of foreign countries in which the Company operates or sources its merchandise;
- the effects of foreign currency fluctuations on the Company's business;
- the Company's commitment to sustainability;
- climate change and other sustainability-related matters, as well as legal, regulatory or market responses thereto;
- changes to laws and regulations worldwide, including advertising, materials, sanctions, trade policies, taxes, tariffs, import/export regulations, competition regulations and laws related to privacy, data security and data protection in the United States, European Union, People's Republic of China (the "PRC" or "China") and other jurisdictions, and the Company's ability to comply with such laws and regulations; and
- the Company's ability to protect its intellectual property rights in its brands, designs, materials and technologies.

Actual events or results may differ from those expressed in forward-looking statements. As such, you should not rely on forward-looking statements as predictions of future events. The Company has based the forward-looking statements contained in this document primarily on its current expectations and projections about future events and trends that it believes may affect its business, financial condition, operating results, prospects, strategy and financial needs. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, assumptions and other factors including, among other things, risks related to: the effects of consumer spending and general economic conditions; adverse impacts on the travel industry, and especially air travel; any deterioration in the strength of the Company's brands, or its inability to grow these brands; the Company's inability to expand internationally or maintain successful relationships with local distribution and wholesale partners; the competitive environment in which the Company operates; the Company's inability to maintain its network of sales and distribution channels or manage its inventory effectively; the Company's inability to grow its digital distribution channel and execute its e-commerce strategy; the Company's inability to promote the success of its retail stores; deterioration or consolidation of the Company's wholesale customer base; the financial health of the Company's wholesale customer base; the Company's inability to maintain or enhance its marketing position; the Company's inability to respond effectively to changes in market trends and consumer preferences; harm to the Company's reputation; manufacturing or design defects in the Company's products, or products that are otherwise unacceptable to the Company or to its wholesale customers; the impacts of merchandise returns and warranty claims on the Company's business; the Company's inability to appeal to new consumers while maintaining the loyalty of its core consumers; the Company's inability to exercise sufficient oversight over its decentralized operations; the Company's inability to attract and retain talented and qualified employees, managers, and executives; the Company's dependence on existing members of management and key employees; the Company's inability to accurately forecast its inventory and working capital requirements; disruptions to the Company's manufacturing, warehouse and distribution

operations; the Company's reliance on third-party manufacturers and suppliers; the Company's failure to comply with US and foreign laws related to privacy, data security and data protection; the complex and changing laws and regulations worldwide to which the Company is subject; the Company's failure to comply with, or liabilities under, environmental, health and safety laws and regulations or sustainability-related regulations; the Company's failure to satisfy regulators' and stakeholders' requirements and expectations related to sustainability-related matters; the impact of legal proceedings and regulatory matters; the complex taxation regimes to which the Company is subject, including audits, investigations and other proceedings, and changes to such taxation regimes; the Company's accounting policies, estimates and judgments, and the effect of changes in accounting standards or its accounting policies; and the other risks described in more detail in Risk Factors included in the Principal Risks and Uncertainties section of the Directors' Report.

The preceding paragraph and list are not intended to be an exhaustive description of all of the Company's forward-looking statements or related risks. The forward-looking statements contained in this document speak only as of the date of this document. Moreover, the Company operates in a highly competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for the Company to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this document. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by the Company or any other person that the Company will achieve its objectives and plans in any specified time frame, or at all. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

In addition, statements that the "Company believes" and similar statements reflect the Company's beliefs and opinions on the relevant subject. These statements are based on information available to the Company as of the date of this document. While the Company believes that such information provides a reasonable basis for these statements, such information may be limited or incomplete. The Company's statements should not be read to indicate that it has conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

You should read this document with the understanding that the Company's actual future results may be materially different from what it expects. The Company may not actually achieve the plans, intentions, or expectations disclosed in it forward-looking statements, and you should not place undue reliance on the Company's forward-looking statements.

Rounding

Certain amounts presented in this document have been rounded up or down to the nearest tenth of a million unless otherwise indicated. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that precede them. With respect to financial information set out in this report, a dash ("—") signifies that the relevant figure is not available, not applicable or zero, while a zero ("0.0") signifies that the relevant figure is available but has been rounded to zero. There may therefore be discrepancies between the actual totals of the individual amounts in the tables and the totals shown and between the amounts in the tables and the amounts given in the corresponding analyses in the text of this document and between amounts in this document and other publicly available documents. All percentages and key figures were calculated using the underlying data in whole United States Dollars ("USD" or "US Dollars").

Note

(1) International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board (IASB).

Directors' Report

The following discussion and analysis of the financial condition and results of operations of Samsonite Group S.A. should be read in conjunction with its audited consolidated financial statements and the notes to those statements included elsewhere in the annual report, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") Accounting Standards as issued by the International Accounting Standards Board (the "IASB").

In addition to consolidated financial statements, the following discussion contains forward-looking statements that reflect the Company's plans, estimates, and beliefs. Actual results could differ materially from those discussed in the forward-looking statements. You should review the section titled Forward-looking Statements in the Disclaimer section and Risk Factors in this section for a discussion of forward-looking statements and factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis and elsewhere in the annual report. The following discussion and analysis also includes a discussion of certain non-IFRS financial measures. For additional information on these non-IFRS financial measures see the Non-IFRS Financial Measures section and other sections in this Directors' Report for reconciliations to the most comparable IFRS financial measures.

Overview

Samsonite Group S.A. is the world's best-known and largest travel luggage company and a leader in global lifestyle bags. The Company owns and operates a portfolio of customer-centric and iconic brands, led by *Samsonite*®, *TUMI*® and *American Tourister*®, that empowers the Company's customers' journeys with globally trusted, innovative and increasingly sustainable products. Building on its long history of industry leadership, the Company's vision is to create a path towards a more sustainable future for its industry.

With a heritage dating back 115 years, the Company has long been at the forefront of commercializing industry-defining innovations and adapting to evolving consumer demands. The Company's market leadership, platform and scale advantages, along with its decentralized organizational structure, have contributed to a long track-record of growth, with net sales, profit for the year and adjusted EBITDA of US$3.6 billion, US$372.6 million and US$683.0 million, respectively, for the year ended December 31, 2024.

The Company is a leader in the large, growing and fragmented global bags and luggage industry, which had approximately US$87 billion in retail sales during 2024, according to Euromonitor[(1)], and its revenue base is highly diversified across regions, brands, product categories and distribution channels. The Company's market-leading core brands of *Samsonite*, *TUMI* and *American Tourister* offer a distinguished and trusted product portfolio that serves a wide range of global customers across their travel and non-travel bag needs. The Company's portfolio includes several other complementary brands, including *Gregory*®, *Hartmann*®, and *Lipault*®, among others, that serve distinct customer segments in specific markets and provide advanced product capabilities that enable the Company to address incremental demand across categories. The Company's travel products, which comprised 65.7% of its net sales for the year ended December 31, 2024, primarily consist of hard-side, soft-side and hybrid material suitcases and carry-ons. The Company's non-travel products, which comprised 34.3% of its net sales for the year ended December 31, 2024, include business and casual bags and backpacks, accessories and other products, and represent an important element of the Company's growth strategy.

The Company employs a targeted, country-specific channel strategy that builds on its global platform and local expertise. For the year ended December 31, 2024, the Company derived 39.8% of its net sales from its DTC channel, which consisted of 1,119 company-operated retail stores globally and a leading e-commerce presence in the luggage industry. The Company's DTC footprint is complemented by a robust and well-established wholesale business, which comprised 60.2%[(2)] of its net sales for the year ended December 31, 2024, and includes longstanding partnerships with many of the largest brick-and-mortar and digital retailers across the regions in which the Company operates, and the Company also works extensively with independent local travel retailers, family-owned luggage shops and wholesale partners who operate branded company stores in key airport locations. The Company believes there is an opportunity to continue to expand its footprint in under-penetrated markets and in its DTC channel.

Notes

(1) Source: Euromonitor International, Personal Accessories 2025 edition, Market sizes – historical sales and sales forecasts, USD million, year-over-year exchange rates, current prices, year-base 2024.

(2) Includes licensing revenue of US$1.8 million for the year ended December 31, 2024.

Key Factors Affecting the Company's Performance

The Company believes that its future performance will depend on many factors, including those described below and those described in the sections titled "Risk Factors" later on in this section.

Ability to Continually Improve the Desirability of the Company's Brands and Products

The Company believes that quality, innovation and brand perception are key elements of its brands' and products' value proposition and key enablers of its ability to grow net sales. In order to continually improve the desirability of its brands and products and remain competitive within the product markets in which it competes, the Company must continue to invest in innovation and develop, promote and bring to market high-quality new products that address varying consumer preferences across markets while maintaining its global brand image and product quality.

The Company invests significant resources in research and development for lighter and stronger new materials, advanced manufacturing processes, exciting new designs, innovative functionalities and more durable, more repairable and more sustainable collections. The Company also invests significant resources in marketing to enhance consumer awareness and further increase the desirability of its brands and products. The Company's market leadership, platform and scale advantages enable it to efficiently invest in marketing efforts across its brand portfolio, and the Company intends to continue investing in its brands to increase their appeal.

As the Company balances its investments in marketing and brand awareness with its focus on cost discipline and profitability, the Company's advertising activities can fluctuate from year to year and can affect both its net sales and its selling expenses. For example, for the year ended December 31, 2024, the Company's investment in marketing decreased by 6.0% year-over-year as the Company adjusted advertising investments to appropriate levels considering slower retail traffic and softer global consumer sentiment, compared to a 54.8% year-over-year increase for the year ended December 31, 2023, as the Company capitalized on recovery and growth in travel and tourism in 2023 to support strong net sales and profitability increases. During the year ended December 31, 2024, the Company's marketing expenses represented 6.3% of total net sales, compared to 6.6% of total net sales for the year ended December 31, 2023.

Ability to Grow in Established and Emerging Markets

By capitalizing on its existing global presence and by leveraging the strength of its brands, the Company believes it has a significant opportunity to continue to grow sales in established markets, including those with high growth potential such as India and the PRC, as well as deepen its penetration in emerging markets such as Indonesia and Brazil. The Company's market leadership, platform and scale advantages, along with its decentralized organizational structure, enable it to continue to capture market share in both the global luggage market as well as in the global bags market, where the Company has a significant runway for continued growth. The Company believes the *TUMI* brand, in particular, is well positioned to build on its historic strength in North America and significantly grow its sales in other regions, including Asia and Europe.

Channel Mix and Ability to Execute Its Multi-Channel Strategy

The Company sells its products in over 100 countries through two primary distribution channels: wholesale and DTC, which includes company-operated retail stores and e-commerce. For the year ended December 31, 2024, the wholesale channel accounted for 60.2%[(1)] of the Company's net sales, and the DTC channel accounted for 39.8% of its net sales. The Company's net sales and profitability are impacted by the proportion of its net sales attributable to each of these channels, and the Company typically experiences higher gross margins in its DTC channel.

Growing DTC sales is a key component of the Company's growth strategy, and the Company continues to invest in building direct relationships with its customer base across every region in which it operates and delivering immersive and elevated brand experiences through both company-operated retail stores and its e-commerce platforms. In recent years, the Company has streamlined its retail store fleet to focus on driving profitable growth from its store base, and the Company employs a targeted approach to new store openings. Company-operated retail stores represent an important part of the Company's growth strategy across all regions, and the Company believes its company-operated retail store network serves as an attractive marketing tool that elevates its customer experience, increases loyalty and builds community. In addition to its brick-and-mortar retail stores, the Company operates robust DTC e-commerce platforms worldwide, which have also contributed to significant growth across the Company's brands and regions. The Company expects the proportion of net sales from its DTC channel to increase over time as it continues to invest in growing its DTC channel.

The Company's DTC footprint is complemented by a robust and well-established wholesale business, which it believes is critical in driving continued growth and customer reach. Furthermore, the Company has an extensive and growing distributor and franchise network that adds to its branded brick-and-mortar footprint, particularly in developing markets or smaller countries where the Company has no direct presence. The Company anticipates that the wholesale channel will remain an integral part of its go-to-market strategy and overall growth opportunity, and the Company intends to maintain its relationships with its wholesale partners and continues to provide new and innovative products as well as brand marketing within the channel.

Note

(1) Includes licensing revenue of US$1.8 million for the year ended December 31, 2024.

Ability to Grow Net Sales of Non-Travel Products

In recent years, the Company has seen strong growth in the proportion of its net sales attributable to non-travel products, which comprised 34.3% and 33.8% of its net sales for the years ended December 31, 2024 and December 31, 2023, respectively, and include business and casual bags and backpacks, accessories and other products. The Company typically experiences higher gross margins from sales of non-travel products, and growing its net sales in this category is a key component of its growth strategy. The Company believes it has a significant opportunity to grow its net sales by expanding into adjacent product categories and leveraging the strength of its brand recognition and product expertise. The Company is focused on non-travel category opportunities for the *Samsonite* brand, including backpacks, business bags, duffel bags, totes and accessories, and the Company has expanded its *American Tourister* brand portfolio beyond travel to include duffel bags, backpacks, handbags and school-related children's bags. The Company has also extended *TUMI*'s lifestyle product offerings in high-end licensed non-travel products, including fragrances, belts and eyewear, leveraging similar principles around technical innovation and effortless functionality that makes *TUMI*'s products exceptional. In addition, certain of the Company's brands, including *Gregory* and *High Sierra*, are positioned primarily in the non-travel category. As the Company continues to pursue growth in the non-travel category, its success will depend on a number of factors, including its product innovation, marketing efforts and consumer acceptance of its non-travel products.

Macroeconomic Factors

Macroeconomic factors affect consumer spending, which ultimately impacts the Company's results of operations. Consumer demand for discretionary items like the Company's products tend to soften during periods of recession, prolonged declines in the equity or housing markets, high inflation or rising interest rates, increased or new tariffs, during pandemics or other public health emergencies and during periods of terrorism, military conflicts or other hostilities (including recent and ongoing conflicts in Ukraine and the Middle East). These events can reduce disposable income or consumer wealth (or perceptions thereof). For example, during the year ended December 31, 2024, global economic and political uncertainty contributed to consumers becoming more selective and intentional with their spending habits than they were following the pandemic recovery during the year ended December 31, 2023, which adversely affected the Company's net sales. Conversely, improved macroeconomic conditions can positively impact the Company's net sales, including by increasing the number of orders it receives from its wholesale customers.

Global Travel and Tourism

Net sales of products in the Company's travel category depend on global travel and tourism trends as a driver of consumer demand. A significant portion of the Company's customers travel by air, and many of the Company's products are targeted at travelers in general and air travelers in particular. According to Airports Council International ("ACI") World and International Civil Aviation Organization ("ICAO"), global air passenger traffic is projected to continue to grow from approximately 9.5 billion passengers in 2024 to approximately 12 billion passengers in 2030 and approximately 19.5 billion passengers in 2042, representing CAGRs of approximately 4% and 3%, respectively. The Company's travel category products accounted for 65.7% and 66.2% of its net sales for the years ended December 31, 2024 and December 31, 2023, respectively. As such, the Company's management pays close attention to travel and tourism forecasts and indicators to ensure that its regions, brands, channels and product categories are well positioned for sales and profit growth and industry leadership.

According to the United Nations World Tourism Organization, during 2024 global passenger arrivals were estimated to have increased by 11% to 1.4 billion arrivals, approximately 140 million more global passenger arrivals than during 2023, primarily due to strong post-pandemic demand, robust performance from large markets and the ongoing recovery of destinations in Asia. According to the International Air Transport Association ("IATA"), 2024 "was marked by total regional recovery, as all regions have overperformed their pre-pandemic levels", and revenue passenger-kilometers increased approximately 10% year-over-year, which helped support demand for the Company's products during the year ended December 31, 2024. During the year ended December 31, 2024, however, the Company believes that global economic and political uncertainty contributed to consumers becoming more selective and intentional with their spending habits than they were following the pandemic recovery during the year ended December 31, 2023.

The Company generally expects the market for global travel and tourism to drive trends in its net sales. The Company believes its strategy to broaden its product offering within the non-travel category will help to mitigate the impact of global travel and tourism trends on its business over time.

Foreign Currency Fluctuations

The Company prepares its consolidated financial statements in US Dollars but has significant non-US operations. The net sales of its operating subsidiaries are generated in their local functional currency, while a large proportion of each subsidiary's cost of sales (in the form of inventory purchases) are incurred in US Dollars. Fluctuations in the value of the US Dollar against the currencies in which it generates net sales – such as the Euro, the Chinese RMB, the South Korean Won, the Japanese Yen, the Indian Rupee and the Mexican Peso – can adversely affect the Company's US Dollar reported net sales, gross margin, profitability and cash flow.

The Company periodically uses forward exchange contracts to hedge its exposure to currency risk on product purchases denominated in a currency other than the respective functional currency of its subsidiaries. The forward exchange contracts typically have maturities of less than one year. Although the Company continues to evaluate strategies to mitigate risks related to the fluctuations in currency exchange rates, it will likely recognize gains or losses from international operations. For additional information about the Company's exposure to currency exchange risk, see Directors' Report – Risk Factors – Quantitative and Qualitative Disclosures about Market Risk – Foreign Currency Exchange Risk.

Segments

The Company's segment reporting is based on geographical areas, which reflects how the Company manages its business and evaluates its operating results. The Company's operations are organized in the following segments:

- **Asia:** Includes operations in China, India, Japan, South Korea, Hong Kong (which includes net sales made domestically as well as to distributors in certain other Asian markets and net sales in Macau), Singapore (which includes net sales made domestically as well as to distributors in certain other Asian markets), Australia, certain countries in the Middle East and Africa and other smaller markets, including Indonesia, Malaysia, the Philippines, Taiwan and Thailand, as well as other small markets served by third-party distributors.

- **North America:** Includes operations in the United States and Canada.

- **Europe:** Includes operations in Belgium, Germany, Italy, France, the United Kingdom (which includes net sales made in Ireland), Spain and other smaller markets, including Austria, Denmark, Finland, Hungary, the Netherlands, Norway, Poland, South Africa, Sweden, Switzerland and Turkey, as well as other small markets served by third-party distributors.

- **Latin America:** Includes operations in Mexico, Chile, Brazil and other smaller markets, including Argentina, Colombia, Panama, Peru and Uruguay, as well as other small markets served by third-party distributors.

- **Corporate:** Primarily includes certain licensing activities from brand names owned by the Company and the Corporate headquarters function and related overhead.

The Company's management team regularly reviews all operating segments' operating results to make decisions about resources to be allocated to each segment and assess performance. For additional information about the Company's operating segments, see note 4 Segment Reporting to the consolidated financial statements.

Key Financial Metrics

To analyze the Company's business performance, determine financial forecasts and help develop long-term strategic plans, the Company's management reviews the following key financial metrics, which include both measures prepared in accordance with IFRS Accounting Standards and non-IFRS financial measures. The Company's management believes the non-IFRS financial measures presented below are useful in evaluating the Company's performance, in addition to its financial results prepared in accordance with IFRS Accounting Standards. For additional information on these non-IFRS financial measures and reconciliations to the most comparable IFRS financial measures, see Directors' Report – Non-IFRS Financial Measures.

	Year ended December 31,					
	2024		2023		2024 vs. 2023	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) on a constant currency basis[2]
Net sales by region[1]:						
Asia	**1,344.4**	**37.5%**	1,427.8	38.8%	(5.8)%	(3.6)%
North America	**1,251.5**	**34.9%**	1,267.2	34.4%	(1.2)%	(1.2)%
Europe	**787.6**	**21.9%**	776.9	21.1%	1.4%	3.1%
Latin America	**204.4**	**5.7%**	209.5	5.7%	(2.4)%	17.0%
Corporate	**0.7**	**0.0%**	1.1	0.0%	(31.9)%	(31.9)%
Net sales	**3,588.6**	**100.0%**	3,682.4	100.0%	(2.5)%	(0.2)%

Notes

(1) The geographic location of the Company's net sales generally reflects the country/territory from which its products were sold and does not necessarily indicate the country/territory in which its end customers were actually located.

(2) Results stated on a constant currency basis, a non-IFRS financial measure, are calculated by applying the average exchange rate of the year under comparison to current year local currency results.

	Year ended December 31,		
(Expressed in millions of US Dollars)	**2024**	2023 As Adjusted[1]	Percentage increase (decrease)
Profit for the year[1]	**372.6**	430.3	(13.4)%
Profit margin	**10.4%**	11.7%	
Adjusted EBITDA[2]	**683.0**	709.3	(3.7)%
Adjusted EBITDA margin[2]	**19.0%**	19.3%	
Adjusted net income[2]	**369.8**	392.4	(5.8)%
Net cash generated from operating activities	**564.8**	534.2	5.7%
Adjusted free cash flow[2]	**311.0**	284.5	9.3%

Notes

(1) Effective since the third quarter of 2024, the Company voluntarily made a change in accounting policy related to the recognition of the subsequent changes in the fair value of put option financial liabilities associated with the non-controlling interests in certain of the Company's majority owned subsidiaries. The impact of adopting this change in accounting policy has been applied retrospectively and the comparative period in 2023 has been adjusted. All other financial statement captions for the year ended December 31, 2023, in this table that have not been identified with this footnote were not impacted by this policy change. See note 2(e) Voluntary Change in Accounting Policy to the consolidated financial statements for further discussion on this voluntary change in accounting policy.

(2) These are non-IFRS financial measures. For additional information on these non-IFRS financial measures see the Non-IFRS Financial Measures section in this Directors' Report for reconciliations to the most comparable IFRS financial measures.

Components of Results of Operations

Net Sales

Net sales primarily consist of sales of the Company's products, but also include limited license revenue. Net sales from wholesale product sales are recognized when control of a good is transferred to a customer. The Company's management makes provisions for estimates of markdown allowances, warranties, returns and discounts at the time product sales are recognized. Shipping terms are predominately free-on-board shipping point (title transfers to the customer at the Company's shipping location), except in certain Asian countries, where title transfers upon delivery to the customer. In all cases, sales are recognized upon transfer of control to customers. Revenue from the sale of products within the DTC channel is generally recognized at the point of sale to customers at the Company's company-operated retail stores and upon delivery for DTC e-commerce customers. Revenue within the DTC channel is revenue net of any value added tax, discounts, incentives, rebates or estimated returns. The Company generally offers its DTC customers the right to return or exchange merchandise purchased within 30 days of purchase, while certain of its contracts provide wholesale partners a right to return goods within a specified period.

The Company also licenses its brand names to certain third parties, and net sales include royalties earned on licensing agreements with third parties, for which revenue is earned and recognized when the third party makes a sale of a branded product. Revenue is measured at the fair value of the consideration received or receivable. Provided that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, revenue is recognized in profit or loss.

Net sales can fluctuate as a result of changes in volume, price, promotional activity, product and channel mix, foreign currency exchange rates and overall market conditions. The Company expects its net sales to increase over the long term as management drives further penetration of the Company's core brands and certain strategic brands in its markets, supported by effective marketing support and projected growth in the travel industry.

Cost of Sales

Cost of sales includes direct product purchase and manufacturing costs, duties, freight-in, receiving, inspection, internal transfer costs, depreciation and procurement and manufacturing overhead, as well as impairment charges related to property, plant and equipment and restructuring charges, as applicable. The impairment of inventories and the reversals of such impairments are included in cost of sales during the period in which they occur.

Cost of sales can fluctuate as a result of changes in volumes, product mix, the cost of energy and raw materials, freight costs, duties, tariffs, inflation and foreign currency exchange rates. Cost of sales may also be impacted by the irregularity of inventory obsolescence reserves, impairments and restructuring charges. Over the long term, the Company expects its cost of sales to increase at a slower pace than its net sales as it maintains focus on disciplined cost management and continues to shift its sales mix toward higher-margin brands, product lines and channels.

Operating Expenses

Distribution Expenses

The Company's largest operating expenses arise from distribution expenses, which primarily comprise salaries and benefits for employees in its distribution functions, customer freight, depreciation, amortization of intangible assets, amortization of lease right-of-use assets (including warehousing and manufacturing facilities and company-operated stores), rent associated with short-term, low-value and expense for variable leases, warehousing costs and other selling expenses.

Distribution expenses can fluctuate as a result of changes in volumes, logistics costs, inflation, retail store footprint and foreign currency exchange rates. The Company expects its distribution expenses to increase over time, driven primarily by inflationary pressure, higher volumes and select retail store expansion. However, the Company expects its distribution expenses to increase at a slower pace than the Company's net sales as it maintains focus on disciplined cost management.

Marketing Expenses

Marketing expenses consist of advertising and promotional activities. Costs for producing media advertising are deferred until the related advertising first appears in print, out-of-home or online media, at which time such costs are expensed. All other advertising costs are expensed as incurred. The Company expects its marketing expenses to increase in absolute dollars over the long term as it invests in marketing to generate further brand awareness and traffic to its DTC channel and drives further sales growth.

General and Administrative Expenses

General and administrative expenses consist of salaries and benefits for employees within the general and administrative function, information technology costs, professional services, amortization of lease right-of-use assets (including headquarters and office buildings) and other costs related to administrative functions and are expensed as incurred. The Company's general and administrative expenses may be impacted over time by inflationary pressures. In addition, following the Company's planned dual listing in the United States, there may be additional incremental expenses required to comply with regulations required of a US listed company, including expenses associated with periodic reporting, Sarbanes-Oxley Act compliance expenses, audit fees, legal fees, director and officer insurance and stock exchange fees. These additional general and administrative expenses are not reflected in the Company's historical financial statements included elsewhere in this document. Once the Company has scaled to meet the demands of a US listed company, it expects increases in general and administrative expenses to increase at a slower pace than its net sales as the Company maintains its focus on disciplined cost management.

Impairment and Impairment Reversals

In accordance with International Accounting Standard 36, *Impairment of Assets* ("IAS 36"), the Company is required to evaluate its intangible assets with indefinite lives at least annually. The Company is also required to perform a review for impairment indicators at the end of each reporting period on its tangible and intangible assets with finite useful lives. An impairment loss is recognized if the carrying amount of an asset or its cash generating units ("CGUs") exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss that has been recognized on goodwill is not reversed in subsequent periods if estimates used to determine the recoverable amount change. For other assets, impairment losses that have been recognized in prior periods are assessed at each reporting date for any indicators that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

For each of the years ended December 31, 2024 and December 31, 2023, the Company recognized impairment reversals totaling US$5.1 million and US$84.0 million, respectively, that affected its results of operations. For further discussion, see Directors' Report – Impairment and Impairment Reversals.

Other Expense and Income

Other expense and income include gains or losses on the disposal of property, plant and equipment, gains and losses on lease exits/remeasurements, restructuring charges and reversals, costs associated with the preparation for a potential dual listing of the Company's securities in the United States, along with certain other miscellaneous expense and income items.

Finance Income and Costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Finance costs comprise interest expense on borrowings (including the amortization or derecognition of deferred financing costs), interest expense on lease liabilities, unwinding of the discount on provisions, changes in the fair value of put options associated with the Company's majority-owned subsidiaries, net gains (losses) on hedging instruments that are recognized in profit or loss and reclassifications of net gains (losses) previously recognized in other comprehensive income or loss. Foreign currency gains and losses are reported as finance costs on a net basis. Costs incurred in connection with the issuance of debt instruments are included in the initial measurement of the related financial liabilities in the Company's consolidated statements of financial position. As a result, these deferred financing costs are amortized using the effective interest method over the term of the related debt obligation.

Income Tax Expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, items recognized directly in equity or in other comprehensive income or loss. Current tax is the expected payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to tax payable in respect of previous years. The Company recognizes a tax reserve for uncertain tax treatment that is evaluated by determining whether it is probable that the tax treatments will be accepted by the tax authorities and, if not probable, whether a tax reserve relating to specific uncertain tax treatments is required. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Seasonality

The Company's net sales are subject to moderate seasonal fluctuations, primarily due to increased retail activity during the summer travel season and holiday travel and gifting seasons. Towards the end of spring and the beginning of summer, the Company's net sales tend to increase, reflecting the purchase of travel-related products for the summer holidays. The period from September to November typically also represents a period of increased activity from wholesale buyers, as they increase inventories ahead of the holiday gifting season. Furthermore, while wholesale activity typically slows down in December, retail sales typically increase as a result of year-end holiday-related travel and gift purchases. Any disruption in the Company's ability to process, produce and fill customer orders during these periods of high sales volumes could have a heightened adverse effect on the Company's quarterly and annual operating results.

The Company's working capital needs typically increase throughout its second and third quarters as its average inventories increase to meet increased consumer demand. The Company's accounts receivable typically increases relative to its net sales during these periods as wholesale channel customers build their inventory in advance of the summer travel and holiday gifting seasons.

Constant Currency Presentation

The Company's international operations have provided, and are expected to continue to provide, a significant portion of its net sales and expenses. As a result, the Company's net sales and expenses will continue to be affected by changes in the US Dollar against major international currencies. In order to provide a framework for assessing its sales performance by region, brand, product category and channel, excluding the effects of foreign currency exchange rate fluctuations, the Company compares the percent change in the results from one period to another period in this document on a constant currency basis, a non-IFRS financial measure. To present this information, current and prior year results for entities with functional currencies other than the US Dollar are converted into US Dollars by applying the average exchange rate of the year under comparison to current year local currency results rather than the actual exchange rates in effect during the respective years.

1. Review of the Financial Year 2024

Net Sales

The Company's net sales for the year ended December 31, 2024, decreased by US$93.8 million, or 2.5% (-0.2%, or approximately flat, on a constant currency basis), compared to the year ended December 31, 2023. The year ended December 31, 2023, was a year in which the Company recorded particularly strong net sales growth. The year-over-year comparison reflected softer-than-expected consumer sentiment in certain key markets in which the Company operates during the year ended December 31, 2024, resulting in reduced spending on discretionary items, including premium and luxury brands, and slower retail traffic. During the year ended December 31, 2024, the Company was also impacted by increased discounting and promotional activities by competitors across its markets, especially in India. Continued strong global travel and tourism trends helped to mitigate the impact of macroeconomic headwinds during the year ended December 31, 2024. By contrast, the Company's net sales during the year ended December 31, 2023, were fueled by a post-pandemic travel resurgence across Asia, especially in China, which lifted restrictions at the beginning of 2023, by increased sales in North America to wholesale customers ahead of a robust 2023 summer travel season and by strong sales of the *TUMI* brand driven by elevated demand for *TUMI*'s key core collections, which was supported by the availability of previously delayed inventory.

Global travel and tourism trends remained robust during the year ended December 31, 2024, which helped support demand for the Company's products. During the year ended December 31, 2024, however, the Company believes that global economic and political uncertainty contributed to consumers becoming more selective and intentional with their spending habits than they were following the pandemic recovery during the year ended December 31, 2023.

Net Sales by Brand

The Company sells products under three core brands (*Samsonite*, *TUMI* and *American Tourister*) and other non-core brands. The following table sets forth a breakdown of net sales by brand for the years ended December 31, 2024 and December 31, 2023, both in absolute terms and as a percentage of total net sales:

	Year ended December 31,				2024 vs. 2023	
	2024		2023			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) on a constant currency basis[2]
Net sales by brand:						
Samsonite	**1,866.6**	**52.0%**	1,849.0	50.2%	1.0%	3.3%
TUMI	**860.2**	**24.0%**	878.6	23.9%	(2.1)%	(0.8)%
American Tourister	**597.3**	**16.6%**	654.5	17.8%	(8.7)%	(6.1)%
Other[1]	**264.5**	**7.4%**	300.3	8.1%	(11.9)%	(7.0)%
Net sales	**3,588.6**	**100.0%**	3,682.4	100.0%	(2.5)%	(0.2)%

Notes

(1) "Other" includes certain other non-core brands owned by the Company, such as *Gregory*, *High Sierra*, *Kamiliant*, *Xtrem*, *Lipault*, *Hartmann*, *Saxoline* and *Secret*, as well as certain third-party brands.

(2) Results stated on a constant currency basis, a non-IFRS financial measure, are calculated by applying the average exchange rate of the year under comparison to current year local currency results.

The industry-leading *Samsonite* brand achieved net sales growth of US$17.7 million, or 1.0% (+3.3% on a constant currency basis), for the year ended December 31, 2024, compared to the year ended December 31, 2023, driven by strong product offerings and elevated brand positioning, and net sales gains in North America of US$27.0 million, or 4.5% (+4.6% on a constant currency basis), in Europe of US$11.2 million, or 2.1% (+3.8% on a constant currency basis) and in Latin America of US$0.4 million, or 0.4% (+23.4% on a constant currency basis), partially offset by a net sales decline in Asia of US$20.9 million, or 3.3% (-1.1% on a constant currency basis).

Net sales of the *TUMI* brand decreased by US$18.4 million, or 2.1% (-0.8% on a constant currency basis), for the year ended December 31, 2024, compared to the year ended December 31, 2023, with increases in Latin America of US$2.5 million, or 20.3% (+25.8% on a constant currency basis), and in Europe of US$1.5 million, or 1.6% (+4.5% on a constant currency basis), more than offset by decreases in North America of US$14.1 million, or 2.8% (-2.7% on a constant currency basis), and in Asia of US$8.3 million, or 3.0% (-0.3% on a constant currency basis). *TUMI* brand net sales decreased year-over-year due to reduced retail traffic and decreased consumer spending, which the Company believes impacted many premium and luxury brands, as well as a high net sales base in 2023 driven by a strong rebound in demand for its key core collections, which was supported by the availability of previously delayed inventory.

Net sales of the *American Tourister* brand decreased by US$57.2 million, or 8.7% (-6.1% on a constant currency basis), for the year ended December 31, 2024, compared to the year ended December 31, 2023, primarily due to a US$32.3 million decrease in net sales in India, where the Company was impacted by competitors significantly discounting their products, and a US$16.0 million decrease in North America due to greater caution from wholesale customers. Net sales of the *American Tourister* brand also decreased year-over-year in Europe by US$3.4 million, or 2.8% (-1.6% on a constant currency basis), and in Latin America by US$2.9 million, or 8.7% but increased by 16.6% on a constant currency basis. When excluding India, where the *American Tourister* brand net sales were impacted by continued intense promotional activity by competitors, the brand's net sales in Asia decreased by 1.1% but increased by 1.1% on a constant currency basis for the year ended December 31, 2024, and for the Company overall, the brand's net sales decreased by 5.0% (-1.9% on a constant currency basis) year-over-year.

Net Sales by Product Category

The Company sells products in two principal product categories: travel and non-travel. The following table sets forth a breakdown of net sales by product category for the years ended December 31, 2024 and December 31, 2023, both in absolute terms and as a percentage of total net sales:

	Year ended December 31,					
	2024		2023		2024 vs. 2023	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) on a constant currency basis[2]
Net sales by product category:						
Travel	**2,357.2**	**65.7%**	2,435.9	66.2%	(3.2)%	(1.3)%
Non-travel[1]	**1,231.5**	**34.3%**	1,246.5	33.8%	(1.2)%	2.0%
Net sales	**3,588.6**	**100.0%**	3,682.4	100.0%	(2.5)%	(0.2)%

Notes

(1) The non-travel product category includes business and casual bags and backpacks, accessories and other products.

(2) Results stated on a constant currency basis, a non-IFRS financial measure, are calculated by applying the average exchange rate of the year under comparison to current year local currency results.

Net sales in the travel product category for the year ended December 31, 2024 decreased by US$78.8 million, or 3.2% (-1.3% on a constant currency basis), compared to the year ended December 31, 2023. The year-over-year net sales decrease in travel products was due to softer-than-expected consumer sentiment and slower retail traffic globally year-over-year. Total net sales in the non-travel product category, which comprises business and casual bags and backpacks, accessories and other products, decreased by US$15.0 million, or 1.2%, but increased by 2.0% on a constant currency basis for the year ended December 31, 2024, compared to the year ended December 31, 2023, as the Company continued to drive net sales of its non-travel products to enhance engagement with core customers and reach a new customer base.

Net Sales by Distribution Channel

The Company sells its products through two primary distribution channels: wholesale and DTC. The following table sets forth a breakdown of net sales by distribution channel for the years ended December 31, 2024 and December 31, 2023, both in absolute terms and as a percentage of total net sales:

	Year ended December 31,				2024 vs. 2023	
	2024		2023			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) on a constant currency basis[2]
Net sales by distribution channel:						
Wholesale[1]	**2,159.3**	**60.2%**	2,248.5	61.1%	(4.0)%	(2.0)%
DTC:						
Retail	**1,018.3**	**28.4%**	1,035.4	28.1%	(1.6)%	1.5%
E-commerce	**411.1**	**11.4%**	398.5	10.8%	3.2%	5.8%
Total DTC	**1,429.4**	**39.8%**	1,433.9	38.9%	(0.3)%	2.7%
Net sales	**3,588.6**	**100.0%**	3,682.4	100.0%	(2.5)%	(0.2)%

Notes

(1) Includes licensing revenue of US$1.8 million and US$1.3 million for the years ended December 31, 2024 and 2023, respectively.

(2) Results stated on a constant currency basis, a non-IFRS financial measure, are calculated by applying the average exchange rate of the year under comparison to current year local currency results.

Net sales in the Company's wholesale channel for the year ended December 31, 2024 decreased by US$89.2 million, or 4.0% (-2.0% on a constant currency basis), as large wholesale customers scaled back their inventory positions compared to a high net sales base in the year ended December 31, 2023 that was fueled by large wholesale customers rebuilding their inventory levels following the pandemic.

Within the DTC channel, net sales from company-operated retail stores decreased by US$17.1 million, or 1.6%, but increased by 1.5% on a constant currency basis for the year ended December 31, 2024, compared to the year ended December 31, 2023. The year-over-year constant currency net sales increase in the DTC retail channel was driven by the net addition of 67 company-operated retail stores for the year ended December 31, 2024 and the full-year impact of the 67 net new company-operated retail stores added in the year ended December 31, 2023. The total number of company-operated retail stores was 1,119 as of December 31, 2024, compared to 1,052 as of December 31, 2023.

The constant currency net sales increase in the DTC retail channel was partially offset by decreased same-store retail net sales of US$57.1 million, or 5.7% (-2.7% on a constant currency basis), for the year ended December 31, 2024, compared to the year ended December 31, 2023, reflecting reduced retail store traffic during the year ended December 31, 2024. During the year ended December 31, 2024, the Company recorded same-store net sales decreases (i) in North America of US$24.2 million, or 5.9% (-5.8% on a constant currency basis), (ii) in Asia of US$20.8 million, or 7.7% (-4.6% on a constant currency basis), (iii) in Latin America of US$7.3 million, or 9.3%, but an increase of 12.0% on a constant currency basis, and (iv) in Europe of US$4.8 million, or 2.0% (flat on a constant currency basis). The Company's same-store analysis includes existing company-operated retail stores that had been open for at least 12 months before the end of the relevant financial period.

Total DTC e-commerce net sales increased by US$12.6 million, or 3.2% (+5.8% on a constant currency basis), to US$411.1 million (representing 11.4% of net sales) for the year ended December 31, 2024, from US$398.5 million (representing 10.8% of net sales) for the year ended December 31, 2023. The year-over-year net sales increase in the DTC e-commerce channel reflected the Company's continued investments in digital marketing and its e-commerce platforms.

Net Sales by Region

The following table sets forth a breakdown of net sales by region for the years ended December 31, 2024 and December 31, 2023, both in absolute terms and as a percentage of total net sales:

	Year ended December 31,					
	2024		2023		2024 vs. 2023	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) on a constant currency basis[2]
Net sales by region[1]:						
Asia	**1,344.4**	**37.5%**	1,427.8	38.8%	(5.8)%	(3.6)%
North America	**1,251.5**	**34.9%**	1,267.2	34.4%	(1.2)%	(1.2)%
Europe	**787.6**	**21.9%**	776.9	21.1%	1.4%	3.1%
Latin America	**204.4**	**5.7%**	209.5	5.7%	(2.4)%	17.0%
Corporate	**0.7**	**0.0%**	1.1	0.0%	(31.9)%	(31.9)%
Net sales	**3,588.6**	**100.0%**	3,682.4	100.0%	(2.5)%	(0.2)%

Notes

(1) The geographic location of the Company's net sales generally reflects the country/territory from which its products were sold and does not necessarily indicate the country/territory in which its end customers were actually located.

(2) Results stated on a constant currency basis, a non-IFRS financial measure, are calculated by applying the average exchange rate of the year under comparison to current year local currency results.

Asia

The Company's net sales in Asia decreased by US$83.4 million, or 5.8% (-3.6% on a constant currency basis), for the year ended December 31, 2024, compared to the year ended December 31, 2023. Certain key markets in Asia, including India and China experienced net sales decreases for the year ended December 31, 2024, compared to the year ended December 31, 2023, that was fueled by a post-pandemic travel resurgence across Asia, especially in China, which lifted restrictions at the beginning of 2023.

The Company's net sales in India decreased by US$50.4 million, or 19.3% (-18.3% on a constant currency basis), for the year ended December 31, 2024, compared to the year ended December 31, 2023. This was primarily due to a decrease in *American Tourister* brand net sales of US$32.3 million, or 21.0% (-19.9% on a constant currency basis), where the Company was impacted by competitors significantly discounting their products. Net sales in China decreased by US$6.0 million, or 2.0% (-0.6% on a constant currency basis), for the year ended December 31, 2024, compared to the year ended December 31, 2023, which the Company considers to be a good outcome considering soft Chinese consumer sentiment experienced during 2024.

North America
The Company's net sales in North America decreased by US$15.7 million, or 1.2% (-1.2% on a constant currency basis), for the year ended December 31, 2024, compared to the year ended December 31, 2023. Net sales of the *Samsonite* brand increased by US$27.0 million, or 4.5% (+4.6% on a constant currency basis), year-over-year during 2024 due to strong product offerings and elevated brand positioning. This increase was offset by year-over-year net sales decreases of the *TUMI* and *American Tourister* brands. Net sales of the *TUMI* brand decreased by US$14.1 million, or 2.8% (-2.7% on a constant currency basis), year-over-year during 2024 due to softer consumer demand and lower retail traffic, which impacted many premium and luxury brands, as well as a high net sales base in 2023. Net sales of the *American Tourister* brand decreased by US$16.0 million, or 15.9% (-15.9% on a constant currency basis), year-over-year during 2024 reflecting softness from wholesale customers.

Europe
The Company's net sales in Europe increased by US$10.7 million, or 1.4% (+3.1% on a constant currency basis), for the year ended December 31, 2024, compared to the year ended December 31, 2023. The year-over-year net sales increase was primarily due to the Company continuing to invest in new products and brand marketing to drive consumer awareness, particularly for the *Samsonite* brand. For the year ended December 31, 2024, net sales of the *Samsonite* brand increased by US$11.2 million, or 2.1% (+3.8% on a constant currency basis), compared to the year ended December 31, 2023.

Latin America
The Company's net sales in Latin America decreased by US$5.0 million, or 2.4%, but increased by 17.0% on a constant currency basis for the year ended December 31, 2024, compared to the year ended December 31, 2023, as the Company continued to invest in new products and brand marketing to drive consumer awareness. Net sales of the *TUMI* brand increased by US$2.5 million, or 20.3% (+25.8% on a constant currency basis), for the year ended December 31, 2024, compared to the year ended December 31, 2023. Net sales of the *Samsonite* brand increased by US$0.4 million, or 0.4% (+23.4% on a constant currency basis), year-over-year for the year ended December 31, 2024. Net sales of the *American Tourister* brand decreased by US$2.9 million, or 8.7%, but increased by 16.6% on a constant currency basis for the year ended December 31, 2024, compared to the year ended December 31, 2023.

Cost of Sales and Gross Profit
Cost of sales decreased by US$63.2 million, or 4.2%, to US$1,436.4 million (representing 40.0% of net sales) for the year ended December 31, 2024, from US$1,499.6 million (representing 40.7% of net sales) for the year ended December 31, 2023. The year-over-year decrease in cost of sales was primarily due to the decrease in net sales during the same period.

Gross profit decreased by US$30.6 million, or 1.4%, to US$2,152.2 million for the year ended December 31, 2024, from US$2,182.8 million for the year ended December 31, 2023, due to the decrease in net sales, partially offset by higher gross profit margin. The gross profit margin was 60.0% for the year ended December 31, 2024, compared to 59.3% for the year ended December 31, 2023, driven primarily by ongoing discipline with respect to promotional discounts, successful investments in brand elevation, and an increased share of total net sales from the Company's DTC channel year-over-year.

Operating Expenses

Distribution Expenses

Distribution expenses for the year ended December 31, 2024 increased by US$34.5 million, or 3.4%, to US$1,062.1 million, from US$1,027.6 million for the year ended December 31, 2023. The increase in distribution expenses was driven by a US$20.0 million increase in salaries and benefits as a result of 67 net new company-operated retail store additions in 2024 and the full-year impact of 67 net new company-operated retail stores added in 2023, a US$13.7 million increase in expenses associated with leases due to the impact from lease renewals and an increase in company-operated retail locations and a US$11.3 million increase in depreciation expense, partially offset by a US$8.8 million decrease in commissions due to a year-over-year decrease in net sales. As a percentage of net sales, distribution expenses were 29.6% of net sales for the year ended December 31, 2024, compared to 27.9% for the year ended December 31, 2023, primarily due to a year-over-year decrease in net sales.

Marketing Expenses

Marketing expenses for the year ended December 31, 2024 decreased by US$14.5 million, or 6.0%, to US$227.0 million from US$241.5 million for the year ended December 31, 2023, as the Company adjusted advertising investments to appropriate levels considering slower retail traffic and softer global consumer sentiment. As a percentage of net sales, marketing expenses decreased by 30 basis points to 6.3% of net sales for the year ended December 31, 2024, compared to 6.6% for the year ended December 31, 2023.

General and Administrative Expenses

General and administrative expenses for the year ended December 31, 2024 decreased by US$19.6 million, or 7.8%, to US$230.7 million from US$250.2 million for the year ended December 31, 2023, primarily due to lower compensation costs year-over-year. As a percentage of net sales, general and administrative expenses decreased to 6.4% of net sales for the year ended December 31, 2024 from 6.8% for the year ended December 31, 2023, reflecting continued discipline with respect to managing the fixed cost structure of the business.

Impairment and Impairment Reversals

The following table sets forth a breakdown of the non-cash impairment reversals for the year ended December 31, 2024 (the "2024 Impairment Reversals"), and for the year ended December 31, 2023 (the "2023 Impairment Reversals"):

(Expressed in millions of US Dollars)		**Year ended December 31,**	
Impairment reversals recognized on:	Functional Area	**2024**	2023
Tradenames		—	(84.0)
Lease right-of-use assets	Distribution	**(5.1)**	—
Total impairment reversals		**(5.1)**	(84.0)

In accordance with IAS 36, the Company is required to evaluate its intangible assets with indefinite lives at least annually. The Company reviews the carrying amounts of its intangible assets with indefinite lives to determine whether there is any indication of impairment below its carrying value (resulting in an impairment charge), or when an event has occurred or circumstances change that would result in the recoverable amount of intangible assets, excluding goodwill, exceeding its net impaired carrying value (resulting in an impairment reversal). The Company is also required to perform a review for impairment indicators at the end of each reporting period on its tangible and intangible assets with finite useful lives. If there is any indication that an asset may be impaired or there may be an impairment reversal, the Company must estimate the recoverable amount of the asset or cash generating unit ("CGU").

2024 Impairment Reversals

Based on an evaluation of company-operated retail stores for the year ended December 31, 2024, the Company's management determined that the recoverable amount of certain stores within its retail store fleet, each of which represents an individual CGU, exceeded its corresponding net impaired carrying value, resulting in the reversal during the year ended December 31, 2024, of certain non-cash impairment charges that had previously been recorded during the year ended December 31, 2020. For the year ended December 31, 2024, the Company recognized a non-cash impairment reversal related to lease right-of-use assets totaling US$5.1 million.

2023 Impairment Reversals

After considering a number of objective and subjective factors, including valuations performed by a third-party valuation firm, the Company engaged in conjunction with its annual assessment during the fourth quarter of 2023, the Company's management determined that the recoverable amounts of certain intangible assets exceeded their net impaired carrying values during the year ended December 31, 2023, resulting in the reversal of certain non-cash impairment charges for certain tradenames, primarily related to the *TUMI* tradename, that had previously been recorded during the year ended December 31, 2020. During the year ended December 31, 2023, as the COVID-19 pandemic waned and the recovery accelerated, significant improvements exceeding initial projections were experienced in the Company's net sales and global travel demand generally, contributing to management's determination that there was an indication that such previously recognized impairment losses no longer existed. Consequently, consistent with its valuation methodology in 2020, management, with the assistance of a third-party valuation firm, utilized discounted cash flow projections to estimate the recoverable amounts for such tradenames. Reflecting both greater than expected increases in the Company's net sales and management's more positive expectations for future periods in light of increased travel demand, including pent-up demand, as travel patterns continued to normalize, these projections included substantially higher estimated future cash flows than the projections utilized during the year ended December 31, 2020. After evaluating these increased estimates, management determined that the recoverable amounts of such tradenames exceeded their impaired carrying value in the year ended December 31, 2023 and recognized non-cash impairment reversals totaling US$84.0 million during the year ended December 31, 2023.

See note 5 Impairment and Impairment Reversals to the consolidated financial statements for further discussion.

Other Expense and Income

Other expense for the year ended December 31, 2024 increased to US$8.3 million, from US$3.8 million for the year ended December 31, 2023. Other expense for the year ended December 31, 2024 included US$9.1 million in costs associated with the preparation for a potential dual listing of the Company's securities in the United States and complying with related increased regulatory requirements, along with certain other miscellaneous expense items, partially offset by a US$3.9 million reversal of a restructuring accrual. Other expense for the year ended December 31, 2023 included losses on the disposal of property, plant and equipment along with certain other miscellaneous expense items, partially offset by a US$0.6 million reversal of a restructuring accrual.

Operating Profit

Operating profit for the year ended December 31, 2024 decreased by US$114.4 million, or 15.4%, to US$629.3 million, from US$743.7 million for the year ended December 31, 2023, primarily due to the decrease in gross profit, an increase in distribution expenses and a decrease in impairment reversals year-over-year, partially offset by lower marketing expenses and general and administrative expenses.

The following table sets forth a breakdown of the reported operating profit by segment for the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31,		
(Expressed in millions of US Dollars)	**2024**	2023	Percentage increase (decrease)
Operating profit by region:			
Asia	**286.7**	326.9	(12.3)%
North America	**248.2**	249.0	(0.3)%
Europe	**152.9**	134.4	13.8%
Latin America	**22.5**	27.1	(17.2)%
Corporate	**(80.9)**	6.2	*nm*
Operating profit	**629.3**	743.7	(15.4)%

Note
nm Not meaningful.

Asia

Operating profit in Asia for the year ended December 31, 2024 decreased by US$40.2 million, or 12.3%, compared to the year ended December 31, 2023, primarily due to the US$83.4 million decrease in net sales resulting in a US$59.3 million decrease in gross profit, an increase in distribution expenses of US$6.7 million (primarily due to a US$7.7 million increase in depreciation expense and a US$4.8 million increase in costs associated with leases, partially offset by a US$5.7 million decrease in commissions due to the year-over-year decrease in net sales), a US$12.8 million decrease in marketing expenses, a US$4.9 million decrease in general and administrative expenses, a US$3.0 million decrease in other expenses, and an impairment reversal of US$5.1 million on lease right-of-use assets during the same period.

North America

Operating profit in North America for the year ended December 31, 2024 decreased by US$0.8 million, or 0.3%, compared to the year ended December 31, 2023, mainly due to the US$15.7 million decrease in net sales resulting in a US$5.5 million decrease in gross profit, an increase in distribution expenses of US$5.2 million (primarily due to a US$8.5 million increase in salaries and benefits and a US$1.2 million increase in costs associated with leases, partly offset by a US$2.8 million decrease in commissions due to the year-over-year decrease in net sales), a US$4.1 million decrease in marketing expenses, and a US$5.3 million decrease in general and administrative expenses.

Europe

Operating profit in Europe for the year ended December 31, 2024 increased by US$18.5 million, or 13.8%, compared to the year ended December 31, 2023, primarily due to the US$10.7 million increase in net sales and a lower cost of sales of US$25.2 million resulting in a US$35.9 million increase in gross profit and a US$2.3 million decrease in general and administrative expenses, partly offset by a US$17.1 million increase in distribution expenses (primarily due to a US$9.1 million increase in salaries and benefits and a US$4.3 million increase in costs associated with leases), as well as a US$3.4 million increase in marketing expenses to drive net sales growth during the same period.

Latin America

Operating profit in Latin America for the year ended December 31, 2024 decreased by US$4.7 million, or 17.2%, compared to the year ended December 31, 2023, due to the US$5.0 million decrease in net sales resulting in a US$1.4 million decrease in gross profit, an increase in distribution expenses of US$5.5 million (primarily due to a US$3.4 million increase in costs associated with leases and a US$1.6 million increase in salaries and benefits), partly offset by a US$1.0 million decrease in marketing expenses and a US$0.4 million decrease in general and administrative expenses.

Corporate

The corporate segment operating profit for the year ended December 31, 2024 decreased by US$87.2 million, compared to the year ended December 31, 2023. For the year ended December 31, 2023, the corporate segment recognized an impairment reversal on the Company's tradenames for US$84.0 million. There were no impairment reversals on the Company's tradenames during the year ended December 31, 2024.

Finance Income and Costs

The following table sets forth a breakdown of total finance costs for the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31,	
(Expressed in millions of US Dollars)	**2024**	2023 As Adjusted[1]
Recognized in profit or loss:		
Interest income	**13.6**	14.3
Total finance income	**13.6**	14.3
Interest expense on loans and borrowings	**(95.5)**	(101.8)
Derecognition of deferred financing costs associated with refinancing	**(9.5)**	(4.4)
Amortization of deferred financing costs associated with the Senior Credit Facilities (as defined below)	**(2.7)**	(3.4)
Interest expense on lease liabilities	**(35.0)**	(27.7)
Change in fair value of put options[1]	**0.9**	(41.9)
Net foreign exchange loss	**(6.7)**	(10.2)
Other finance costs	**(3.5)**	(3.6)
Total finance costs[1]	**(152.0)**	(193.1)
Net finance costs recognized in profit or loss[1]	**(138.4)**	(178.8)

Note

(1) Effective since the third quarter of 2024, the Company voluntarily made a change in accounting policy related to the recognition of the subsequent changes in the fair value of put option financial liabilities associated with the non-controlling interests in certain of the Company's majority owned subsidiaries. The impact of adopting this change in accounting policy has been applied retrospectively and the comparative period in 2023 has been adjusted. All other financial statement captions for the year ended December 31, 2023, in this table that have not been identified with this footnote were not impacted by this policy change. See note 2(e) Voluntary Change in Accounting Policy to the consolidated financial statements for further discussion on this voluntary change in accounting policy.

Net finance costs for the year ended December 31, 2024 decreased by US$40.4 million, or 22.6%, to US$138.4 million, from US$178.8 million for the year ended December 31, 2023. This decrease was primarily attributable to a decrease in the non-cash charge associated with redeemable non-controlling interest put options of US$42.8 million year-over-year and a US$6.3 million year-over-year decrease in interest expense on the Company's Senior Credit Facilities (as defined below in Management's Discussion and Analysis of Financial Condition and Results of Operations – Indebtedness). Total loans and borrowings were US$1,778.9 million as of December 31, 2024, compared to US$1,824.0 million as of December 31, 2023. This decrease in net finance costs was partially offset by a year-over-year increase in interest expense on lease liabilities of US$7.3 million and a US$9.5 million non-cash charge to derecognize certain deferred financing costs upon the refinancing of the Term Loan B Facility (as defined in Review of the Financial Year 2024 – Indebtedness).

Income Tax Expense

The Company recorded income tax expense of US$118.3 million, resulting in an effective tax rate for operations of 24.1% for the year ended December 31, 2024, compared to income tax expense of US$134.6 million, resulting in an effective tax rate for operations of 23.8% for the year ended December 31, 2023. The income tax expense recorded during the year ended December 31, 2024 was due mainly to the US$490.8 million reported profit before income tax, combined with tax impacts from changes in tax reserves, unrealized foreign exchange, income tax interest receivable, and the profit mix between high and low tax jurisdictions. The income tax expense recorded during the year ended December 31, 2023 was due mainly to the US$564.9 million reported profit before income tax, combined with tax impacts from changes in unrecognized deferred tax assets, and the profit mix between high and low tax jurisdictions.

Excluding the effect of the changes in tax reserves, unrealized foreign exchange, and income tax interest receivable the consolidated effective tax rate for operations would have been 26.4% for the year ended December 31, 2024. Excluding the effect of the changes in unrecognized deferred tax assets, the consolidated effective tax rate for operations would have been 27.8% for the year ended December 31, 2023. See note 18 – Income Taxes to the consolidated financial statements for further discussion.

The effective tax rate is calculated using a weighted average income tax rate from those jurisdictions in which the Company is subject to tax, adjusted for permanent book/tax differences, tax incentives, changes in tax reserves and changes in unrecognized deferred tax assets. This weighted average income tax rate is calculated using the profit before tax for each jurisdiction in which the Company is subject to tax, multiplied by the applicable national and local tax rates in each such jurisdiction. The total of these taxes is then divided by the Company's consolidated profit before tax to determine the weighted average worldwide tax rate.

Deferred tax assets in each jurisdiction are analyzed for recoverability at each reporting date and derecognized to the extent that it is no longer probable that the assets will be utilized in future taxable periods. The analysis considers both positive and negative evidence. In 2024, the Company's results showed an increase in certain jurisdictional profit before income tax reported during the year. As a result, the Company recognized only certain deferred tax assets in the amount of US$1.4 million. In 2023, the Company's results showed an increase in profit before income tax reported during the year. As a result, the Company began to recognize certain deferred tax assets that were previously unrecognized in the amount of US$22.7 million.

Cash Flows

The following table shows a summary of cash flows for the years ended December 31, 2024 and December 31, 2023:

(Expressed in millions of US Dollars)	Year ended December 31, **2024**	2023	Percentage increase (decrease)
Net cash generated from operating activities	**564.8**	534.2	5.7%
Net cash used in investing activities	**(111.5)**	(110.1)	1.3%
Net cash used in financing activities	**(459.7)**	(347.8)	32.2%
Net (decrease) increase in cash and cash equivalents	**(6.5)**	76.3	*nm*
Cash and cash equivalents, at January 1	**716.6**	635.9	12.7%
Effect of exchange rate changes	**(33.8)**	4.4	*nm*
Cash and cash equivalents, at December 31	**676.3**	716.6	(5.6)%

Note

nm Not meaningful.

Cash Flows from Operating Activities

For the year ended December 31, 2024, net cash generated from operating activities of US$564.8 million was primarily composed of profit for the year of US$372.6 million, adjusted for non-cash items and income tax expense included in net income, less interest paid on borrowings and lease liabilities of US$131.0 million and income taxes paid of US$135.1 million. Changes in operating assets and liabilities resulted in a cash outflow of US$32.2 million driven primarily by changes in trade and other receivables of US$22.7 million and trade and other payables of US$13.3 million.

For the year ended December 31, 2023, net cash generated from operating activities of US$534.2 million was primarily composed of profit for the year of US$430.3 million, adjusted for non-cash items and income tax expense included in net income, less interest paid on borrowings and lease liabilities of US$128.5 million and income taxes paid of US$118.9 million. Changes in operating assets and liabilities resulted in a cash outflow of US$85.6 million driven primarily by changes in trade and other payables of US$41.5 million and changes in trade and other receivables of US$33.0 million.

Cash Flows Used in Investing Activities

Net cash flows used in investing activities for the year ended December 31, 2024 were US$111.5 million and were attributable to capital expenditures (comprising US$104.0 million for the purchase of property, plant and equipment and US$7.6 million for software purchases). For a discussion of capital expenditures, see Capital Expenditures in this section.

Net cash flows used in investing activities for the year ended December 31, 2023 were US$110.1 million and were attributable to capital expenditures (comprising US$99.3 million for the purchase of property, plant and equipment and US$10.8 million for software purchases). For a discussion of capital expenditures, see Capital Expenditures in this section.

Cash Flows Used in Financing Activities

Net cash flows used in financing activities for the year ended December 31, 2024 were US$459.7 million and were largely attributable to share repurchases of US$157.6 million, US$150.0 million of cash distributions paid to the Company's shareholders in July 2024, US$142.3 million in principal payments on lease liabilities, dividend payments to non-controlling interests of US$19.7 million and repayments of US$24.0 million of outstanding borrowings under the Company's Senior Credit Facilities (as defined in Review of the Financial Year 2024 – Indebtedness). The cash flows used in financing activities during the year ended December 31, 2024 were partially offset by proceeds from share option exercises of US$31.3 million. The Company refinanced its term loan B facility in April 2024. In conjunction with the refinancing, the Company paid US$3.1 million in deferred financing costs that will be recognized over the term of the borrowings.

Net cash flows used in financing activities for the year ended December 31, 2023 were US$347.8 million and were largely attributable to cash outflows associated with a refinancing of the Senior Credit Facilities in June 2023 (as defined below), including the repayment of US$125.9 million of outstanding borrowings under the Company's Senior Credit Facilities, consisting of US$100.0 million in voluntary repayment of borrowings under the Revolving Credit Facility (as defined below), US$13.0 million in required quarterly amortization payments following the refinancing, and US$12.9 million in required quarterly amortization payments before the refinancing. In conjunction with the refinancing, the Company paid US$17.1 million in deferred financing costs that will be recognized over the term of the borrowings. Net cash flows used in financing activities also included US$139.6 million in principal payments on lease liabilities. The cash flows used in financing activities during the year ended December 31, 2023 were partially offset by proceeds from share option exercises of US$26.8 million.

Non-IFRS Financial Measures

In addition to the Company's results determined in accordance with IFRS Accounting Standards, management reviews certain non-IFRS financial measures, including constant currency net sales growth, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted basic and diluted earnings per share and adjusted free cash flow as detailed in this section, to evaluate its business, measure its performance, identify trends affecting the Company, formulate business plans and make strategic decisions.

The Company believes that these non-IFRS financial measures, when used in conjunction with the IFRS Accounting Standards financial information, allow investors to better evaluate the Company's financial performance in comparison to other periods and to other companies in the industry. However, non-IFRS financial measures are not defined or recognized under IFRS Accounting Standards, are presented for supplemental informational purposes only and should not be considered in isolation or relied on as a substitute for financial information presented in accordance with IFRS Accounting Standards. The Company's presentation of any non-IFRS financial measures should not be construed as an inference that its future results will be unaffected by unusual or nonrecurring items. Other companies in the Company's industry may calculate non-IFRS financial measures differently, which may limit their usefulness as comparative measures.

Non-IFRS financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of the Company's results under IFRS Accounting Standards. Constant currency net sales growth is limited as a metric to review the Company's financial results as it does not reflect the impacts of foreign currency on reported net sales. Some of the limitations of adjusted EBITDA and adjusted EBITDA margin include not capturing certain tax payments that may reduce cash available to the Company; not reflecting any cash capital expenditure requirements for the assets being depreciated and amortized that may have to be replaced in the future; not reflecting changes in, or cash requirements for, working capital needs; and not reflecting the interest expense, or the cash requirements necessary to service interest or principal payments. Some of the limitations of adjusted net income and adjusted basic and diluted earnings per share include not capturing the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact reported profit. Some of the limitations of adjusted free cash flow include that it does not reflect future contractual commitments or consider certain cash requirements such as interest payments, tax payments and debt service requirements and does not represent the total increase or decrease in the Company's cash balance for a given period. Because of these and other limitations, these non-IFRS financial measures should be considered along with comparable financial measures prepared and presented in accordance with IFRS Accounting Standards.

Constant Currency Net Sales Growth

The Company presents the percent change in constant currency net sales to supplement its net sales presented in accordance with IFRS Accounting Standards and to enhance investors' understanding of its global business performance by excluding the positive or negative year-over-year impact of foreign currency movements on reported net sales. To present this information, current and comparative prior year results for entities with functional currencies other than US Dollars are converted into US Dollars by applying the average exchange rate of the year under comparison to current year local currency results rather than the actual exchange rates in effect during the respective years. The Company believes presenting constant currency information provides useful information to both management and investors by isolating the effects of foreign currency exchange rate fluctuations that may not be indicative of the Company's core operating results.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. Adjusted EBITDA is defined as profit for the year, adjusted to eliminate income tax expense, finance costs (excluding interest expense on lease liabilities), finance income, depreciation, amortization (excluding amortization of lease right-of-use assets), share-based compensation expense, impairment reversals and other expense. Adjusted EBITDA margin is defined as adjusted EBITDA divided by net sales. The Company believes adjusted EBITDA and adjusted EBITDA margin provide additional information that is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business.

Adjusted EBITDA for the year ended December 31, 2024 decreased by US$26.3 million, or 3.7%, to US$683.0 million, from US$709.3 million for the year ended December 31, 2023. Adjusted EBITDA margin was 19.0% for the year ended December 31, 2024. Because of the year-over-year improvement in gross profit margin, adjusted EBITDA margin was only 30 basis points lower compared to the year ended December 31, 2023, notwithstanding the year-over-year decrease in net sales in 2024.

The following table reconciles adjusted EBITDA and adjusted EBITDA margin to the Company's profit for the year and profit margin, the most directly comparable financial measures stated in accordance with IFRS, for the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31,		
(Expressed in millions of US Dollars)	**2024**	2023 As Adjusted[(1)]	Percentage increase (decrease)
Profit for the year[(1)]	**372.6**	430.3	(13.4)%
Plus (minus):			
Income tax expense	**118.3**	134.6	(12.1)%
Finance costs[(1)]	**152.0**	193.1	(21.3)%
Finance income	**(13.6)**	(14.3)	(4.9)%
Operating profit	**629.3**	743.7	(15.4)%
Plus (minus):			
Depreciation	**51.7**	39.8	30.0%
Total amortization	**170.3**	152.5	11.7%
Share-based compensation expense	**13.5**	14.8	(8.6)%
Impairment reversals	**(5.1)**	(84.0)	(93.9)%
Amortization of lease right-of-use assets	**(150.0)**	(133.5)	12.4%
Interest expense on lease liabilities	**(35.0)**	(27.7)	26.4%
Other adjustments[(2)]	**8.3**	3.8	120.3%
Adjusted EBITDA[(3)]	**683.0**	709.3	(3.7)%
Net sales	**3,588.6**	3,682.4	
Profit margin[(1)]	**10.4%**	11.7%	
Adjusted EBITDA margin[(4)]	**19.0%**	19.3%	

Notes

(1) Effective since the third quarter of 2024, the Company voluntarily made a change in accounting policy related to the recognition of the subsequent changes in the fair value of put option financial liabilities associated with the non-controlling interests in certain of the Company's majority owned subsidiaries. The impact of adopting this change in accounting policy has been applied retrospectively and the comparative period in 2023 has been adjusted. All other financial statement captions for the year ended December 31, 2023, in this table that have not been identified with this footnote were not impacted by this policy change. See note 2(e) Voluntary Change in Accounting Policy to the consolidated financial statements for further discussion on this voluntary change in accounting policy.

(2) Other adjustments primarily comprised 'Other (expense) and income' per the consolidated statements of income.

(3) Adjusted EBITDA eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. Adjusted EBITDA includes the lease interest and amortization expense under IFRS 16, *Leases* ("IFRS 16") to account for operational rent expenses.

(4) Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by net sales.

Management uses segment adjusted EBITDA and segment adjusted EBITDA margin as a supplemental measure of segment profitability that removes certain non-cash and non-recurring costs, which management believes provides additional insight into segment results and isolates the effects of certain events outside individual segments' control to better inform segment compensation decisions. The following tables reconcile, on a regional basis, adjusted EBITDA and adjusted EBITDA margin to profit (loss) for the year and profit margin, the most directly comparable financial measures stated in accordance with IFRS Accounting Standards, for the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31, 2024					
(Expressed in millions of US Dollars)	**Asia**	**North America**	**Europe**	**Latin America**	**Corporate**	**Total**
Profit (loss) for the year	**171.4**	**146.7**	**112.7**	**7.3**	**(65.6)**	**372.6**
Plus (minus):						
Income tax expense	**42.1**	**45.6**	**39.2**	**3.6**	**(12.2)**	**118.3**
Finance costs	**13.0**	**15.8**	**8.2**	**9.1**	**105.9**	**152.0**
Finance income	**(4.0)**	**(0.9)**	**(2.3)**	**(1.6)**	**(4.8)**	**(13.6)**
Inter-company charges (income)[1]	**64.1**	**41.0**	**(4.9)**	**4.0**	**(104.2)**	**—**
Operating profit (loss)	**286.7**	**248.2**	**152.9**	**22.5**	**(80.9)**	**629.3**
Plus (minus):						
Depreciation	**24.1**	**11.7**	**12.6**	**3.2**	**0.2**	**51.7**
Total amortization	**51.8**	**64.2**	**38.3**	**13.6**	**2.4**	**170.3**
Share-based compensation expense	**—**	**1.8**	**2.7**	**0.0**	**9.0**	**13.5**
Impairment reversals	**(5.1)**	**—**	**—**	**—**	**—**	**(5.1)**
Amortization of lease right-of-use assets	**(47.5)**	**(55.4)**	**(33.5)**	**(13.5)**	**(0.2)**	**(150.0)**
Interest expense on lease liabilities	**(7.2)**	**(15.8)**	**(7.3)**	**(4.7)**	**(0.0)**	**(35.0)**
Other adjustments[2]	**(3.8)**	**1.5**	**(1.2)**	**1.9**	**9.9**	**8.3**
Adjusted EBITDA[3]	**299.0**	**256.2**	**164.3**	**23.1**	**(59.7)**	**683.0**
Net sales	**1,344.4**	**1,251.5**	**787.6**	**204.4**	**0.7**	**3,588.6**
Profit margin	**12.8%**	**11.7%**	**14.3%**	**3.6%**	***nm***	**10.4%**
Adjusted EBITDA margin[4]	**22.2%**	**20.5%**	**20.9%**	**11.3%**	***nm***	**19.0%**

Notes

(1) Inter-company charges (income) by region include intra-group royalty income/expense and other cross-charges that eliminate in consolidation.

(2) Other adjustments primarily comprised 'Other (expense) and income' per the consolidated statements of income.

(3) Adjusted EBITDA eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. Adjusted EBITDA includes the lease interest and amortization expense under IFRS 16 to account for operational rent expenses.

(4) Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by net sales.

nm Not meaningful.

(Expressed in millions of US Dollars)	Year ended December 31, 2023, As Adjusted[1]					
	Asia	North America	Europe	Latin America	Corporate	Total
Profit (loss) for the year[1]	197.6	148.6	94.5	35.4	(45.8)	430.3
Plus (minus):						
Income tax expense (benefit)	53.0	45.9	33.9	(18.3)	20.1	134.6
Finance costs[1]	10.8	13.0	8.8	10.1	150.4	193.1
Finance income	(3.5)	(1.0)	(1.4)	(4.2)	(4.3)	(14.3)
Inter-company charges (income)[2]	69.1	42.4	(1.4)	4.1	(114.2)	—
Operating profit	326.9	249.0	134.4	27.1	6.2	743.7
Plus (minus):						
Depreciation	15.5	9.6	12.1	2.4	0.3	39.8
Total amortization	44.2	60.3	33.1	12.4	2.6	152.5
Share-based compensation expense	0.0	1.9	3.1	0.0	9.8	14.8
Impairment reversals	—	—	—	—	(84.0)	(84.0)
Amortization of lease right-of-use assets	(40.4)	(51.9)	(28.7)	(12.3)	(0.2)	(133.5)
Interest expense on lease liabilities	(6.1)	(12.6)	(5.8)	(3.2)	(0.0)	(27.7)
Other adjustments[3]	(0.8)	2.0	(0.5)	2.8	0.3	3.8
Adjusted EBITDA[4]	339.3	258.1	147.8	29.1	(65.0)	709.3
Net sales	1,427.8	1,267.2	776.9	209.5	1.1	3,682.4
Profit margin[1]	13.8%	11.7%	12.2%	16.9%	*nm*	11.7%
Adjusted EBITDA margin[5]	23.8%	20.4%	19.0%	13.9%	*nm*	19.3%

Notes

(1) Effective since the third quarter of 2024, the Company voluntarily made a change in accounting policy related to the recognition of the subsequent changes in the fair value of put option financial liabilities associated with the non-controlling interests in certain of the Company's majority owned subsidiaries. The impact of adopting this change in accounting policy has been applied retrospectively and the comparative period in 2023 has been adjusted. All other financial statement captions for the year ended December 31, 2023, in this table that have not been identified with this footnote were not impacted by this policy change. See note 2(e) Voluntary Change in Accounting Policy to the consolidated financial statements for further discussion on this voluntary change in accounting policy.

(2) Inter-company charges (income) by region include intra-group royalty income/expense and other cross-charges that eliminate in consolidation.

(3) Other adjustments primarily comprised 'Other (expense) and income' per the consolidated statements of income.

(4) Adjusted EBITDA eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. Adjusted EBITDA includes the lease interest and amortization expense under IFRS 16 to account for operational rent expenses.

(5) Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by net sales.

nm Not meaningful.

Adjusted Net Income and Adjusted Earnings Per Share

Adjusted net income eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact the Company's reported profit attributable to equity holders, which the Company believes helps to give securities analysts, investors and other interested parties a more complete understanding of its underlying financial performance. Adjusted net income is defined as profit attributable to equity holders, adjusted to eliminate changes in the fair value of put options included in finance costs, amortization of intangible assets, derecognition of deferred financing costs associated with refinancing, impairment reversals, restructuring charges or reversals and tax adjustments. Adjusted basic and diluted earnings per share are calculated by dividing adjusted net income by the weighted average number of shares used in the basic and diluted earnings per share calculations, respectively.

Adjusted net income decreased by US$22.6 million, or 5.8%, to US$369.8 million for the year ended December 31, 2024, compared to US$392.4 million for the year ended December 31, 2023. The decrease in adjusted net income was primarily due to the decrease in net sales, partially offset by the increase in gross profit margin. Adjusted basic and diluted earnings per share were US$0.256 and US$0.254 per share, respectively, for the year ended December 31, 2024, compared to US$0.272 and US$0.270 per share, respectively, for the year ended December 31, 2023.

The following table reconciles the Company's adjusted net income and adjusted basic and diluted earnings per share to profit for the year and basic and diluted earnings per share, the most directly comparable financial measures stated in accordance with IFRS Accounting Standards, for the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31,		
(Expressed in millions of US Dollars)	**2024**	2023 As Adjusted[1]	Percentage increase (decrease)
Profit attributable to the equity holders[1]	**345.6**	396.9	(12.9)%
Plus (minus):			
Change in the fair value of put options included in finance costs[1]	**(0.9)**	41.9	*nm*
Amortization of intangible assets	**20.3**	19.0	7.0%
Derecognition of deferred financing costs associated with refinancing	**9.5**	4.4	113.9%
Impairment reversals	**(5.1)**	(84.0)	(93.9)%
Restructuring reversals	**(3.9)**	(0.6)	561.7%
US dual listing preparedness costs	**9.1**	—	n/a
Tax adjustments[2]	**(4.8)**	14.7	*nm*
Adjusted net income[3]	**369.8**	392.4	(5.8)%
Basic earnings per share[1]	**0.239**	0.275	(13.0)%
Diluted earnings per share[1]	**0.237**	0.273	(13.1)%
Adjusted basic earnings per share	**0.256**	0.272	(5.8)%
Adjusted diluted earnings per share	**0.254**	0.270	(5.9)%

Notes

(1) Effective since the third quarter of 2024, the Company voluntarily made a change in accounting policy related to the recognition of the subsequent changes in the fair value of put option financial liabilities associated with the non-controlling interests in certain of the Company's majority owned subsidiaries. The impact of adopting this change in accounting policy has been applied retrospectively and the comparative period in 2023 has been adjusted. All other financial statement captions for the year ended December 31, 2023, in this table that have not been identified with this footnote were not impacted by this policy change. See note 2(e) Voluntary Change in Accounting Policy to the consolidated financial statements for further discussion on this voluntary change in accounting policy.

(2) Tax adjustments represent the tax effect of the reconciling line items as included in the consolidated statements of income based on the applicable tax rate in the jurisdiction where such costs were incurred.

(3) Represents adjusted net income attributable to the equity holders of the Company.

n/a Not applicable.

nm Not meaningful.

Adjusted Free Cash Flow

Adjusted free cash flow is defined as cash generated from operating activities, less (i) purchases of property, plant and equipment and software and (ii) principal payments on lease liabilities. The Company believes adjusted free cash flow provides helpful additional information regarding the Company's liquidity and its ability to generate cash after excluding the use of cash from certain of its core operating activities. Adjusted free cash flow does not represent the residual cash flow available for discretionary expenditures since it excludes certain mandatory expenditures, and adjusted free cash flow may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies.

The following table presents the reconciliation from the Company's net cash generated from operating activities per the consolidated statements of cash flows to adjusted free cash flow for the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31,		
(Expressed in millions of US Dollars)	**2024**	2023	Percentage increase (decrease)
Net cash generated from operating activities	**564.8**	534.2	5.7%
Less:			
Purchases of property, plant and equipment and software	**(111.5)**	(110.1)	1.3%
Principal payments on lease liabilities	**(142.3)**	(139.6)	2.0%
Adjusted free cash flow	**311.0**	284.5	9.3%

Liquidity and Capital Resources

The Company's capital management policies' primary objectives are to safeguard its ability to continue as a going concern, to provide returns for the Company's shareholders, and to fund capital expenditures, normal operating expenses, working capital needs and the payment of obligations. The Company's primary sources of liquidity are its cash flows from operating activities, invested cash, available lines of credit and, subject to shareholder approval, the Company's ability to issue additional shares. The Company believes that its existing cash and estimated cash flows, along with current working capital and access to financing, will be sufficient to meet its foreseeable future operating and capital requirements for the next twelve months and future periods.

Capital Expenditures

The following table sets forth the Company's total capital expenditures for the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31,		
(Expressed in millions of US Dollars)	**2024**	2023	Percentage increase (decrease)
Purchases of fixed assets:			
Land	**1.0**	—	n/a
Buildings	**14.8**	0.8	1750.0%
Machinery, equipment, leasehold improvements and other	**88.2**	98.5	(10.5)%
Total purchases of fixed assets	**104.0**	99.3	4.7%
Software purchases	**7.6**	10.8	(29.7)%
Total software purchases	**7.6**	10.8	(29.6)%
Total capital expenditures	**111.5**	110.1	1.3%

Note
n/a Not applicable.

The Company's total capital expenditures for the year ended December 31, 2024 increased by US$1.4 million, or 1.3%, to US$111.5 million, from US$110.1 million for the year ended December 31, 2023 and were primarily related to the opening of new retail locations and the remodeling of existing retail locations.

The Company intends to continue to spend on property, plant and equipment to upgrade and expand its retail store fleet as well as to invest in core strategic functions and invest in software to improve e-commerce platforms and customer engagement capabilities to support sales growth.

Indebtedness

The following table sets forth the carrying amount of the Company's loans and borrowings as of December 31, 2024 and December 31, 2023:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Term Loan A Facility	**770.0**	790.0
2023 Term Loan B Facility	**—**	597.0
Revolving Credit Facility	**100.0**	—
2023 Senior Credit Facilities	**870.0**	1,387.0
2024 Term Loan B Facility	**497.5**	—
Total Senior Credit Facilities	**1,367.5**	1,387.0
Senior Notes[1]	**362.4**	386.3
Other borrowings and obligations	**49.0**	50.7
Total loans and borrowings	**1,778.9**	1,824.0
Less deferred financing costs	**(7.9)**	(17.0)
Total loans and borrowings less deferred financing costs	**1,771.0**	1,807.0

Note

(1) The value of the Senior Notes, when translated from euros into US Dollars, will change relative to the fluctuation in the exchange rate between the euro and US Dollar at stated points in time.

The following table sets forth the interest rate profile of the Company's interest-bearing financial instruments for the years ended December 31, 2024 and December 31, 2023:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Variable-rate instruments:		
Financial assets	**17.9**	26.6
Financial liabilities[1]	**(1,416.5)**	(1,437.7)
Total variable-rate instruments	**(1,398.6)**	(1,411.2)
Fixed-rate instruments:		
Interest rate swap agreements – assets	**—**	14.1
Interest rate swap agreements – liabilities	**(2.2)**	—
Financial liabilities[2]	**(362.4)**	(386.3)
Total fixed-rate instruments	**(364.6)**	(372.2)

Notes

(1) Primarily reflects the Senior Credit Facilities as of December 31, 2024 and December 31, 2023.

(2) Primarily reflects the Senior Notes.

Senior Credit Facilities
On June 21, 2023, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Second Amended and Restated Credit Agreement (the "2023 Credit Agreement"), which provided for (i) a US$800.0 million senior secured term loan A facility (the "Term Loan A Facility"), (ii) a US$600.0 million senior secured term loan B facility (the "2023 Term Loan B Facility") and (iii) a new US$850.0 million revolving credit facility (the "Revolving Credit Facility"). The credit facilities provided under the 2023 Credit Agreement are referred to herein as the "2023 Senior Credit Facilities."

The Company borrowed US$100.0 million under the Revolving Credit Facility and used the proceeds of such borrowing, plus the proceeds from borrowings under the Term Loan A Facility and the 2023 Term Loan B Facility, along with cash on hand, to repay the entire principal amount of its outstanding borrowings under the Amended and Restated Credit Agreement dated April 25, 2018 (as amended from time to time prior to June 21, 2023, the "2018 Credit Agreement"), plus transaction expenses (such transactions, the "2023 Refinancing").

On April 12, 2024 (the "2024 Refinancing Date"), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the 2023 Credit Agreement (as amended, the "Senior Credit Agreement") to derecognize the 2023 Term Loan B Facility and enter into a US$500.0 million senior secured term loan B facility (the "2024 Term Loan B Facility"). The Term Loan B Facility has an interest rate based on the Secured Overnight Financing Rate ("SOFR"), with a SOFR floor of 0.50%, plus 2.00% per annum (or a base rate plus 1.00% per annum), but the other terms are the same as under the 2023 Term Loan B Facility. The credit facilities provided under the Senior Credit Agreement are referred to herein as the "Senior Credit Facilities".

On the 2024 Refinancing Date, the Company borrowed US$100.0 million under the Revolving Credit Facility and used the proceeds of such borrowing and the proceeds from the 2024 Term Loan B Facility to repay in full and derecognize the entire principal amount of its outstanding borrowings under the 2023 Term Loan B Facility, plus payment of transaction expenses.

As of December 31, 2024, the Company had outstanding borrowings of US$770.0 million, US$497.5 million, and US$100.0 million under the Term Loan A Facility, the 2024 Term Loan B Facility, and the Revolving Credit Facility, respectively. As of December 31, 2023, the Company had outstanding borrowings of US$790.0 million and US$597.0 million under the Term Loan A Facility and the 2023 Term Loan B Facility, respectively, and no amounts were outstanding under the Revolving Credit Facility.

Interest Rate
Interest on borrowings under the Term Loan A Facility and the Revolving Credit Facility is based on SOFR, with a SOFR floor of 0%, plus a 10 basis-point credit spread adjustment, plus an applicable margin that can vary and is based on the lower rate derived from either a first lien net leverage ratio or the Company's corporate ratings.

Interest on borrowings under the 2023 Term Loan B Facility was based on SOFR, with a SOFR floor of 0.50%, plus 2.750% per annum (or a base rate plus 1.750% per annum). The interest rate payable on borrowings under the 2024 Term Loan B Facility is based on SOFR, with a SOFR floor of 0.50%, plus 2.00% per annum (or a base rate plus 1.00% per annum).

As the Senior Credit Facilities have floating interest rates, the Company calculates interest expense based on the actual benchmark interest rate plus the applicable margin that was in effect for the relevant period.

Amortization and Final Maturity
The Term Loan A Facility requires scheduled quarterly payments with an annual amortization of 2.5% of the original principal amount of the loans thereunder during each of the first and second years, with a step-up to 5.0% annual amortization during each of the third and fourth years and 7.5% annual amortization during the fifth year, with the balance due and payable on the maturity date for the Term Loan A Facility. There is no scheduled amortization of any principal amounts outstanding under the Revolving Credit Facility. The balance then outstanding under the Term Loan A Facility and the Revolving Credit Facility will be due and payable on June 21, 2028.

If (i) on the date that is 91 days prior to the maturity date of the Senior Notes (as defined below), more than €150.0 million in aggregate principal amount of the Senior Notes has not been repaid and/or refinanced with indebtedness having a maturity date at least 90 days later than the then-stated maturity date of the Term Loan A Facility and the Revolving Credit Facility and the total net leverage ratio of the Company and its restricted subsidiaries on such date is greater than 3.00:1.00 or (ii) on the date that is 90 days prior to the maturity date of the Senior Notes, more than US$150 million in aggregate principal amount of the loans outstanding under the 2024 Term Loan B Facility have matured pursuant to the Term Loan B Maturity Springer (as defined below), then the maturity date with respect to the Term Loan A Facility and the Revolving Credit Facility will spring to a date that is 90 days prior to the maturity date of the Senior Notes.

The 2024 Term Loan B Facility requires scheduled quarterly payments equal to 0.25% of the original principal amount of the loans under the 2024 Term Loan B Facility, with the balance due and payable on June 21, 2030.

If (i) on the date that is 91 days prior to the maturity date of Senior Notes, more than €150.0 million in aggregate principal amount of the Senior Notes has not been repaid and/or refinanced with indebtedness having a maturity date at least 90 days later than the then-stated maturity date of the 2024 Term Loan B Facility and after giving effect to a refinancing of the Senior Notes, the Company and its restricted subsidiaries have liquidity of less than US$350 million during the period from the 91st day prior to the maturity date applicable to the Senior Notes until the maturity date applicable to the Senior Notes, the maturity date with respect to the 2024 Term Loan B Facility will spring to the date that is 90 days prior to the maturity date of the Senior Notes (such circumstances resulting in such earlier maturity date being the "Term Loan B Maturity Springer").

Guarantees and Security
The obligations of the borrowers under the Senior Credit Facilities are unconditionally guaranteed by the Company and certain of the Company's existing direct or indirect wholly-owned material restricted subsidiaries organized in Luxembourg, Belgium, Canada, Hong Kong, Hungary, Mexico, the United States and Singapore, and are required to be guaranteed by certain future direct or indirect wholly-owned material restricted subsidiaries organized in such jurisdictions (except Singapore) (the "Credit Facility Guarantors"). All obligations under the Senior Credit Facilities, and the guarantees of those obligations, are secured, subject to certain exceptions, by substantially all of the assets of the borrowers and the Credit Facility Guarantors (including the Shared Collateral (as defined below)).

Certain Covenants and Events of Default
The Senior Credit Facilities contain a number of customary negative covenants that, among other things and subject to certain exceptions, may restrict the ability of the Company and that of its restricted subsidiaries to: (i) incur additional indebtedness; (ii) pay dividends or distributions on its capital stock or redeem, repurchase or retire its capital stock or its other indebtedness; (iii) make investments, loans and acquisitions; (iv) engage in transactions with its affiliates; (v) sell assets, including capital stock of its subsidiaries; (vi) consolidate or merge; (vii) materially alter the business it conducts; (viii) incur liens; and (ix) prepay or amend any junior debt or subordinated debt.

In addition, the Senior Credit Agreement requires the Company to meet certain quarterly financial covenants. The Company is required to maintain (i) a pro forma total net leverage ratio (as defined in the Senior Credit Agreement) of not greater than 4.50:1.00, subject to certain exceptions, and (ii) a pro forma consolidated cash interest coverage ratio (as defined in the Senior Credit Agreement) of not less than 3.00:1.00 (collectively, the "Financial Covenants"). The Financial Covenants only apply for the benefit of the lenders under the Term Loan A Facility and the Revolving Credit Facility. The Company was in compliance with the Financial Covenants for the test period ended on December 31, 2024. The Senior Credit Agreement also contains certain customary representations and warranties, affirmative covenants and provisions relating to events of default (including upon a change of control).

Other Information
The Company incurred US$3.1 million of financing costs in conjunction with entering into the 2024 Term Loan B Facility and US$17.1 million of financing costs in conjunction with entering into the 2023 Refinancing. Financing costs incurred in conjunction with borrowing and amendments have been deferred and are being offset against loans and borrowings. The deferred financing costs are being amortized using the effective interest method over the life of the Senior Credit Facilities and Senior Notes. Total deferred financing costs included within total loans and borrowings amounted to US$7.9 million and US$17.0 million as of December 31, 2024 and December 31, 2023, respectively.

The amortization of deferred financing costs, which is included in interest expense, amounted to US$2.7 million and US$3.4 million for the years ended December 31, 2024 and December 31, 2023, respectively.

During the year ended December 31, 2024, the Company recorded a non-cash charge in interest expense in the amount of US$9.5 million related to unamortized deferred financing costs that were part of the net carrying value of the 2023 Term Loan B Facility settled with the Senior Credit Agreement. During the year ended December 31, 2023, the Company recorded a non-cash charge in interest expense in the amount of US$4.4 million related to unamortized deferred financing costs that were part of the net carrying value of the credit facilities provided under the 2018 Credit Agreement (the "2018 Senior Credit Facilities"), which were settled.

Interest Rate Swaps
The Company maintains interest rate swaps to hedge a portion of its interest rate exposure under the floating-rate Senior Credit Facilities by swapping certain US Dollar floating-rate bank borrowings with fixed-rate agreements. On June 18, 2024, the Company entered into new interest rate swap agreements that became effective on August 30, 2024 and will terminate on February 27, 2026 (the "2024 Swaps"). Under the 2024 Swaps, SOFR has been effectively fixed at approximately 4.6% with respect to an amount equal to approximately 29% of the principal amount of the Senior Credit Facilities as of December 31, 2024, which reduced a portion of the Company's exposure to interest rate increases. The 2024 Swaps have fixed payments due monthly. The 2024 Swaps qualified as cash flow hedges. As of December 31, 2024, the 2024 Swaps were marked-to-market, resulting in a net liability position to the Company in the amount of US$2.2 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income.

On September 4, 2019, the Company entered into interest rate swap agreements that became effective on September 6, 2019, and terminated on August 31, 2024 (the "2019 Swaps"). As of December 31, 2023, the 2019 Swaps were marked-to-market, resulting in a net asset position to the Company in the amount of US$14.1 million which was recorded as an asset with the effective portion of the gain (loss) deferred to other comprehensive income.

Senior Notes
The Company's wholly-owned, indirect subsidiary Samsonite Finco S.à r.l. (the "Issuer") had outstanding €350.0 million aggregate principal amount of its 3.500% senior notes due 2026 (the "Senior Notes") with a carrying amount of US$362.4 million as of December 31, 2024. The Senior Notes will mature on May 15, 2026 and bear interest at a fixed rate of 3.500% per year and are guaranteed on a senior subordinated basis by the Company and certain of its direct or indirect wholly-owned subsidiaries (together, the "Senior Note Guarantors"). The Senior Notes are also secured by a second-ranking pledge over the shares of the Issuer and a second-ranking pledge over the Issuer's rights in a proceeds loan in respect of the proceeds of the offering of the Senior Notes that the Issuer made to certain of the Company's indirect subsidiaries upon completion of the offering of the Senior Notes (the "Shared Collateral"). The Shared Collateral also secures the borrowings under the Senior Credit Agreement on a first-ranking basis.

The indenture governing the Senior Notes contains a number of customary negative covenants that, among other things and subject to certain exceptions, may restrict the ability of the Company and its restricted subsidiaries (including the Issuer) to: (i) incur or guarantee additional indebtedness, (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem the capital stock or subordinated debt of the Company or its restricted subsidiaries, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of inter-company loans and advances, (viii) engage in mergers or consolidations and (ix) impair the security interests in the Shared Collateral. The indenture governing the Senior Notes also contains certain customary provisions relating to events of default.

Other Loans and Borrowings
Certain of the Company's consolidated subsidiaries maintain credit lines and other loans with various third-party lenders in the regions in which they operate. Other loans and borrowings are generally variable-rate instruments denominated in the functional currency of the borrowing Company entity. These credit lines provide short-term financing and working capital for the day-to-day business operations of certain Company entities, including overdraft, bank guarantees, and trade finance facilities. The majority of such credit lines are uncommitted facilities. The total aggregate amount of other loans and borrowings was US$49.0 million and US$50.7 million as of December 31, 2024 and December 31, 2023, respectively. The uncommitted available facilities amounted to US$95.3 million and US$93.7 million as of December 31, 2024 and December 31, 2023, respectively.

Hedging
The Company's non-US subsidiaries periodically enter into forward contracts related to the purchase of inventories denominated primarily in US Dollars which are designated as cash flow hedges. Cash outflows associated with these derivatives as of December 31, 2024 are expected to be US$114.0 million within one year.

Contractual Obligations

The following table summarizes scheduled maturities of the Company's contractual obligations for which cash flows are fixed and determinable as of December 31, 2024:

(Expressed in millions of US Dollars)	Total	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Loans and borrowings	**1,778.9**	**84.0**	**407.4**	**815.0**	**472.5**
Open inventory purchase orders	**480.9**	**480.7**	**0.2**	**—**	**—**
Future minimum contractual payments under lease liabilities	**648.2**	**175.5**	**142.9**	**247.1**	**82.7**
Future minimum payments under short-term and low-value leases	**2.7**	**2.7**	**—**	**—**	**—**
Total	**2,910.7**	**742.9**	**550.5**	**1,062.1**	**555.2**

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

There were no significant investments held that represented 5% or more of the Company's total assets and no material acquisitions and disposals of subsidiaries, associates and joint ventures by the Company for the year ended December 31, 2024.

Off-Balance Sheet Arrangements

As of December 31, 2024, the Company did not have any material off-balance sheet arrangements or contingencies except as included in the table summarizing its contractual obligations in the Contractual Obligations section above.

2. Principal Risks and Uncertainties

Details of principal risks and uncertainties are described in detail below, and can also be found in note 21 of the consolidated financial statements.

In terms of financial guarantees, the Company's policy is to provide financial guarantees only on behalf of subsidiaries. No other guarantees have been made to third parties.

Risk Factors

Quantitative and Qualitative Disclosures about Market Risk

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. Maximum exposure is limited to the carrying amounts of the financial assets presented in the Company's consolidated financial statements.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of its customer base, including the default risk of the industry and the country in which customers operate, as these factors may have an influence on credit risk.

The Company has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including aging profile and the existence of previous financial difficulties. Trade and other receivables relate mainly to the Company's wholesale customers. Customers that are graded as "high risk" are placed on credit hold and monitored by the Company and future sales are made on an approval basis. Further information about the Company's exposure to credit risk as of December 31, 2024 is set out in note 21(b) to the consolidated financial statements.

Financial Guarantees
The Company's policy is to provide financial guarantees only on behalf of subsidiaries. No other guarantees have been made to third parties.

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities.

The Company's primary sources of liquidity are its cash flows from operating activities, invested cash, available lines of credit and, subject to shareholder approval, the Company's ability to issue additional shares. The Company believes that its existing cash and estimated cash flows, along with current working capital and access to financing, will be sufficient to meet its foreseeable future operating and capital requirements for the next twelve months and future periods. See note 21(c) to the consolidated financial statements for the maturity profile of outstanding borrowings as of December 31, 2024.

Foreign Currency Exchange Risk
The Company conducts a portion of its business in currencies other than the US Dollar, the functional currency of the Company and the currency in which the consolidated financial statements are reported. Accordingly, the Company's operating results could be adversely affected by foreign currency exchange rate volatility relative to the US Dollar. The Company's foreign subsidiaries generally use the local currency as their functional currency. The Company periodically uses forward exchange contracts to hedge its exposure to currency risk on product purchases denominated in a currency other than the respective functional currency of its subsidiaries. The forward exchange contracts typically have maturities of less than one year. Although the Company continues to evaluate strategies to mitigate risks related to the fluctuations in currency exchange rates, the Company will likely recognize gains or losses from international transactions. Changes in foreign currency exchange rates could adversely affect the Company's operating results.

The Company is exposed to currency risk on purchases and, from time to time, borrowings that are denominated in a currency other than the respective functional currencies of its subsidiaries. Interest on borrowings is generally denominated in the local currency of the borrowing entity. Borrowings are generally denominated in currencies that match the cash flows generated by the underlying operations of the borrowing entity.

The Company is exposed to currency risk upon maturity of its cross-currency swaps that have been designated as net investment hedges.

A sensitivity analysis of the Company's exposure to currency risk is set out in note 21(d)(i) to the consolidated financial statements.

Interest Rate Risk
The Company monitors its exposure to changes in interest rates on borrowings on variable-rate debt instruments. The Company has entered into interest rate swap agreements as hedges to manage a portion of its interest rate risk. See note 21(d)(ii) to the consolidated financial statements for the Company's exposure to interest rate risk as of December 31, 2024.

Tax Rates and Liabilities
The Company is subject to income taxes in many jurisdictions. The Company records tax expense based on its estimates of taxable income and required tax reserves for uncertain tax treatments in multiple tax jurisdictions. At any one time, multiple tax years are subject to audit by various taxing jurisdictions. The results of these audits and negotiations with tax authorities may result in a settlement which differs from the Company's original estimate. As a result, the Company expects that throughout the year there could be ongoing variability in its quarterly effective tax rates as events occur and exposures are evaluated. In addition, the Company's effective tax rate in a given financial statement period may be materially impacted by changes in the mix and level of earnings. Further, proposed tax changes that may be enacted in the future could impact the Company's current or future tax structure and effective tax rates.

United States and international proposals to reform tax laws could significantly impact how the Company is taxed on its earnings in many of the countries in which it operates. Although the Company cannot predict whether, or in what form, these proposals may become law, if enacted into law, they could have an adverse impact on the Company's effective tax rate, income tax expense, and cash flows. The Company operates in locations around the world that apply various tax rates.

Other Market Price Risks
See note 21(d) to the consolidated financial statements for the Company's exposure to market risks as of December 31, 2024.

Risks Associated with the Company's Loans and Borrowings
The Credit Agreement and the Indenture require the Company and its subsidiaries to comply with certain restrictive covenants, including certain Financial Covenants under the Credit Agreement.

Under the Financial Covenants, the Company's total net leverage ratio as of the last day of each test period must not exceed 4.50:1.00 and the Company's consolidated cash interest coverage ratio must not be less than 3.00:1.00.

A prolonged downturn in the Company's business could result in a breach of the total net leverage ratio and/or minimum interest coverage ratio covenants, which, if not cured or waived, could have a material adverse effect on the Company's financial condition and results of operations. The principal risks associated with the Company's leverage include the following:

- the Company's ability to obtain additional financing in the future for acquisitions, total capital expenditures, general corporate purposes or other purposes could be limited;
- the Company's borrowings under the Credit Agreement accrue interest at variable rates, and increases in certain benchmark interest rates would increase the Company's cost of borrowing (note, however, that the Company maintained interest rate swaps with respect to approximately 29.3% of the principal amount of the borrowings under the Credit Agreement at December 31, 2024, which reduces a portion of the Company's exposure to interest rate increases);
- the Company's leverage could increase its vulnerability to declining economic conditions;
- failure to comply with any of the covenants under the Credit Agreement or the Indenture could result in an event of default which, if not cured or waived, could have a material adverse effect on the Company's financial condition and results of operations and may cast doubt on the Company's ability to continue as a going concern;
- financial and restrictive covenants under the Credit Agreement, and restrictive covenants under the Indenture, could adversely affect or limit the Company's ability to, among other things, implement business plans, react to changes in economic conditions, or return capital to the Company's shareholders (whether through cash distributions or dividends, share repurchases, or otherwise); and
- a substantial portion of the Company's cash and cash flow from operations must be used to pay principal and interest on the Senior Credit Facilities and interest on the Senior Notes until maturity, therefore reducing the cash flow available to fund the Company's operations, total capital expenditures and other business opportunities.

In addition, as a result of the risks described above, the Company may be required to raise additional capital, and access to and the cost of financing will depend on, among other things, global economic conditions, conditions in the global financing markets, the availability of sufficient amounts of financing, the Company's future prospects, its credit ratings, and the outlook for the travel industry as a whole. If the Company's credit ratings were to be downgraded, or general market conditions were to ascribe higher risk to the Company's credit rating levels, the travel industry, or the Company, the Company's access to capital and the cost of debt financing could be negatively impacted. The interest rate the Company pays on its Senior Credit Facilities is affected by the Company's credit ratings. Accordingly, a downgrade may cause the Company's cost of borrowing to increase.

3. Effectiveness of Risk Management and Internal Control

The Board places great importance on risk management and internal control and is responsible for ensuring that the Company maintains sound and effective systems of risk management and internal control.

The Company's internal audit department reviews the adequacy and effectiveness of the risk management and internal control systems. Each year, the internal and external audit plans are discussed with and approved by the Audit Committee.

The Board has reviewed the overall effectiveness of the Company's systems of risk management and internal control for the year ended December 31, 2024. The Board has delegated to the Audit Committee the responsibility of reviewing the Company's systems of risk management and internal control and reporting the committee's findings to the Board. In conducting such review, the Audit Committee, on behalf of the Board, has (i) reviewed the Company's internal audit activities during the year and discussed such activities and the results thereof with the Company's Vice President of Internal Audit, (ii) reviewed and discussed the scope and results of the annual audit with the Company's external auditors, (iii) reviewed with management its comprehensive review and update of internal controls in connection with the Company's planned dual listing in the United States, (iv) reviewed the results of the Company's risk assessment with management and the Company's Vice President of Internal Audit, and (v) reviewed with management the results of the Company's internal management representation process that was performed in connection with the preparation of the Company's consolidated financial statements. Based on its review, the Board confirms, and management has also confirmed to the Board, that the Company's risk management and internal control systems are effective and adequate.

4. Financial Risk Management and Hedging

Details of financial risk management can be found in note 21 of the consolidated financial statements.

The Company's non-US subsidiaries periodically enter into forward contracts related to the purchase of inventories denominated primarily in US Dollars which are designated as cash flow hedges. Cash outflows associated with these derivatives as of December 31, 2024 are expected to be US$114.0 million within one year.

5. Research and Development

The Company devotes significant resources to new product design, development and innovation as it is a core part of its strategy. The Company believes it has a strong track record of innovation, and its global scale allows it to make significant expenditures on research and development. The Company incurred research and development expenses of US$20.2 million during the year ended December 31, 2024. Each of the Company's regions has a design team that develops products specifically for that region, and who are in communication with each other on a regular basis, sharing ideas and designs. The Company's design teams are continuously developing new products, based on continual improvement and innovation.

6. Capital Structure and Shareholding

Details on the capital structure of the Company can be found in note 23 of the consolidated financial statements.

Treasury Share Reserve

In August 2024, the Company began repurchasing its shares under its share buyback program of up to US$200.0 million. In implementing the share buyback program, the Board considered that the Company's share price was below its intrinsic value and may not fully reflect the business prospects of the Company. The share buyback program reflects the Board's confidence in the Company's long-term business and growth prospects. The Board believes that actively managing the Company's capital structure through the share buyback program may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the Company's net asset value per share and/or earnings per share. Further, the share buyback program helps to offset the dilutive effect arising from the exercise of options and/or the vesting of restricted share units granted by the Company under the Company's 2012 Share Award Scheme and 2022 Share Award Scheme.

For the year ended December 31, 2024, the Company repurchased 62,610,300 shares at a weighted-average repurchase price of HK$19.60 from its existing shareholders. The total cash outflow associated with the repurchased shares amounted to US$157.6 million. The shares purchased are held in treasury. There were no sales or redemptions of the Company's listed securities (including sale of treasury shares) by the Company or any of its subsidiaries for the year ended December 31, 2024.

The table below summarizes the shares repurchased by the Company during 2024:

		Purchase Price Paid per Share		
Month of Repurchase	**Total Number of Shares Repurchased**	**Highest (HKD)**	**Lowest (HKD)**	**Total Purchase Price Paid (US$, in millions)**
August	10,471,400	20.30	18.26	26.4
September	19,495,600	20.10	16.92	45.5
October	10,280,400	21.55	19.62	27.1
November	9,152,100	20.60	17.22	21.8
December	13,210,800	22.80	20.50	36.7
Total	62,610,300			157.6

There were no treasury shares held by the Company as of December 31, 2023.

7. Other Information

Sustainability

The Company's Vice President of Sustainability leads the Company's sustainability initiatives, which engage with the Company's key stakeholders including customers, investors, suppliers, employees and the communities in which the Company operates. The Vice President, Global Head of Sustainability reports directly to the Company's Chief Executive Officer, who is actively engaged in setting the direction and ambition of the Company's sustainability efforts. The Vice President of Sustainability works with a Global Sustainability Council comprised of leaders representing the Company's regions, key brands and key functions to drive accountability and ensure alignment of the Company's sustainability efforts. The Board of Directors oversees the Company's management of environmental, social and governance sustainability issues.

In 2020, the Company launched “Our Responsible Journey”, a global strategy and commitment to use the Company’s leadership position to create a path towards a more sustainable future for its industry. “Our Responsible Journey” focuses on three strategic pillars that were defined based in part on a comprehensive materiality assessment conducted with a third party. These strategic pillars are:

- Product – the Company seeks to apply circular economy principles and continuously innovate to create ever more sustainable products;

- Planet – the Company’s aim is to reduce greenhouse gas emissions from its operations and its value chain, and minimize its impact on the environment; and

- People – the Company will provide a culture of inclusion and engagement, with professional development opportunities for all employees.

The pillars of the Company’s sustainability strategy are supported by a foundation of strong governance. The Company encourages good practice within and beyond its direct business through its principles and policies.

The Company takes product responsibility seriously in all its operations and has comprehensive approaches to customer service, data protection and privacy, intellectual property, product quality, and product testing. The Company’s 2024 Report on Our Responsible Journey highlights the policies and practices through which the Company seeks to responsibly manage its business worldwide. The Company has published on the Company’s website and on the website of the Stock Exchange its 2024 Report on Our Responsible Journey at the same time as the Annual Report.

Dividends and Distributions to Shareholders

The Company will evaluate its distribution policy (the “Dividend and Distribution Policy”) and distributions made (by way of the Company’s ad hoc distributable reserve, dividends or otherwise) in any particular year in light of its financial position, the prevailing economic climate and expectations about the future macro-economic environment and business performance. The determination to make distributions will be made upon the recommendation of the Board and the approval of the Company’s shareholders and will be based upon the Company’s earnings, cash flow, financial condition, capital and other reserve requirements and any other conditions which the Board deems relevant. The payment of distributions may also be limited by legal restrictions and by the Credit Agreement, the Indenture or other financing agreements that the Company may enter into in the future.

On March 13, 2024, the Company’s Board of Directors recommended that a cash distribution in the amount of US$150.0 million, or approximately US$0.1026 per share (before tax), be made to the Company’s shareholders from its ad hoc distributable reserve. The shareholders approved this distribution on June 6, 2024 at the Company’s Annual General Meeting and the distribution was paid on July 16, 2024. No cash distribution was paid to the Company’s shareholders during 2023.

The Board recommends that a dividend in the amount of US$150.0 million, or approximately US$0.1074 per share, based upon the number of shares outstanding as of the date hereof (excluding treasury shares) (the “Dividend”) be made to the Company’s shareholders. The Dividend will be paid net of applicable Luxembourg withholding tax. The current rate of Luxembourg withholding tax to be applied to the recommended Dividend is 15%.

Shareholders should seek independent professional advice in relation to the procedures and timing for obtaining a refund of, or tax credit with respect to, Luxembourg withholding tax, if applicable.

The per share amount of the Dividend is subject to change in the event that (i) any new shares are issued pursuant to the exercise of outstanding share options or the vesting of restricted share units or (ii) any shares are repurchased by the Company and are subsequently held in treasury, in either case before the record date for the Dividend. A further announcement will be made on the record date of the Dividend in the event that the final amount per share changes. The payment shall be made in US Dollars, except that payment to shareholders whose names appear on the register of members in Hong Kong shall be paid in Hong Kong Dollars. The relevant exchange rate shall be the opening buying rate of Hong Kong Dollars to US Dollars as announced by the Hong Kong Association of Banks (www.hkab.org.hk) on the day of the approval of the Dividend.

The Dividend will be subject to approval by the shareholders at the forthcoming AGM of the Company. For determining the entitlement to attend and vote at the AGM, the Register of Members of the Company will be closed from May 28, 2025, to June 3, 2025, both days inclusive, during which period no transfer of shares will be registered. The record date to determine which shareholders will be eligible to attend and vote at the forthcoming AGM will be June 3, 2025. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on May 27, 2025.

Subject to the shareholders approving the recommended Dividend at the forthcoming AGM, such Dividend will be payable on July 15, 2025, to shareholders whose names appear on the register of members on June 11, 2025. To determine eligibility for the Dividend, the register of members will be closed from June 9, 2025, to June 11, 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to receive the Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on June 6, 2025.

As at the Latest Practicable Date, the Company held a total of 66,775,200 treasury shares (including treasury shares held or deposited with the Central Clearing and Settlement System). Such treasury shares will not receive the recommended Dividend.

Human Resources and Remuneration

As of December 31, 2024, the Company had a full-time equivalent headcount of approximately 12,100 worldwide. The Company regularly reviews the remuneration and benefits of its employees according to the relevant market practice, employee performance and the financial performance of the Company.

The Company is committed to helping its employees develop the knowledge, skills and abilities needed for continued success and encourages professional development throughout each employee's career.

8. Strategic Review and Future Prospects

During 2024, the Company continued to implement its strategic plan in the following areas:

Financial Highlights

- Net sales were US$3,588.6 million for the year ended December 31, 2024, compared to US$3,682.4 million for the year ended December 31, 2023, a year-over-year decrease of 2.5% (-0.2% on a constant currency basis). The year ended December 31, 2023, was a year in which the Company recorded particularly strong net sales growth. The year-over-year comparison reflected softer-than-expected consumer sentiment in certain key markets in which the Company operates during the year ended December 31, 2024, resulting in reduced spending on discretionary items, including premium and luxury brands, and slower retail traffic. During the year ended December 31, 2024, the Company was also impacted by increased discounting and promotional activities by competitors across its markets, especially in India. Continued strong global travel and tourism trends helped to mitigate the impact of macroeconomic headwinds during the year ended December 31, 2024. By contrast, the Company's net sales during the year ended December 31, 2023, were fueled by a post-pandemic travel resurgence across Asia, especially in China, which lifted restrictions at the beginning of 2023, by increased sales in North America to wholesale customers ahead of a robust 2023 summer travel season and by strong sales of the *TUMI* brand driven by elevated demand for *TUMI*'s key core collections, which was supported by the availability of previously delayed inventory.
- Gross profit margin was 60.0% for the year ended December 31, 2024, compared to 59.3% for the year ended December 31, 2023, driven primarily by ongoing discipline with respect to promotional discounts, successful investments in brand elevation, and an increased share of total net sales from the Company's DTC channel year-over-year.
- Marketing expenses for the year ended December 31, 2024 decreased by US$14.5 million, or 6.0%, to US$227.0 million from US$241.5 million for the year ended December 31, 2023, as the Company adjusted advertising investments to appropriate levels considering slower retail traffic and softer global consumer sentiment. As a percentage of net sales, marketing expenses decreased by 30 basis points to 6.3% of net sales for the year ended December 31, 2024, compared to 6.6% for the year ended December 31, 2023.
- Operating profit for the year ended December 31, 2024 decreased by US$114.4 million, or 15.4%, to US$629.3 million, from US$743.7 million for the year ended December 31, 2023.
- Adjusted EBITDA, a non-IFRS financial measure, for the year ended December 31, 2024 decreased by US$26.3 million, or 3.7%, to US$683.0 million, from US$709.3 million for the year ended December 31, 2023.
- Adjusted EBITDA margin, a non-IFRS financial measure, was 19.0% for the year ended December 31, 2024. Because of the year-over-year improvement in gross profit margin, adjusted EBITDA margin was only 30 basis points lower compared to the year ended December 31, 2023, notwithstanding the year-over-year decrease in net sales in 2024.
- Adjusted net income, a non-IFRS financial measure, decreased by US$22.6 million, or 5.8%, to US$369.8 million for the year ended December 31, 2024, compared to US$392.4 million for the year ended December 31, 2023.
- Adjusted free cash flow, a non-IFRS financial measure, increased by US$26.5 million to US$311.0 million for the year ended December 31, 2024, compared to US$284.5 million for the year ended December 31, 2023, driven by changes in working capital year-over-year.

- On July 16, 2024, the Company paid a cash distribution in the amount of US$150.0 million to its shareholders.
- In August 2024, the Company began repurchasing its shares under its share buyback program of up to US$200.0 million. For the year ended December 31, 2024, the Company repurchased 62,610,300 shares with an associated cash outflow of US$157.6 million. The shares purchased are held in treasury.
- As of December 31, 2024, the Company had US$676.3 million in cash and cash equivalents and outstanding financial debt of US$1,778.9 million (excluding deferred financing costs of US$7.9 million), resulting in a net debt position of US$1,102.5 million, which was virtually unchanged compared to a net debt position of US$1,107.4 million as of December 31, 2023, notwithstanding the US$150.0 million cash distribution to shareholders and US$157.6 million in share repurchases during 2024.
- Total liquidity[(1)] as of December 31, 2024 was US$1,420.5 million compared to US$1,562.0 million as of December 31, 2023. The reduction in total liquidity resulted primarily from the cash distribution paid to shareholders and share repurchases during the year ended December 31, 2024.
- In April 2024, the Company refinanced its term loan B facility to further enhance its financial flexibility. The Company borrowed US$100.0 million from its lower interest rate revolving credit facility and used the proceeds of such borrowing and the proceeds from its new term loan B facility to repay the entire principal amount of its outstanding borrowings under the prior term loan B facility, plus transaction expenses. In addition, the Company was able to reduce the interest rate payable on its new term loan B borrowings by 75 basis points.

Note

(1) Total liquidity is calculated as the sum of cash and cash equivalents per the consolidated statements of financial position plus available capacity under the revolving credit facility.

Investment in Advertising and Promotion

Marketing expenses for the year ended December 31, 2024 decreased by US$14.5 million, or 6.0%, to US$227.0 million from US$241.5 million for the year ended December 31, 2023, as the Company adjusted advertising investments to appropriate levels considering slower retail traffic and softer global consumer sentiment. As a percentage of net sales, marketing expenses decreased by 30 basis points to 6.3% of net sales for the year ended December 31, 2024, compared to 6.6% for the year ended December 31, 2023.

Introduction of New and Innovative Products to the Market

The Company continued to focus on innovation and ensuring that its products reflect local consumer tastes in each region. Innovation and a regional focus on product development are key drivers of sales growth and are the means to deliver quality and value to the Company's customers.

Future Prospects

The Company's medium to long-term growth strategy will continue as planned, with a focus on the following:

- Continue to invest in brand elevation, awareness and desirability.
- Leverage innovation and sustainability improvements to broaden and evolve the Company's travel and non-travel product offerings.

- Grow sales in established markets and deepen penetration in emerging, high-growth regions.
- Expand the Company's brand portfolio through accretive M&A.
- Drive operating leverage and expand margins as the Company grows.

The Company aims to increase shareholder value through sustainable revenue and earnings growth and adjusted free cash flow generation.

Near-term Focus:

- Travel trends are expected to remain robust over the next several years, which the Company believes will support long-term growth in its business.
- The Company's year-over-year constant currency net sales performance improved sequentially across its regions in the fourth quarter of 2024 relative to the third quarter of 2024, however, the macroeconomic environment remains uncertain, particularly in North America.
- As a result, net sales for the first quarter of 2025 are expected to be down low to mid-single digits on a constant currency basis compared to the first quarter of 2024. Constant currency net sales growth trends are expected to improve over the course of 2025. The Company is confident that its investments in new and exciting products, brand elevation, and channel and product category expansion will drive long-term growth.
- The Company is confident in its ability to maintain its robust margin profile, and to deliver positive operating leverage and margin expansion over the long term by focusing on its higher-margin brands, channels, and regions, supported by disciplined expense management.
- The Company will continue to leverage its asset-light business model to maintain strong adjusted free cash flow generation. This will provide additional flexibility in capital allocation to continue to invest in organic growth, return cash to the Company's shareholders, and deleverage its balance sheet going forward.
- In January 2025, the Company changed its name from Samsonite International S.A. to Samsonite Group S.A. The Company believes the name change reflects an important evolution in the Company since its IPO in Hong Kong in 2011. Then, the Company's business largely comprised a single brand, *Samsonite*. Since 2011, the Company has added the *TUMI*, *Gregory*, *Lipault* and other complementary brands to its portfolio, and the Company has also significantly grown the *American Tourister* brand. Today, the Company is truly a multi-brand business, and believes its new corporate name better reflects its portfolio of customer-centric, iconic brands, while continuing to reflect the *Samsonite* brand's heritage as the historical foundation of its business.
- The Company continues to make great progress on "Our Responsible Journey".
- The Company's preparations for a potential dual listing of its securities in the United States continue to progress. The Company's Board of Directors and its management believe this process will enhance value creation over time for the Company's shareholders by increasing trading volumes and making its securities more accessible to investors in the US and globally.

By: Kyle F. Gendreau
Capacity: Director

KPMG

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To the Shareholders of
Samsonite Group S.A.
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L-1931 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Samsonite Group S.A. (formerly known as Samsonite International S.A.) and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at 31 December 2024, and the consolidated statements of income, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Sufficiency of audit evidence over net sales (note 4)	
Why the matter was considered to be one of the most significant in our audit of the financial statements of the current period	**How the matter was addressed in our audit**
The Group recorded $3,588.6 million of net sales for the year ended December 31, 2024. Net sales are recognized primarily from the sale of products through the Company's wholesale and direct-to-consumer distribution channels. Evaluating the sufficiency of audit evidence obtained over the Company's net sales was of most significance to the audit of the consolidated financial statements and required subjective auditor judgment because of the geographical dispersion of the Company's net sales generating activities. We identified the evaluation of the sufficiency of audit evidence over net sales as a key audit matter.	Our audit procedures in this area included, among others: — applying auditor judgment to determine the nature and extent of procedures to be performed over net sales, including determining the Company locations at which those procedures were to be performed; — evaluating the design of certain internal controls over the Company's net sales processes at selected locations; — evaluating certain contractual arrangements such as purchase orders to understand key terms and conditions negotiated with customers; — for a certain location, performing software-assisted data analysis to test the relationships among certain revenue transactions; — for certain locations, assessing the recorded net sales by testing a selection of transactions by comparing the amounts recognized to relevant underlying documentation, including purchase orders, shipping documents, and cash collections; and — evaluating the sufficiency of audit evidence obtained over net sales by assessing the results of procedures performed, including the appropriateness of the nature and extent of audit effort.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated report including the Directors' report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
— Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

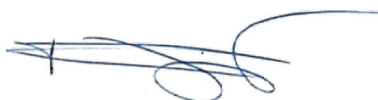
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Directors' report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Luxembourg, 12 March 2025

KPMG Audit S.à r.l.
Cabinet de révision agréé



Fabien Hedouin

Consolidated Statements of Income

(Expressed in millions of US Dollars, except per share data)	Note	Year ended December 31, 2024	2023 As Adjusted[1]
Net sales	4	**3,588.6**	3,682.4
Cost of sales		**(1,436.4)**	(1,499.6)
Gross profit		**2,152.2**	2,182.8
Distribution expenses		**(1,062.1)**	(1,027.6)
Marketing expenses		**(227.0)**	(241.5)
General and administrative expenses		**(230.7)**	(250.2)
Impairment reversals	5, 7(b), 17(a)	**5.1**	84.0
Other expense		**(8.3)**	(3.8)
Operating profit		**629.3**	743.7
Finance income	19	**13.6**	14.3
Finance costs[1]	19	**(152.0)**	(193.1)
Net finance costs[1]	19	**(138.4)**	(178.8)
Profit before income tax[1]		**490.8**	564.9
Income tax expense	18(a)	**(118.3)**	(134.6)
Profit for the year[1]		**372.6**	430.3
Profit attributable to the equity holders[1]		**345.6**	396.9
Profit attributable to non-controlling interests		**26.9**	33.3
Profit for the year[1]		**372.6**	430.3
Earnings per share:			
Basic earnings per share[1]	12	**0.239**	0.275
Diluted earnings per share[1]	12	**0.237**	0.273

The accompanying notes form part of the consolidated financial statements.

Note

(1) See note 2(e) Voluntary Change in Accounting Policy to the consolidated financial statements for further discussion on this voluntary change in accounting policy.

Consolidated Statements of Comprehensive Income

(Expressed in millions of US Dollars)	Note	Year ended December 31, 2024	2023 As Adjusted[1]
Profit for the year[1]		**372.6**	430.3
Other comprehensive income (loss):			
Items that will never be reclassified to profit or loss:			
Re-measurements on defined benefit plans, net of tax	14(c), 18(c)	**1.4**	(2.6)
		1.4	(2.6)
Items that are or may be reclassified subsequently to profit or loss:			
Changes in fair value of hedges, net of tax	13(a), 18(c), 19	**(9.7)**	(11.1)
Foreign currency translation losses for foreign operations	18(c), 19	**(54.5)**	(7.5)
		(64.2)	(18.6)
Other comprehensive loss		**(62.8)**	(21.2)
Total comprehensive income for the year[1]		**309.8**	409.0
Total comprehensive income attributable to the equity holders[1]		**288.1**	377.4
Total comprehensive income attributable to non-controlling interests		**21.7**	31.6
Total comprehensive income for the year[1]		**309.8**	409.0

The accompanying notes form part of the consolidated financial statements.

Note

(1) See note 2(e) Voluntary Change in Accounting Policy to the consolidated financial statements for further discussion on this voluntary change in accounting policy.

Consolidated Statements of Financial Position

(Expressed in millions of US Dollars)	Note	**December 31, 2024**	December 31, 2023
Non-current Assets			
Property, plant and equipment	6	**262.1**	222.7
Lease right-of-use assets	17(a)	**499.2**	435.8
Goodwill	7(a)	**819.6**	825.9
Other intangible assets	7(b)	**1,519.8**	1,534.4
Deferred tax assets	18(d)	**165.7**	190.8
Other assets and receivables	8(a)	**70.2**	66.6
Total non-current assets		**3,336.6**	3,276.2
Current Assets			
Inventories	9	**651.4**	695.9
Trade and other receivables	10	**325.3**	319.6
Prepaid expenses and other assets	8(b)	**89.6**	103.5
Cash and cash equivalents	11	**676.3**	716.6
Total current assets		**1,742.6**	1,835.6
Total assets		**5,079.2**	5,111.8
Equity and Liabilities			
Equity:			
Share capital	23(a)	**14.6**	14.5
Reserves	23(a)	**1,461.6**	1,436.5
Total equity attributable to the equity holders		**1,476.2**	1,451.0
Non-controlling interests	23(b)	**68.8**	66.7
Total equity		**1,545.0**	1,517.7
Non-current Liabilities			
Loans and borrowings	13(a)	**1,687.0**	1,730.3
Lease liabilities	17(b)	**406.6**	357.8
Employee benefits	14	**25.7**	28.4
Non-controlling interest put options	21(g)	**126.0**	126.9
Deferred tax liabilities	18(d)	**190.3**	186.5
Other liabilities		**8.3**	6.8
Total non-current liabilities		**2,443.9**	2,436.7
Current Liabilities			
Loans and borrowings	13(b)	**49.0**	50.7
Current portion of long-term loans and borrowings	13(b)	**35.0**	26.0
Current portion of lease liabilities	17(b)	**145.4**	131.2
Employee benefits	14	**103.8**	135.0
Trade and other payables	15	**712.1**	725.1
Current tax liabilities		**45.1**	89.4
Total current liabilities		**1,090.3**	1,157.4
Total liabilities		**3,534.2**	3,594.1
Total equity and liabilities		**5,079.2**	5,111.8
Net current assets		**652.3**	678.2
Total assets less current liabilities		**3,988.9**	3,954.4

The accompanying notes form part of the consolidated financial statements.

Consolidated Statements of Changes in Equity

(Expressed in millions of US Dollars, except number of shares)	Note	Number of shares	Share capital	Reserves: Additional paid-in capital	Reserves: Treasury share reserve	Reserves: Translation reserve	Reserves: Other reserves	Retained earnings	Total equity attributable to the equity holders	Non-controlling interests	Total equity
Year ended December 31, 2024											
Balance, January 1, 2024		1,449,692,210	14.5	1,108.0	–	(65.0)	106.2	287.2	1,451.0	66.7	1,517.7
Profit for the year		–	–	–	–	–	–	345.6	345.6	26.9	372.6
Other comprehensive income (loss):											
Remeasurements on defined benefit plans, net of tax	14(c), 18(c)	–	–	–	–	–	1.4	–	1.4	0.0	1.4
Changes in fair value of hedges, net of tax	13(a), 18(c)	–	–	–	–	–	(9.6)	–	(9.6)	(0.0)	(9.7)
Foreign currency translation losses for foreign operations	18(c), 19	–	–	–	–	(49.2)	–	–	(49.2)	(5.3)	(54.5)
Total comprehensive income (loss) for the year		–	–	–	–	(49.2)	(8.3)	345.6	288.1	21.7	309.8
Transactions with owners recorded directly in equity:											
Cash distributions to equity holders	12(c)	–	–	–	–	–	–	(150.0)	(150.0)	–	(150.0)
Share-based compensation expense	14(a)	–	–	–	–	–	13.5	–	13.5	–	13.5
Exercise of share options	14(b)	11,649,397	0.1	40.6	–	–	(9.5)	–	31.3	–	31.3
Vesting of time-based restricted share awards	14(b)	876,192	0.0	2.3	–	–	(2.4)	–	–	–	–
Treasury share repurchases	12(d), 23(a)	(62,610,300)	–	–	(157.6)	–	–	–	(157.6)	–	(157.6)
Dividends paid to non-controlling interests	12(c)	–	–	–	–	–	–	–	–	(19.7)	(19.7)
Balance, December 31, 2024		1,399,607,499	14.6	1,150.9	(157.6)	(114.2)	99.6	482.9	1,476.2	68.8	1,545.0

The accompanying notes form part of the consolidated financial statements.

Consolidated Statements of Changes in Equity (continued)

(Expressed in millions of US Dollars, except number of shares)	Note	Number of shares	Share capital	Reserves: Additional paid-in capital	Reserves: Translation reserve	Reserves: Other reserves	Reserves: Retained earnings/ (accumulated deficit)	Total equity attributable to the equity holders	Non-controlling interests	Total equity
Year ended December 31, 2023										
Balance, January 1, 2023		1,438,900,432	14.4	1,071.4	(59.2)	115.0	(109.8)	1,031.8	47.8	1,079.6
Profit for the year, as adjusted[1]		–	–	–	–	–	396.9	396.9	33.3	430.3
Other comprehensive income (loss):										
Remeasurements on defined benefit plans, net of tax	14(c), 18(c)	–	–	–	–	(2.6)	–	(2.6)	(0.1)	(2.6)
Changes in fair value of hedges, net of tax	13(a), 18(c)	–	–	–	–	(11.2)	–	(11.2)	0.1	(11.1)
Foreign currency translation losses for foreign operations	18(c), 19	–	–	–	(5.7)	–	–	(5.7)	(1.8)	(7.5)
Total comprehensive income (loss) for the year, as adjusted[1]		–	–	–	(5.7)	(13.8)	396.9	377.4	31.6	409.0
Transactions with owners recorded directly in equity:										
Share-based compensation expense	14(a)	–	–	–	–	14.8	–	14.8	–	14.8
Exercise of share options	14(b)	10,791,778	0.1	36.6	–	(9.8)	–	26.9	–	26.9
Dividends paid to non-controlling interests	12(c)	–	–	–	–	–	–	–	(12.6)	(12.6)
Balance, December 31, 2023		1,449,692,210	14.5	1,108.0	(65.0)	106.2	287.2	1,451.0	66.7	1,517.7

The accompanying notes form part of the consolidated financial statements.

Note

(1) See note 2(e) Voluntary Change in Accounting Policy to the consolidated financial statements for further discussion on this voluntary change in accounting policy.

Consolidated Statements of Cash Flows

(Expressed in millions of US Dollars)	Note	Year ended December 31, 2024	2023 As Adjusted[1]
Cash flows from operating activities:			
Profit for the year[1]		**372.6**	430.3
Adjustments to reconcile profit for the year to net cash generated from operating activities:			
Depreciation	6	**51.7**	39.8
Amortization of intangible assets	7	**20.3**	19.0
Amortization of lease right-of-use assets	17(a)	**150.0**	133.5
Impairment reversals	5, 7(b), 17(a)	**(5.1)**	(84.0)
Change in the fair value of put options included in finance costs[1]	19, 21(g)	**(0.9)**	41.9
Non-cash share-based compensation expense	14(a)	**13.5**	14.8
Interest expense on borrowings and lease liabilities	13, 19	**133.2**	133.0
Non-cash charge to derecognize deferred financing costs	13, 19	**9.5**	4.4
Income tax expense	18(a)	**118.3**	134.6
		863.1	867.2
Changes in operating assets and liabilities:			
Trade and other receivables		**(22.7)**	(33.0)
Inventories		**10.1**	(7.3)
Trade and other payables		**(13.3)**	(41.5)
Other assets and liabilities		**(6.2)**	(3.8)
Cash generated from operating activities		**830.9**	781.6
Interest paid on borrowings and lease liabilities		**(131.0)**	(128.5)
Income tax paid		**(135.1)**	(118.9)
Net cash generated from operating activities		**564.8**	534.2
Cash flows from investing activities:			
Purchases of property, plant and equipment and software	6, 7	**(111.5)**	(110.1)
Net cash used in investing activities		**(111.5)**	(110.1)
Cash flows from financing activities:			
Proceeds from the Senior Credit Facilities	13(a)	**100.0**	1,500.0
Settlement of prior Senior Credit Facilities	13(a)	**—**	(1,565.1)
Proceeds from issuance of 2024 Term Loan B Facility	13(a)	**500.0**	—
Settlement of prior Term Loan B Facility	13(a)	**(595.5)**	—
Payments on Senior Credit Facilities	13(a)	**(24.0)**	(125.9)
Proceeds from (payments on) other loans and borrowings	13(a)	**1.1**	(14.4)
Principal payments on lease liabilities	17(d)	**(142.3)**	(139.6)
Payment of financing costs	13(a)	**(3.1)**	(17.1)
Proceeds from the exercise of share options	14	**31.3**	26.8
Repurchase of treasury shares	12(d), 23(a)	**(157.6)**	—
Cash distributions paid to equity holders	12(c)	**(150.0)**	—
Dividend payments to non-controlling interests	12(c)	**(19.7)**	(12.6)
Net cash used in financing activities		**(459.7)**	(347.8)
Net (decrease) increase in cash and cash equivalents		**(6.5)**	76.3
Cash and cash equivalents, at beginning of year		**716.6**	635.9
Effect of exchange rate changes		**(33.8)**	4.4
Cash and cash equivalents, at end of year	11	**676.3**	716.6

The accompanying notes form part of the consolidated financial statements.

Note

(1) See note 2(e) Voluntary Change in Accounting Policy to the consolidated financial statements for further discussion on this voluntary change in accounting policy.

Notes to the Consolidated Financial Statements

1. BACKGROUND

Samsonite Group S.A. (formerly known as Samsonite International S.A.), together with its consolidated subsidiaries (the "Company", "it" or "its"), is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags and travel accessories throughout the world, primarily under the *Samsonite*®, *TUMI*®, *American Tourister*®, *Gregory*®, *High Sierra*®, *Lipault*® and *Hartmann*® brand names as well as other owned and licensed brand names. The Company sells its products through a variety of wholesale distribution channels, through its company-operated retail stores and through e-commerce. The Company sells its products primarily in Asia, North America, Europe and Latin America.

The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company was incorporated in Luxembourg on March 8, 2011, as a public limited liability company (a *société anonyme*), whose registered office is 13-15 avenue de la Liberté, L-1931 Luxembourg.

Details of the principal subsidiaries of the Company are set out in note 23 Share Capital and Reserves and Particulars of Company Entities.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") Accounting Standards, which collective term includes all International Accounting Standards ("IAS") and related interpretations, as issued by the International Accounting Standards Board (the "IASB").

Until December 31, 2012, the Company was preparing consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union ("EU"). On October 30, 2013, the Company obtained from the Luxembourg Ministry of Justice, a 3-year authorization to prepare consolidated accounts under IFRS Accounting Standards as adopted by the IASB instead of IFRS Accounting Standards as adopted by the EU provided that a reconciliation of the equity and result for the year as reported to the equity and result for the year that would have been reported under Luxembourg legal and regulatory requirements or under IFRS Accounting Standards as adopted by the EU is disclosed in the consolidated financial statements of the Company. The Company has received authorization from the Luxembourg Ministry of Justice to prepare the consolidated accounts under IFRS Accounting Standards as adopted by the IASB through the period ending December 31, 2024.

2. BASIS OF PREPARATION (Continued)

A reconciliation of the equity and result for the year as reported to the equity and result for the year that would have been reported under IFRS Accounting Standards as adopted by the EU is disclosed below.

(Expressed in millions of US Dollars)	As of December 31, 2024	As of December 31, 2023
Equity under IFRS Accounting Standards as issued by the IASB	**1,545.0**	1,517.7
Reconciling item		
None	**—**	—
Equity under IFRS Accounting Standards as adopted by the EU	**1,545.0**	1,517.7

	For the year ended December 31, 2024	For the year ended December 31, 2023 As Adjusted[1]
Profit for the year[1] under IFRS Accounting Standards as issued by the IASB	**372.6**	430.3
Reconciling item		
None	**—**	—
Profit for the year[1] under IFRS Accounting Standards as adopted by the EU	**372.6**	430.3

Note

(1) See note 2(e) Voluntary Change in Accounting Policy to the consolidated financial statements for further discussion on this voluntary change in accounting policy.

The accounting policies below, where material, have been applied consistently to all periods presented in the consolidated financial statements unless otherwise noted.

The consolidated financial statements were authorized for issue by the Board of Directors (the "Board") on March 12, 2025.

(b) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except as noted in the Summary of Material Accounting Policy Information set forth in note 3 below.

Certain amounts presented in this document have been rounded up or down to the nearest tenth of a million unless otherwise indicated. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that precede them. With respect to financial information set out in this report, a dash ("—") signifies that the relevant figure is not available, not applicable or zero, while a zero ("0.0") signifies that the relevant figure is available but has been rounded to zero. There may therefore be discrepancies between the actual totals of the individual amounts in the tables and the totals shown and between the amounts in the tables and the amounts given in the corresponding analyses in the text of this document. All percentages and key figures were calculated using the underlying data in whole United States Dollars ("USD" or "US Dollars").

2. BASIS OF PREPARATION (Continued)

(c) Functional and Presentation Currency

The consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The functional currencies of the significant subsidiaries within the Company are the currencies of the primary economic environment and key business processes of these subsidiaries and include, but are not limited to, US Dollars, Euros, Chinese Renminbi, South Korean Won, Japanese Yen and Indian Rupee.

Unless otherwise stated, the consolidated financial statements are presented in US Dollars, which is the functional and presentation currency of the Company.

(d) Use of Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies and to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. No significant changes occurred during the current reporting period of estimates reported in prior periods.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 3(p) – Revenue recognition
- Note 5 – Impairment and Impairment Reversals
- Note 6 – Property, plant and equipment
- Note 7 – Goodwill and other intangible assets
- Note 9 – Inventories
- Note 14(b) – Share-based payment arrangements
- Note 17 – Leases
- Note 18 – Income taxes
- Note 21(g) – Fair value of financial instruments
- Note 23(b) – Non-controlling interests

2. BASIS OF PREPARATION (Continued)

Information about assumptions and estimation uncertainties that may have an effect on the consolidated financial statements, resulting in a material adjustment within the next financial year is included in the following notes:

- Note 5 – Impairment and Impairment Reversals
- Note 6 – Property, plant and equipment
- Note 7 – Goodwill and other intangible assets
- Note 14(b) – Share-based payment arrangements
- Note 16 – Contingent liabilities
- Note 17 – Leases
- Note 18 – Income taxes
- Note 21 – Financial risk management and financial instruments

(e) Voluntary Change in Accounting Policy

The Company voluntarily made a change in accounting policy related to the recognition of the subsequent changes in fair value of put option financial liabilities associated with the non-controlling interests in certain of the Company's majority owned subsidiaries. Previously, for agreements entered into prior to the adoption of IFRS 3, *Business Combinations*, ("IFRS 3") on January 1, 2008, subsequent changes in liabilities were recognized as finance costs in profit or loss and for agreements entered into after January 1, 2008, subsequent changes in liabilities were recognized through equity. Effective since the third quarter of 2024, subsequent changes in liabilities for all agreements are recognized as finance costs in profit or loss for the year. The Company believes this approach provides a more consistent presentation in the financial statements by applying a consistent methodology in the accounting regardless of when such agreements were entered into. The impact of the adoption of this change in accounting policy has been applied retrospectively and comparative periods have been adjusted in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

2. BASIS OF PREPARATION (Continued)

This change in accounting policy had the following impacts for the year ended December 31, 2023:

Consolidated Statement of Income

	For the year ended December 31, 2023		
(Expressed in millions of USD, except per share data)	Previously Reported	Adjustment for Change in Accounting Policy	As Adjusted
Operating profit	743.7	—	743.7
Finance income	14.3	—	14.3
Finance costs	(173.0)	(20.1)	(193.1)
Net finance costs	(158.7)	(20.1)	(178.8)
Profit before income tax	584.9	(20.1)	564.9
Income tax expense	(134.6)	—	(134.6)
Profit for the year	450.3	(20.1)	430.3
Profit attributable to the equity holders	417.0	(20.1)	396.9
Profit attributable to non-controlling interests	33.3	—	33.3
Profit for the year	450.3	(20.1)	430.3
Earnings per share:			
Basic earnings per share	0.289	(0.014)	0.275
Diluted earnings per share	0.287	(0.014)	0.273

Consolidated Statement of Comprehensive Income

	For the year ended December 31, 2023		
(Expressed in millions of USD)	Previously Reported	Adjustment for Change in Accounting Policy	As Adjusted
Profit for the year	450.3	(20.1)	430.3
Total comprehensive income for the year	429.1	(20.1)	409.0
Total comprehensive income attributable to the equity holders	397.5	(20.1)	377.4

2. BASIS OF PREPARATION (Continued)

Consolidated Statement of Changes in Equity

(Expressed in millions of USD)	For the year ended December 31, 2023		
	Previously Reported	Adjustment for Change in Accounting Policy	As Adjusted
Retained earnings/(accumulated deficit):			
Profit for the year	417.0	(20.1)	396.9
Total comprehensive income for the year	417.0	(20.1)	396.9
Change in the fair value of put options included in equity	(20.1)	20.1	—
Total equity attributable to the equity holders:			
Profit for the year	417.0	(20.1)	396.9
Total comprehensive income for the year	397.5	(20.1)	377.4
Change in the fair value of put options included in equity	(20.1)	20.1	—
Total equity:			
Profit for the year	450.3	(20.1)	430.3
Total comprehensive income for the year	429.1	(20.1)	409.0
Change in the fair value of put options included in equity	(20.1)	20.1	—

Consolidated Statement of Cash Flows

(Expressed in millions of USD)	For the year ended December 31, 2023		
	Previously Reported	Adjustment for Change in Accounting Policy	As Adjusted
Profit for the year	450.3	(20.1)	430.3
Change in the fair value of put options included in finance costs	21.8	20.1	41.9
Net cash generated from operating activities	534.2	—	534.2

There is no impact to the associated liability as a result of this change in accounting policy.

2. BASIS OF PREPARATION (Continued)

(f) Changes in Accounting Policies

The IASB has issued a number of new, revised and amended IFRS Accounting Standards. For the purpose of preparing the consolidated financial statements for the year ended December 31, 2024, the following revised accounting standards are effective.

In January 2020, the IASB amended IAS 1, *Presentation of Financial Statements* ("IAS 1"), to promote consistency in application and clarify the requirements on determining if a liability is current or non-current. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of a reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must have substance and exist at the end of a reporting period.

This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. The IASB confirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within twelve months after the reporting date.

The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. This amendment did not have a material impact on the financial statements of the Company.

In September 2022, the IASB issued *Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)* ("Amendments to IFRS 16") relating to sale and leaseback transactions. Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. IFRS 16 includes requirements regarding the accounting treatment of a sale and leaseback at the date the transaction takes place. However, IFRS 16 did not specify the way the transaction is measured after that date. The Amendments to IFRS 16 are intended to improve the requirements for sale and leaseback transactions in IFRS 16, thus supporting the consistent application of the accounting standard. The Amendments to IFRS 16 will not change the accounting treatment for leases other than those arising from a sale and leaseback transaction. The Amendments to IFRS 16 apply retrospectively for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. This amendment did not have a material impact on the financial statements of the Company.

2. BASIS OF PREPARATION (Continued)

In May 2023, the IASB amended IAS 7, *Statements of Cash Flows* and IFRS 7, *Financial Instruments: Disclosures* ("Amendments to IAS 7 and IFRS 7"). The Amendments to IAS 7 and IFRS 7 introduce two new disclosure objectives for companies to provide information about their supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the Amendments to IAS 7 and IFRS 7, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The Amendments to IAS 7 and IFRS 7 also add supplier finance arrangements as an example to the existing financial instruments' disclosure requirements on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The Amendments to IAS 7 and IFRS 7 are effective for periods beginning on or after January 1, 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available. These amendments did not have a material impact on the financial statements of the Company.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

(a) Material Accounting Policy Information

Unless otherwise noted, the accounting policy information set out below have been applied consistently by the Company to all periods presented, where material, in these consolidated financial statements.

(b) Principles of Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial information of subsidiaries is included in the consolidated financial statements from the date on which control commences until the date on which control ceases. All significant inter-company balances and transactions have been eliminated in consolidation.

(ii) Non-controlling Interests

Non-controlling interests are presented in the consolidated statements of financial position within equity, separately from total equity attributable to the equity holders of the Company. Non-controlling interests in the results of the Company are presented in the consolidated statements of income and consolidated statements of comprehensive income as an allocation of the total profit (loss) for the year and total comprehensive income for the year between non-controlling interests and equity holders of the Company.

Changes in the Company's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognized.

When the Company loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with the resulting gain or loss being recognized in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognized at fair value and this amount is regarded as the new cost basis on initial recognition of a financial asset or an associate.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(iii) Business Combinations

A 'business' is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is obtained by the Company. In assessing control, the Company takes into consideration substantive potential voting rights.

The Company measures goodwill at the acquisition date as the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Company's previously held equity interest in the acquiree, over the Company's interest in the net fair value of the acquiree's identifiable assets and liabilities measured at the acquisition date. If the net fair value is greater than the consideration transferred, then this excess is recognized immediately in profit or loss as a gain on a bargain purchase.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships, if applicable. Such amounts generally are recognized in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

When share-based payment awards ("replacement awards") are required to be exchanged for awards held by the acquiree's employees ("acquiree's awards") and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

(c) Foreign Currency Translation

(i) Foreign Currency Transactions

Foreign currency transactions are translated using foreign exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on re-translation are recognized in profit or loss, except for differences arising on the re-translation of qualifying cash flow hedges, which are recognized in other comprehensive income. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(ii) Foreign Operations

The assets and liabilities of the Company's foreign subsidiaries are translated into USD at period end exchange rates. Equity accounts denominated in foreign currencies are translated into USD at historical exchange rates. Income and expense accounts are translated at average monthly exchange rates. All foreign currency differences arising from the translation of the financial statements of foreign operations are recorded in the foreign currency translation reserve in the consolidated statements of changes in equity. The net exchange gains or losses resulting from translating at varied exchange rates are presented as a component of other comprehensive income or loss and accumulated in equity and attributed to non-controlling interests, as appropriate.

(d) Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company's segment reporting is based on geographical areas, representative of how the Company's business is managed and its operating results are evaluated. The Company's operations are organized as follows: (i) "Asia"; (ii) "North America"; (iii) "Europe"; (iv) "Latin America"; and (v) "Corporate".

Segment results that are reported to management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, income tax assets and liabilities, and licensing activities from the license of brand names owned by the Company.

Segment total capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and software.

(e) Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, excluding computer software costs which are included in intangible assets. Cost includes expenditures that are directly attributable to the acquisition of the asset. Improvements which extend the life of an asset are capitalized. Maintenance and repair costs are expensed as incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

Gains and losses arising from the retirement or disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in profit or loss on the date of retirement or disposal.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Depreciation and amortization are provided on the straight-line method over the estimated useful life of the asset or the lease term, if applicable, as follows:

• Buildings	20 to 30 years
• Machinery, equipment and other	3 to 10 years
• Leasehold improvements	Lesser of useful life or the lease term

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate. Land owned by the Company with freehold interest is not depreciated.

(f) Leases

At inception of a contract, the Company is required to assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company is required to assess whether, throughout the period of use, it has both (i) the right to obtain substantially all of the economic benefits from use of the identified asset throughout the contract period, and (ii) the right to direct the use of the identified asset in order to determine if the asset meets the definition of a lease in accordance with IFRS 16, *Leases* ("IFRS 16").

A lease right-of-use asset and a lease liability are recognized at the lease commencement date. The lease right-of-use asset is initially measured at cost, which comprises the present value of the corresponding lease liability plus certain direct costs incurred by the Company and any payments made before the commencement date less any lease incentives received. Subsequently, the lease right-of-use asset is measured at cost less any accumulated amortization and impairment losses, offset by impairment reversals, as applicable, and adjusted for certain re-measurements of the lease liability in accordance with the Company's accounting policies.

The lease liability is initially measured at the present value of the lease payments not yet paid using an incremental borrowing rate. The incremental borrowing rate represents the cost of obtaining external financing for a corresponding asset with a financing period corresponding to the term of the lease denominated in the currency in which lease payments are settled. The Company has determined the incremental borrowing rates of each portfolio of leases on a country-by-country basis. Subsequently, lease liabilities are measured by increasing the carrying amount to reflect the effective interest on the lease liability, reducing the carrying amount to reflect the lease payments, and re-measuring to reflect any reassessment or modification or to reflect revised in-substance fixed lease payments. Consequently, the lease liability is measured on an amortized cost basis and the interest expense is allocated over the lease term.

Short-term leases (lease periods that are twelve months or less), low-value leases (leases that are US$5,000 or less) and the current and anticipated expenses relating to variable lease payments are not included in the measurement of lease liabilities. The rental cost for short-term, low-value and current expense for variable lease payments continue to be recorded as incurred as rent expense.

For lease right-of-use assets that have been recognized on the consolidated statement of financial position, an amortization charge on the lease right-of-use asset is straight-lined over the lease term. For lease liabilities that have been recognized on the consolidated statement of financial position, a charge for the interest accretion on the net present value of the lease liability is recognized and this amount declines over the individual lease term.

Over the lease term and individually, the total expense is recognized on a front-loaded basis as the interest charge is higher during the earlier stages of the lease term and the amortization charge is recognized on a straight-line basis. These expenses are presented in separate line items for amortization of the lease right-of-use asset and interest expense related to the lease liability.

In the consolidated statements of cash flows, the principal payments on lease liabilities are classified within cash flows from financing activities, while the interest paid on lease liabilities is classified within cash flows from operating activities.

(g) Goodwill and Other Intangible Assets

(i) Goodwill

Goodwill that arises upon the acquisition of a business is recognized as an intangible asset. For measurement of goodwill at initial recognition, see note 3(b)(iii) Business Combinations. Subsequent to initial recognition, goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash generating unit ("CGU"), or groups of CGUs, which are expected to benefit from the synergies of the combination and are tested annually for impairment.

(ii) Intangible Assets (Other Than Goodwill)

Intangible assets primarily consist of tradenames, customer relationships and computer software costs.

Intangible assets which are considered to have an indefinite life, such as tradenames, are measured at cost less accumulated impairment losses, offset by impairment reversals, as applicable, and are not amortized but are tested for impairment at least annually or more frequently if events or circumstances indicate that the asset may be impaired. *Samsonite*®, *TUMI*®, *American Tourister*®, *Gregory*®, *High Sierra*®, *Kamiliant*®, *Lipault*® and *Hartmann*® are the primary tradenames of the Company. It is anticipated that the economic benefits associated with these tradenames will continue for an indefinite period. The conclusion that the tradenames are an indefinite life asset is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortization of intangible assets with finite lives as set out below.

Intangible assets which have a finite life are amortized and measured at cost less accumulated amortization and accumulated impairment losses, offset by impairment reversals, as applicable. Amortization expense is recognized in profit or loss on a straight-line basis over the estimated useful lives from the date that they are available for use, as this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets. The range of estimated useful lives are as follows:

• Customer relationships	10 to 20 years
• Patents	1 to 10 years
• Computer software costs	3 to 5 years

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

The Company capitalizes the costs of purchased software and costs to configure, install and test software and includes these costs within other intangible assets in the consolidated statements of financial position. Software assessment and evaluation, process reengineering, training, maintenance and ongoing software support costs are expensed as incurred.

Intangible assets having a finite life are reviewed for impairment indicators at least quarterly or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Estimated useful lives of intangible assets are reviewed annually and adjusted if applicable.

(h) Impairment

(i) Financial Assets (Including Trade and Other Receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is an impairment. A financial asset is impaired if the Company expects a credit loss to occur.

The Company considers the impairment of receivables at both a specific asset and collective level. All individually significant receivables are assessed for expected credit losses. All individually significant receivables found not to be specifically impaired are then collectively assessed for any potential impairment. Loss allowances for receivables are measured at an amount equal to lifetime expected credit losses.

In assessing collective impairment, the Company uses historical trends, adjusted for management's judgment as to whether current economic and credit conditions are such that the current or future actual losses are likely to be greater or less than suggested by historical trends. Impairment losses that have been recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss may be reversed if there has been a change in the estimates used to determine the recoverable amount. The Company writes off amounts deemed uncollectable where there is no reasonable expectation of recovery.

(ii) Non-financial Assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For those CGUs or group of CGUs to which goodwill has been allocated and intangible assets that have indefinite useful lives, the recoverable amount is estimated each year during the fourth quarter.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Judgment is required to determine key assumptions adopted in the analysis and any changes to key assumptions may significantly affect the analysis. Actual results will be influenced by the prevailing economic conditions and potentially other unforeseen events or circumstances that could have a negative impact on future results.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the group of CGUs that is expected to benefit from the synergies of the combination.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

The Company's corporate assets, apart from intangibles, do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset may be allocated.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss that has been recognized on goodwill is not reversed in subsequent periods if estimates used to determine the recoverable amount change. For other assets, impairment losses that have been recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

(i) Inventories

Inventories are carried at the lower of cost or net realizable value. Cost is calculated using the weighted average method. The cost of inventory includes expenditures incurred in acquiring the inventories, production costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Cost also may include transfers from other accumulated comprehensive income (loss) of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as expenses in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

(j) Trade and Other Receivables

Trade accounts receivable are recorded at invoiced amounts, less estimated allowances for trade terms, sales incentive programs, discounts, markdowns and chargebacks as discussed below in Revenue Recognition. Royalty receivables are recorded at amounts earned based on the licensees' sales of licensed products, subject in some cases to contractual minimum royalties due from individual licensees. The Company maintains an allowance for credit losses for estimated losses that will result from the inability of customers to make required payments. The allowance is determined based on a review of specific customer accounts where credit losses are expected to occur, as well as an assessment of the collectability of total receivables considering the aging of balances, historical and anticipated trends, and current economic conditions. All accounts are subject to ongoing review of ultimate collectability. Receivables are written off against the allowance when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash held at banks, deposits held at call with banks, and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(l) Interest-bearing Borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between the amount initially recognized and the redemption value being recognized in profit or loss over the period of the borrowings, together with any interest payable and deferred financing costs, using the effective interest method.

(m) Financial Instruments

(i) Non-derivative Financial Assets and Liabilities

The Company initially recognizes receivables and deposits on the date that they originate.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount is presented in the consolidated statements of financial position when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, receivables are measured at cost, less any impairment losses. Receivables comprise trade and other receivables.

The Company initially recognizes debt instruments issued on the date that they originate. The Company derecognizes a financial liability when its contractual obligations are discharged, canceled or expire.

The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortized cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognized in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognized as an adjustment to the carrying amount of the liability and amortized over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

The Company has the following non-derivative financial liabilities recognized in the consolidated statements of financial position: loans and borrowings and trade and other payables. Both loans and borrowings and trade and other payables are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to their initial recognition, loans and borrowings are accounted for at amortized cost using the effective interest method.

(ii) Derivative Financial Instruments

The Company holds derivative financial instruments to hedge certain of its foreign currency risk and interest rate risk exposures. For financial liabilities, embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. For derivatives designated in hedging relationships, changes in the fair value are either offset through profit or loss against the change in fair value of the hedged item attributable to the risk being hedged or recognized in hedging reserves that are reported directly in equity (deficit) until the hedged item is recognized in profit or loss and, at that time, the related hedging gain or loss is removed from equity (deficit) and is used to offset the change in value of the hedged item.

The Company has certain put option agreements that are classified as financial liabilities in accordance with IAS 32, *Financial Instruments: Presentation* ("IAS 32"), in the consolidated statements of financial position, as the Company has a potential obligation to settle the option in cash in the future. The amount recognized initially is the fair value of the redeemable non-controlling interests and subsequently remeasured at each reporting date based on a price-to-earnings multiple with such changes in liabilities recognized in profit or loss.

Derivatives are recognized initially at fair value and any attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

The Company periodically enters into derivative contracts that it designates as a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge). For all hedging relationships, in accordance with IFRS 9, *Financial Instruments* ("IFRS 9"), the Company formally documents the hedging relationship and its risk management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item, the nature of the risk being hedged, how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio). For a cash flow hedge of a forecasted transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that ultimately could affect reported profit or loss.

For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of other accumulated comprehensive income (loss) and presented in other reserves in equity with the offset included in trade and other payables, and reclassified into profit or loss in the same period or periods during which the hedged transaction affects profit or loss. Gains and losses on the derivative representing hedge ineffectiveness are excluded from the assessment of effectiveness and are recognized immediately in profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

The Company discontinues hedge accounting prospectively when it determines that the derivative is no longer effective in offsetting cash flows of the hedged item, the derivative expires or is sold, terminated, or exercised, the derivative is de-designated as a hedging instrument because it is unlikely that a forecasted transaction will occur, or management determines that designation of the derivative as a hedging instrument is no longer appropriate.

When a derivative financial instrument is not held for trading, and is not designated in a qualified hedging relationship, all changes in fair value are recognized immediately through profit or loss. If the forecasted transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

(iii) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

(iv) Repurchase and Reissue of Ordinary Shares (Treasury Shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and removed from the treasury share reserve. Any resulting surplus or deficit on the transaction is presented within additional paid-in capital.

(n) Employee Benefits

(i) Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on a high-grade bond yield curve in the same currency under which the benefits were projected and discounted at spot rates along the curve. The discount rate is then determined as a single rate yielding the same present value. IAS 19, *Employee Benefits* ("IAS 19") limits the measurement of the defined benefit asset to the lower of the surplus in the defined benefit plan and the asset ceiling, which is defined as the present value of any economic benefits available in the form of refunds from the plan or redirections in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Certain subsidiaries of the Company have pension plans or post-retirement health benefit plans which provide retirement benefits for eligible employees, generally measured by length of service, compensation and other factors. The Company follows the recognition, measurement, presentation and disclosure provisions of IAS 19. Under IAS 19, remeasurements, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized immediately in other comprehensive income or loss and are not subsequently reclassified into profit or loss. The measurement date for all pension and other employee benefit plans is the Company's fiscal year end.

Under IAS 19, the Company determines the net interest expense (income) for the period on the net defined benefit liability (asset) by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset) at the beginning of the annual period. Consequently, the net interest cost on the net defined benefit liability (asset) comprises:

- Interest cost on the defined benefit obligation;
- Interest income on plan assets; and
- Interest on the effect of asset ceiling.

(iii) Other Long-term Employee Benefits

The Company's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on a high-grade bond yield curve in the same currency under which the benefits are projected and discounted at spot rates along the curve. The discount rate is then determined as a single rate yielding the same present value. Any actuarial gains and losses are recognized in profit or loss in the period in which they arise. Actuarial valuations are obtained annually at the end of the fiscal year.

(iv) Termination Benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

(v) Short-term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(vi) Share-based Compensation

The grant-date fair value of equity-settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity when such awards represent equity-settled awards, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For equity-settled share-based payment awards with market performance conditions or non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Holders of vested share options are entitled to buy newly issued ordinary shares of the Company at a purchase price per share equal to the exercise price of the options. The fair value of services received in return for share options granted is based on the fair value of share options granted measured using the Black-Scholes valuation model. The fair value calculated for share options is inherently subjective due to the assumptions made and the limitations of the model utilized. Shares underlying an award of share options that forfeit ("lapse") without the issuance of such shares upon the exercise of such options may be available for future grant under the Share Award Scheme (as defined in note 14(b) Share-based Payment Arrangements).

The Company may, from time to time, grant restricted share units ("RSUs"), including time-based RSUs ("TRSUs") and performance-based RSUs ("PRSUs"), to certain key management personnel and other employees of the Company. The vesting of the RSUs is subject to the continuing employment of the grantee and, in the case of PRSUs, to the Company's achievement of pre-established performance goals. The closing market price of the Company's shares on the date of grant is used to determine the grant date fair value. The Company has historically granted PRSUs with either (a) market-based performance conditions or (b) non-market-based performance conditions. Where the performance-based award incorporates a market-based performance condition, the grant-date fair value of such award is determined using a Monte Carlo simulation. These fair values are recognized as expense over the requisite service period, net of estimated forfeitures, based on expected attainment of pre-established performance goals for PRSUs with market-based performance conditions, or the passage of time for TRSUs. For awards with market-based performance conditions, the expense is recognized over the requisite service period with no adjustment to the expense recognized for actual achievement. For awards with non-market-based performance conditions, the expense is recognized over the requisite service period with an adjustment to the total expense recognized for actual shares vested. Actual distributed shares are calculated upon the conclusion of the service and performance periods.

(o) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, items recognized directly in equity or in other comprehensive income or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to tax payable in respect of previous years.

The Company recognizes a tax reserve for uncertain tax treatment which is evaluated by determining whether it is probable that the tax treatments will be accepted by the tax authorities and, if not probable, whether a tax reserve relating to specific uncertain tax treatments is required. The Company records tax reserves based on the expected value and most likely amount of uncertainty. The Company records interest and penalties related to these uncertain tax treatments based on the specific facts and circumstances, including the substance of the tax legislation and the process of negotiation with the tax authorities in a specific jurisdiction.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, if they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In May 2023, the IASB issued *International Tax Reform – Pillar Two Model Rules* ("Tax Reform Amendments to IAS 12"). The Tax Reform Amendments to IAS 12 clarify how companies account for the recognition of deferred tax in relation to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development (the "OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules. Such tax law, and the income taxes arising from it, are hereafter referred to as Pillar Two income taxes. As an exception to the requirements of the Tax Reform Amendments to IAS 12, an entity shall neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The Tax Reform Amendments to IAS 12 added paragraphs 4A and 88A – 88D to IAS 12. An entity shall apply paragraphs 4A and 88A immediately upon the issuance of these amendments and retrospectively in accordance with IAS 8 and apply paragraphs 88B – 88D for annual reporting periods beginning on or after January 1, 2023. See note 18 – Income Taxes to the consolidated financial statements for further discussion and the impacts from adoption.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(p) Revenue Recognition

Revenues from wholesale product sales are recognized when control of a good is transferred to a customer. Indicators that the Company considers in determining transfer of control include title, physical possession and significant risks and rewards of ownership. Provisions are made for estimates of markdown allowances, warranties, returns and discounts at the time product sales are recognized. Shipping terms are predominately FOB shipping point (title transfers to the customer at the Company's shipping location) except in certain Asian countries where title transfers upon delivery to the customer. In all cases, sales are recognized upon transfer of control to customers. Revenues from retail sales are recognized at the point of sale to consumers.

Revenue is measured at the fair value of the consideration received or receivable. Provided that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, revenue is recognized in profit or loss.

The Company licenses its brand names to certain third parties. Net sales in the accompanying consolidated statements of income include royalties earned on licensing agreements with third parties, for which revenue is earned and recognized when the third party makes a sale of a branded product of the Company.

(q) Cost of Sales, Distribution, Marketing and General and Administrative Expenses

The Company includes the following types of costs in cost of sales: direct product purchase and manufacturing costs, duties, freight, receiving, inspection, internal transfer costs, depreciation and procurement and manufacturing overhead, as well as impairment charges related to property, plant and equipment and restructuring charges, as applicable. The impairment of inventories and the reversals of such impairments are included in cost of sales during the period in which they occur.

Distribution expenses primarily comprise employee benefits, customer freight, depreciation, amortization of intangible assets, amortization of lease right-of-use assets, rent associated with short-term, low-value and expense for variable leases, warehousing costs and other selling expenses.

Marketing expenses consist of advertising and promotional activities. Costs for producing media advertising are deferred until the related advertising first appears in print or television media, at which time such costs are expensed. All other advertising costs are expensed as incurred. Cooperative advertising costs associated with customer support programs giving the Company an identifiable advertising benefit equal to at least the amount of the advertising allowance are deferred and charged to marketing expenses when the related revenues are recognized.

General and administrative expenses consist of management salaries and benefits, information technology costs, amortization of lease right-of-use assets and other costs related to administrative functions and are expensed as incurred.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(r) Net Finance Costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings (including the amortization or derecognition of deferred financing costs), interest expense on lease liabilities, unwinding of the discount on provisions, changes in the fair value of put options associated with the Company's majority-owned subsidiaries, net gains (losses) on hedging instruments that are recognized in profit or loss and reclassifications of net gains (losses) previously recognized in other comprehensive income or loss. Foreign currency gains and losses are reported as finance costs on a net basis.

Costs incurred in connection with the issuance of debt instruments are included in the initial measurement of the related financial liabilities in the consolidated statements of financial position. As a consequence, these deferred financing costs are amortized using the effective interest method over the term of the related debt obligation.

(s) Earnings (Loss) Per Share

The Company presents basic and diluted earnings (loss) per share data for its ordinary shares. Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares outstanding for the period, adjusted for any shares held by the Company. Diluted earnings (loss) per share is determined by dividing the profit or loss attributable to ordinary equity shareholders by the weighted average number of ordinary shares outstanding, adjusted for any shares held by the Company, for the effects of all potentially dilutive ordinary shares, which comprise share options and RSUs granted to employees, as applicable.

(t) Provisions and Contingent Liabilities

Provisions are recognized for other liabilities of uncertain timing or amount when the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(u) New Standards and Interpretations

Certain new standards, amendments to standards and interpretations that may be applicable to the Company are not yet effective for the year ended December 31, 2024 and have not been applied in preparing these consolidated financial statements.

In August 2023, the IASB amended IAS 21, *The Effects of Changes in Foreign Exchange Rates* ("Amendments to IAS 21"). The Amendments to IAS 21 require companies to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. The Amendments to IAS 21 introduce a definition of currency exchangeability and the process by which a company should assess this exchangeability. In addition, the Amendments to IAS 21 provide guidance on how a company should estimate a spot exchange rate in cases where a currency is not exchangeable and require additional disclosures in cases where a company has estimated a spot exchange rate due to a lack of exchangeability. The Amendments to IAS 21 are effective for accounting periods beginning on or after January 1, 2025. The Company does not anticipate a material impact from these amendments on its consolidated financial statements.

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"). IFRS 18 will replace IAS 1, *Presentation of Financial Statements*. Although IFRS 18 will not change how items are recognized and measured, the standard will bring a focus on the income statement and reporting of financial performance. IFRS 18 introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes. IFRS 18 is effective for accounting periods beginning on or after January 1, 2027. Early application is permitted, and comparative information will require restatement. The Company is in the process of assessing the impact of IFRS 18 on its consolidated financial statements.

In May 2024, the IASB issued amendments to IFRS 9, *Financial Instruments* ("IFRS 9") and IFRS 7, *Financial Instruments: Disclosures* ("IFRS 7"). The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at FVOCI and added disclosure requirements for financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is in the process of assessing the impacts of the amendments to IFRS 9 and IFRS 7 on its consolidated financial statements.

In May 2024, the IASB issued IFRS 19, *Subsidiaries without Public Accountability: Disclosures* ("IFRS 19"). IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. IFRS 19 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is in the process of assessing the impacts that IFRS 19 may have on the Company's subsidiaries.

4. SEGMENT REPORTING

(a) Operating Segments

Management of the business and evaluation of operating results is organized primarily along geographic lines dividing responsibility for the Company's operations as follows:

- **Asia:** Includes operations in China, India, Japan, South Korea, Hong Kong (which includes net sales made domestically as well as to distributors in certain other Asian markets and net sales in Macau), Singapore (which includes net sales made domestically as well as to distributors in certain other Asian markets), Australia, certain countries in the Middle East and Africa and other smaller markets, including Indonesia, Malaysia, the Philippines, Taiwan and Thailand, as well as other small markets served by third-party distributors.
- **North America:** Includes operations in the United States and Canada.
- **Europe:** Includes operations in Belgium, Germany, Italy, France, the United Kingdom (which includes net sales made in Ireland), Spain and other smaller markets, including Austria, Denmark, Finland, Hungary, the Netherlands, Norway, Poland, South Africa, Sweden, Switzerland and Turkey, as well as other small markets served by third-party distributors.
- **Latin America:** Includes operations in Mexico, Chile, Brazil and other smaller markets, including Argentina, Colombia, Panama, Peru and Uruguay, as well as other small markets served by third-party distributors.
- **Corporate:** Primarily includes certain licensing activities from brand names owned by the Company and the Corporate headquarters function and related overhead.

Information regarding the results of each reportable segment is included below. Performance is generally measured based on segment operating profit or loss, as included in the internal management reports that are reviewed by the Chief Operating Decision Maker. Segment operating profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the operating results of the Company's segments.

4. SEGMENT REPORTING (Continued)

Segment information as of and for the years ended December 31, 2024 and December 31, 2023 is as follows:

	Year ended December 31, 2024					
(Expressed in millions of US Dollars)	**Asia**	**North America**	**Europe**	**Latin America**	**Corporate[4]**	**Consolidated**
External revenues	**1,344.4**	**1,251.5**	**787.6**	**204.4**	**0.7**	**3,588.6**
Operating profit (loss)	**286.7**	**248.2**	**152.9**	**22.5**	**(80.9)**	**629.3**
Depreciation and amortization[1]	**75.9**	**75.9**	**50.8**	**16.8**	**2.6**	**222.0**
Total capital expenditures	**48.5**	**31.2**	**25.0**	**5.6**	**1.2**	**111.5**
Impairment reversals	**(5.1)**	**—**	**—**	**—**	**—**	**(5.1)**
Finance income	**4.0**	**0.9**	**2.3**	**1.6**	**4.8**	**13.6**
Finance costs[2]	**(13.0)**	**(15.8)**	**(8.2)**	**(9.1)**	**(105.9)**	**(152.0)**
Income tax (expense) benefit	**(42.1)**	**(45.6)**	**(39.2)**	**(3.6)**	**12.2**	**(118.3)**
Total assets	**1,379.7**	**1,551.4**	**815.3**	**196.7**	**1,136.1**	**5,079.2**
Total liabilities	**639.0**	**1,098.0**	**369.7**	**101.0**	**1,326.5**	**3,534.2**

	Year ended December 31, 2023, As Adjusted[3]					
(Expressed in millions of US Dollars)	Asia	North America	Europe	Latin America	Corporate[4]	Consolidated
External revenues	1,427.8	1,267.2	776.9	209.5	1.1	3,682.4
Operating profit	326.9	249.0	134.4	27.1	6.2	743.7
Depreciation and amortization[1]	59.7	69.9	45.2	14.7	2.8	192.3
Total capital expenditures	47.1	27.7	25.6	7.2	2.5	110.1
Impairment reversals	—	—	—	—	(84.0)	(84.0)
Finance income	3.5	1.0	1.4	4.2	4.3	14.3
Finance costs[2], [3]	(10.8)	(13.0)	(8.8)	(10.1)	(150.4)	(193.1)
Income tax (expense) benefit	(53.0)	(45.9)	(33.9)	18.3	(20.1)	(134.6)
Total assets	1,409.1	1,555.1	779.3	197.6	1,170.8	5,111.8
Total liabilities	678.5	1,015.1	383.8	100.1	1,416.6	3,594.1

Notes

(1) Depreciation and amortization expense for the years ended December 31, 2024 and December 31, 2023 included amortization expense associated with lease right-of-use assets recorded in accordance with IFRS 16.

(2) Finance costs for the years ended December 31, 2024 and December 31, 2023 included interest expense on financial liabilities, which included the amortization and derecognition of deferred financing costs, interest expense on lease liabilities in accordance with IFRS 16, change in the fair value of put options and unrealized (gains) losses on foreign exchange that are presented on a net basis.

(3) Effective since the third quarter of 2024, the Company voluntarily made a change in accounting policy related to the recognition of the subsequent changes in the fair value of put option financial liabilities associated with the non-controlling interests in certain of the Company's majority owned subsidiaries. The impact of adopting this change in accounting policy has been applied retrospectively and the comparative period in 2023 has been adjusted. All other financial statement captions for the year ended December 31, 2023, in this table that have not been identified with this footnote were not impacted by this policy change. See note 2(e) Voluntary Change in Accounting Policy to the consolidated financial statements for further discussion on this voluntary change in accounting policy.

(4) The Corporate segment's total assets and total liabilities included inter-company elimination entries that occur across all segments of the Company.

4. SEGMENT REPORTING (Continued)

The following table sets forth a disaggregation of net sales by brand for the years ended December 31, 2024 and December 31, 2023:

(Expressed in millions of US Dollars)	Year ended December 31,	
	2024	2023
Net sales by brand:		
Samsonite	**1,866.6**	1,849.0
TUMI	**860.2**	878.6
American Tourister	**597.3**	654.5
Other[1]	**264.5**	300.3
Net sales	**3,588.6**	3,682.4

Note

(1) "Other" includes certain other non-core brands owned by the Company, such as *Gregory*, *High Sierra*, *Kamiliant*, *Xtrem*, *Lipault*, *Hartmann*, *Saxoline* and *Secret*, as well as third-party brands.

The following table sets forth a disaggregation of net sales by product category for the years ended December 31, 2024 and December 31, 2023:

(Expressed in millions of US Dollars)	Year ended December 31,	
	2024	2023
Net sales by product category:		
Travel	**2,357.2**	2,435.9
Non-travel[1]	**1,231.5**	1,246.5
Net sales	**3,588.6**	3,682.4

Note

(1) The non-travel product category includes business and casual bags and backpacks, accessories and other products.

The following table sets forth a disaggregation of net sales by distribution channel for the years ended December 31, 2024 and December 31, 2023:

(Expressed in millions of US Dollars)	Year ended December 31,	
	2024	2023
Net sales by distribution channel:		
Wholesale[1]	**2,159.3**	2,248.5
Direct-to-consumer ("DTC"):		
Retail	**1,018.3**	1,035.4
E-commerce	**411.1**	398.5
Total DTC	**1,429.4**	1,433.9
Net sales	**3,588.6**	3,682.4

Note

(1) Includes licensing revenue of US$1.8 million and US$1.3 million for the years ended December 31, 2024 and December 31, 2023, respectively.

(b) Geographical Information

The following tables set out enterprise-wide information about the geographical location of (i) the Company's revenue from external customers and (ii) the Company's specified non-current assets as defined further below. The geographical location of customers is generally based on the selling location of the goods. The geographical location of the specified non-current assets is based on the physical location of the assets.

4. SEGMENT REPORTING (Continued)

(i) Revenue from External Customers

The following table presents the revenues earned in major geographical locations where the Company has operations. The geographic location of the Company's net sales generally reflects the country/territory from which its products were sold and does not necessarily indicate the country/territory in which its end customers were actually located.

	Year ended December 31,	
(Expressed in millions of US Dollars)	**2024**	2023
Asia:		
China	**291.6**	297.6
India	**210.0**	260.3
Japan	**195.2**	189.4
South Korea	**149.7**	161.8
Hong Kong[(1), (2)]	**95.3**	115.3
Australia	**88.6**	78.2
Singapore[(1)]	**76.2**	86.2
Indonesia	**63.8**	64.6
Thailand	**52.7**	49.5
United Arab Emirates	**46.6**	45.2
Other	**74.6**	79.7
Total Asia	**1,344.4**	1,427.8
North America:		
United States	**1,183.6**	1,191.6
Canada	**67.8**	75.6
Total North America	**1,251.5**	1,267.2
Europe:		
Belgium[(3)]	**205.2**	182.2
Germany	**99.0**	109.4
Italy	**79.2**	82.3
United Kingdom[(4)]	**71.9**	74.2
Spain	**71.1**	67.4
France	**70.3**	75.1
Netherlands	**40.8**	40.5
Turkey	**40.6**	36.9
Austria	**20.3**	20.5
Switzerland	**20.1**	21.1
Other	**69.2**	67.2
Total Europe	**787.6**	776.9
Latin America:		
Mexico	**76.7**	71.5
Chile	**55.6**	63.2
Brazil[(5)]	**27.2**	27.9
Other	**45.0**	46.7
Total Latin America	**204.4**	209.5
Corporate and other (royalty revenue):		
Luxembourg	**0.7**	1.1
Total Corporate and other	**0.7**	1.1
Total	**3,588.6**	3,682.4

Notes

(1) Includes net sales made domestically as well as net sales to distributors in certain other Asian markets.

(2) Net sales reported for Hong Kong include net sales made in Macau.

(3) Net sales in Belgium were US$25.1 million and US$25.2 million for the years ended December 31, 2024 and December 31, 2023, respectively. Remaining sales consisted of direct shipments to distributors, customers and agents in other European countries, including e-commerce.

(4) Net sales reported for the United Kingdom include net sales made in Ireland.

(5) Excludes sales made to distributors in Brazil from outside the country.

4. SEGMENT REPORTING (Continued)

(ii) Specified Non-current Assets

The following table presents the Company's specific material non-current assets by location at December 31, 2024 and December 31, 2023. Specific material non-current assets are disclosed based on the subsidiary's country of domicile. For the years ended December 31, 2024 and December 31, 2023, non-current assets mainly comprise tradenames, customer relationships, property, plant and equipment, lease right-of-use assets and deposits.

	Year ended December 31,	
(Expressed in millions of US Dollars)	**2024**	2023
United States	**1,449.6**	1,421.8
Singapore	**518.5**	516.6
Luxembourg	**113.3**	113.2
Belgium	**71.7**	75.4
India	**65.2**	59.9
Japan	**55.3**	43.4
China	**42.5**	44.9
Hong Kong	**32.0**	22.6
France	**31.5**	23.3
Chile	**29.5**	27.5
Hungary	**26.5**	22.4
Italy	**25.4**	26.5
United Kingdom	**24.7**	23.2
Mexico	**24.1**	21.6
Germany	**20.5**	21.0
South Korea	**14.6**	17.5
Spain	**14.1**	13.6
Indonesia	**12.9**	9.7
Malaysia	**11.4**	9.6
Canada	**9.6**	9.2

5. IMPAIRMENT AND IMPAIRMENT REVERSALS

In accordance with IAS 36, *Impairment of Assets* ("IAS 36"), the Company is required to evaluate its intangible assets with indefinite lives at least annually. The Company reviews the carrying amounts of its intangible assets with indefinite lives to determine whether there is any indication of impairment below its carrying value (resulting in an impairment charge), or when an event has occurred or circumstances change that would result in the recoverable amount of intangible assets, excluding goodwill, exceeding its net impaired carrying value (resulting in an impairment reversal). The Company is also required to perform a review for impairment indicators at the end of each reporting period on its tangible and intangible assets with finite useful lives. If there is any indication that an asset may be impaired or there may be an impairment reversal, the Company must estimate the recoverable amount of the asset or CGU.

2024 Impairment Reversals

Based on an evaluation of company-operated retail stores for the year ended December 31, 2024, the Company's management determined that the recoverable amount of certain stores within its retail store fleet, each of which represents an individual CGU, exceeded its corresponding net impaired carrying value, resulting in the reversal during the year ended December 31, 2024, of certain non-cash impairment charges that had previously been recorded during the year ended December 31, 2020. For the year ended December 31, 2024, the Company recognized a non-cash impairment reversal related to lease right-of-use assets totaling US$5.1 million.

5. IMPAIRMENT AND IMPAIRMENT REVERSALS (Continued)

2023 Impairment Reversals

After considering a number of objective and subjective factors, including valuations performed by a third-party valuation firm, the Company engaged in conjunction with its annual assessment during the fourth quarter of 2023, the Company's management determined that the recoverable amounts of certain intangible assets exceeded their net impaired carrying values during the year ended December 31, 2023, resulting in the reversal of certain non-cash impairment charges for certain tradenames, primarily related to the *TUMI* tradename, that had previously been recorded during the year ended December 31, 2020. During the year ended December 31, 2023, as the COVID-19 pandemic waned and the recovery accelerated, significant improvements exceeding initial projections were experienced in the Company's net sales and global travel demand generally, contributing to management's determination that there was an indication that such previously recognized impairment losses no longer existed. Consequently, consistent with its valuation methodology in 2020, management, with the assistance of a third-party valuation firm, utilized discounted cash flow projections to estimate the recoverable amounts for such tradenames. Reflecting both greater than expected increases in the Company's net sales and management's more positive expectations for future periods in light of increased travel demand, including pent-up demand, as travel patterns continued to normalize, these projections included substantially higher estimated future cash flows than the projections utilized during the year ended December 31, 2020. After evaluating these increased estimates, management determined that the recoverable amounts of such tradenames exceeded their impaired carrying value in the year ended December 31, 2023 and recognized non-cash impairment reversals totaling US$84.0 million during the year ended December 31, 2023.

The following table sets forth a breakdown of the impairment reversals for the year ended December 31, 2024 (the "2024 Impairment Reversals"), and for the year ended December 31, 2023 (the "2023 Impairment Reversals"):

(Expressed in millions of US Dollars)		Year ended December 31,	
Impairment reversals recognized on:	Line item in consolidated statements of income where impairment reversals are recorded:	**2024**	2023
Tradenames	Impairment Reversals	**—**	(84.0)
Lease right-of-use assets	Impairment Reversals	**(5.1)**	—
Total impairment reversals		**(5.1)**	(84.0)

Expenses related to lease right-of-use assets related to stores, have historically been classified as distribution expenses on the consolidated statements of income using the function of expense presentation method for the affected assets.

The 2024 Impairment Reversals of US$5.1 million were recorded in the Company's consolidated statements of income in the line item "Impairment Reversals" (see also note 17 Leases, for further discussion).

The 2023 Impairment Reversals of US$84.0 million were recorded in the Company's consolidated statements of income in the line item "Impairment Reversals" (see also note 7 Goodwill and Other Intangible Assets for further discussion).

6. PROPERTY, PLANT AND EQUIPMENT

The historical cost and accumulated depreciation for property, plant and equipment as of December 31, 2024 and December 31, 2023 was as follows:

(Expressed in millions of US Dollars)	Land	Buildings	Machinery, equipment, leasehold improvements and other	Total
2024				
Historical cost	**10.2**	**97.7**	**719.5**	**827.4**
Accumulated depreciation and impairment	**0.0**	**(45.7)**	**(519.7)**	**(565.4)**
Net carrying amount as of December 31, 2024	**10.2**	**52.0**	**199.9**	**262.1**
2023				
Historical cost	11.3	86.5	713.4	811.2
Accumulated depreciation and impairment	(1.3)	(44.4)	(542.9)	(588.6)
Net carrying amount as of December 31, 2023	10.0	42.2	170.6	222.7

The changes in the carrying amount for property, plant and equipment for the years ended December 31, 2024 and December 31, 2023 were as follows:

(Expressed in millions of US Dollars)	Land	Buildings	Machinery, equipment, leasehold improvements and other	Total
Net carrying amount as of January 1, 2024	**10.0**	**42.2**	**170.6**	**222.7**
Additions	**1.0**	**14.8**	**88.2**	**104.0**
Depreciation	**—**	**(2.6)**	**(49.1)**	**(51.7)**
Disposals	**—**	**(0.0)**	**(0.4)**	**(0.4)**
Exchange differences and other movements	**(0.7)**	**(2.2)**	**(9.5)**	**(12.4)**
Net carrying amount as of December 31, 2024	**10.2**	**52.0**	**199.9**	**262.1**

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(Expressed in millions of US Dollars)	Land	Buildings	Machinery, equipment, leasehold improvements and other	Total
Net carrying amount as of January 1, 2023	9.8	43.5	108.2	161.5
Additions	—	0.8	98.5	99.3
Depreciation	—	(2.5)	(37.3)	(39.8)
Disposals	—	(0.0)	(0.8)	(0.8)
Exchange differences and other movements	0.1	0.3	2.0	2.4
Net carrying amount as of December 31, 2023	10.0	42.2	170.6	222.7

Depreciation expense for the years ended December 31, 2024 and December 31, 2023 amounted to US$51.7 million and US$39.8 million, respectively. Of this amount, US$8.3 million and US$8.5 million was included in cost of sales for the years ended December 31, 2024 and December 31, 2023, respectively. The remaining amounts were presented in distribution expenses and general and administrative expenses. All land owned by the Company is freehold.

In accordance with IAS 36, the Company is required to evaluate its CGUs for potential impairment whenever events or changes in circumstance indicate that their carrying amount might not be recoverable. If there are changes in circumstance that indicate that the recoverable amount of an asset or CGU exceeds the net impaired carrying value, an impairment reversal would be recognized, where applicable.

For the years ended December 31, 2024 and December 31, 2023, the Company determined there were no triggering events that indicated that its property, plant and equipment, including leasehold improvements, were impaired.

Expenses related to property, plant and equipment, including leasehold improvements related to stores, have historically been classified as distribution expenses on the consolidated statements of income using the function of expense presentation method.

Capital Commitments

Capital commitments outstanding as of December 31, 2024 and December 31, 2023 were US$15.5 million and US$10.5 million, respectively, which were not recognized as liabilities in the consolidated statements of financial position as they have not met the recognition criteria.

7. GOODWILL AND OTHER INTANGIBLE ASSETS

(a) Goodwill

The Company's goodwill balance amounted to US$819.6 million as of December 31, 2024, of which approximately US$51.8 million is expected to be deductible for income tax purposes. As of December 31, 2023, the Company's goodwill balance amounted to US$825.9 million, of which approximately US$52.3 million is expected to be deductible for income tax purposes.

The carrying amount of goodwill was as follows:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Cost:		
As of January 1	**2,291.7**	2,290.1
Exchange differences and other movements	**(6.3)**	1.6
As of December 31	**2,285.4**	2,291.7
Accumulated impairment losses:		
As of January 1	**(1,465.8)**	(1,465.8)
Exchange difference and other movements	**(0.0)**	0.0
As of December 31	**(1,465.8)**	(1,465.8)
Carrying amount	**819.6**	825.9

The aggregate carrying amounts of goodwill allocated to each operating segment were as follows:

(Expressed in millions of US Dollars)	Asia	North America	Europe	Latin America	Consolidated
As of December 31, 2024	**483.7**	**282.7**	**53.1**	**—**	**819.6**
As of December 31, 2023	487.2	282.7	55.9	—	825.9

(b) Other Intangible Assets

The historical cost and accumulated amortization for other intangible assets as of December 31, 2024 and December 31, 2023 was as follows:

(Expressed in millions of US Dollars)	Tradenames	Customer Relationships	Other	Total
2024				
Historical cost	**1,550.6**	**161.6**	**70.4**	**1,782.5**
Accumulated amortization and impairments	**(88.6)**	**(126.2)**	**(48.0)**	**(262.9)**
Net carrying amount as of December 31, 2024	**1,462.0**	**35.4**	**22.5**	**1,519.8**
2023				
Historical cost	1,550.9	165.7	70.2	1,786.7
Accumulated amortization and impairments	(88.6)	(117.3)	(46.4)	(252.4)
Net carrying amount as of December 31, 2023	1,462.3	48.4	23.8	1,534.4

7. GOODWILL AND OTHER INTANGIBLE ASSETS (Continued)

The changes in the carrying amount for other intangible assets for the years ended December 31, 2024 and December 31, 2023 were as follows:

(Expressed in millions of US Dollars)	**Tradenames**	**Customer Relationships**	**Other**	**Total**
Net carrying amount as of January 1, 2024	**1,462.3**	**48.4**	**23.8**	**1,534.4**
Additions	**—**	**—**	**7.6**	**7.6**
Amortization	**—**	**(12.0)**	**(8.4)**	**(20.3)**
Exchange differences and other movements	**(0.3)**	**(1.0)**	**(0.5)**	**(1.8)**
Net carrying amount as of December 31, 2024	**1,462.0**	**35.4**	**22.5**	**1,519.8**

(Expressed in millions of US Dollars)	Tradenames	Customer Relationships	Other	Total
Net carrying amount as of January 1, 2023	1,378.4	60.6	19.8	1,458.8
Additions	—	—	10.8	10.8
Amortization	—	(12.3)	(6.7)	(19.0)
Impairment reversals	84.0	—	—	84.0
Exchange differences and other movements	(0.1)	0.0	(0.2)	(0.3)
Net carrying amount as of December 31, 2023	1,462.3	48.4	23.8	1,534.4

The aggregate carrying amounts of each significant tradename were as follows:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
TUMI	**845.0**	845.0
Samsonite	**462.5**	462.5
American Tourister	**70.0**	70.0
Other[1]	**84.6**	84.9
Total tradenames	**1,462.0**	1,462.3

Note

(1) "Other" includes certain other tradenames owned by the Company, including *Gregory, High Sierra*, *Hartmann*, *Lipault*, *Saxoline* and *Xtrem* as of December 31, 2024 and December 31, 2023.

Amortization expense for intangible assets for the years ended December 31, 2024 and December 31, 2023 was US$20.3 million and US$19.0 million, respectively, and is presented primarily in distribution expenses in the consolidated statements of income. Future amortization expense related to finite life intangible assets as of December 31, 2024 for the next five years is estimated to be US$19.1 million, US$16.9 million, US$12.0 million, US$5.2 million, US$0.1 million and a total of US$4.5 million thereafter.

The impairment reversals for the year ended December 31, 2023 was recorded in the Company's consolidated statements of income in the line item "Impairment Reversals" (see also note 5 Impairment and Impairment Reversals).

7. GOODWILL AND OTHER INTANGIBLE ASSETS (Continued)

(c) Goodwill and Other Intangible Assets Valuations

(i) Goodwill Valuation

In accordance with IAS 36, the Company is required to evaluate its intangible assets with indefinite lives at least annually. The Company reviews the carrying amounts of its intangible assets with indefinite lives to determine whether there is any indication of impairment below its carrying value (resulting in an impairment charge). An impairment loss that has been recognized on goodwill is not reversed in subsequent periods if estimates used to determine the recoverable amount change.

For the purpose of impairment testing, goodwill is allocated to the Company's operating segments, comprised of groups of CGUs, as these represent the lowest level within the Company at which the goodwill is monitored for internal management purposes. The allocation is made to those CGUs that are expected to benefit from the business combination in which the goodwill arose.

As part of the annual evaluation process, separate calculations are prepared for each of the groups of CGUs that make up the consolidated Company. These calculations used discounted cash flow projections based on financial estimates reviewed by management covering a five-year period, or longer when justified, in order to achieve the estimated steady growth rates for the market in which the unit operates prior to terminal value considerations. The values assigned to the key assumptions represent management's assessment of future trends and are based on both external sources and internal sources (historical data) and are summarized below.

- Pre-tax discount rates of 11.0%-12.0% (2023: 11.0%-12.5%) were used in discounting the projected cash flows. The pre-tax discount rates were calculated for each CGU.
- Pre-tax cash flows were projected based on the historical operating results and forecasts.
- The terminal values were extrapolated using constant long-term growth rate of approximately 3.0% (2023: 3.0%), which is consistent with the average growth rate for the industry.

Judgment is required to determine key assumptions adopted in the cash flow projections and the changes to key assumptions can significantly affect these cash flow projections. Management has considered the above assumptions and valuation and has also taken into account the business plans going forward. Actual results will be influenced by the prevailing economic conditions and potentially other unforeseen events or circumstances that could have a negative impact on future results. Changes in key assumptions could impact calculated recoverable values and may result in further impairment.

There were no impairment charges recognized on goodwill for the years ended December 31, 2024 and December 31, 2023.

(ii) Other Intangible Assets Valuation

In accordance with IAS 36, the Company is required to perform a review for impairment indicators at the end of each reporting period on its tangible and intangible assets with finite useful lives. If there is any indication that an asset may be impaired, the Company must estimate the recoverable amount of the asset or CGU; if there is any indication that the recoverable amount of an asset or CGU exceeds the net impaired carrying value, an impairment reversal would be recognized, where applicable.

7. GOODWILL AND OTHER INTANGIBLE ASSETS (Continued)

For other intangible assets, impairment losses that have been recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

As part of the annual evaluation process, the calculations used discounted projections based on financial estimates reviewed by management covering a five-year period, or longer when justified, in order to achieve the estimated steady growth rates for the market prior to terminal value considerations. The values assigned to the key assumptions represent management's assessment of future trends and are based on both external sources and internal sources (historical data) and are summarized below.

- Pre-tax discount rates of 11.0%-12.0% (2023: 11.0%-12.5%) were used in discounting the projected cash flows. The pre-tax discount rates were calculated for each CGU.
- Revenues were based on anticipated selling prices and projected based on the historical operating results, forecasts and royalty rates based on recent transfer pricing studies in the jurisdictions the Company operates in.
- The terminal values were extrapolated using constant long-term growth rate of approximately 3.0% (2023: 3.0%), which is consistent with the average growth rate for the industry.

The recoverable value of certain intangible assets has been determined based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation technique used.

Judgment is required to determine key assumptions adopted in the cash flow projections and the changes to key assumptions can significantly affect these cash flow projections. Management has considered the above assumptions and valuation and has also taken into account the business plans going forward. Actual results will be influenced by the prevailing economic conditions and potentially other unforeseen events or circumstances that could have a material negative impact on future results. Following the impairment losses recognized on certain tradenames as part of the annual assessment, the recoverable amount of such tradenames was equal to the carrying amount. Changes in key assumptions could impact calculated recoverable values and may result in further impairment or potential reversal of previous impairments.

There were no impairment charges or reversals of accumulated impairment charges recognized on other intangible assets for the year ended December 31, 2024.

7. GOODWILL AND OTHER INTANGIBLE ASSETS (Continued)

After considering a number of objective and subjective factors, including valuations performed by a third-party valuation firm, the Company engaged in conjunction with its annual assessment during the fourth quarter of 2023, the Company's management determined that the recoverable amounts of certain intangible assets exceeded their net impaired carrying values during the year ended December 31, 2023, resulting in the reversal of certain non-cash impairment charges for certain tradenames, primarily related to the *TUMI* tradename, that had previously been recorded during the year ended December 31, 2020. During the year ended December 31, 2023, as the COVID-19 pandemic waned and the recovery accelerated, significant improvements exceeding initial projections were experienced in the Company's net sales and global travel demand generally, contributing to management's determination that there was an indication that such previously recognized impairment losses no longer existed. Consequently, consistent with its valuation methodology in 2020, management, with the assistance of a third-party valuation firm, utilized discounted cash flow projections to estimate the recoverable amounts for such tradenames. Reflecting both greater than expected increases in the Company's net sales and management's more positive expectations for future periods in light of increased travel demand, including pent-up demand, as travel patterns continued to normalize, these projections included substantially higher estimated future cash flows than the projections utilized during the year ended December 31, 2020. After evaluating these increased estimates, management determined that the recoverable amounts of such tradenames exceeded their impaired carrying value in the year ended December 31, 2023 and recognized non-cash impairment reversals totaling US$84.0 million during the year ended December 31, 2023.

8. PREPAID EXPENSES, OTHER ASSETS AND RECEIVABLES

(a) Non-current

Other assets and receivables consisted of the following:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Deposits	**33.4**	31.9
Other	**36.8**	34.7
Total other assets and receivables	**70.2**	66.6

(b) Current

Prepaid expenses and other current assets consisted of the following:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Prepaid value-added tax	**27.7**	34.0
Prepaid income taxes	**20.5**	28.8
Prepaid advertising	**4.2**	3.6
Prepaid supplies	**3.1**	3.8
Prepaid insurance	**2.9**	2.8
Prepaid rent	**2.8**	2.3
Derivative financial instruments – interest rate swaps[1]	—	14.1
Prepaid other	**28.5**	14.2
Total prepaid expenses and other assets	**89.6**	103.5

Note

(1) See note 13(a) Non-current Obligations for further details on interest rate swaps.

9. INVENTORIES

Inventories consisted of the following:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Raw materials	**31.0**	33.7
Work in process	**2.7**	2.8
Finished goods	**617.6**	659.4
Total inventories	**651.4**	695.9

The amounts above as of December 31, 2024 and December 31, 2023 include inventories carried at net realizable value (estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to perform the sale) of US$63.9 million and US$84.7 million, respectively. For the years ended December 31, 2024 and December 31, 2023, the write-down of inventories to net realizable value amounted to US$43.6 million and US$51.2 million, respectively. For the years ended December 31, 2024 and December 31, 2023, the reversal of previously recognized write-downs amounted to US$6.0 million and US$8.8 million, respectively.

10. TRADE AND OTHER RECEIVABLES

Trade and other receivables are presented net of related allowances for credit losses of US$21.4 million and US$24.6 million as of December 31, 2024 and December 31, 2023, respectively.

(a) Aging Analysis

Included in trade and other receivables are trade receivables (net of allowance for credit losses) of US$313.4 million and US$304.1 million as of December 31, 2024 and December 31, 2023, respectively, with the following aging analysis by the due date of the respective invoice:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Current	**260.7**	255.7
0 – 30 days past due	**37.6**	37.2
Greater than 30 days past due	**15.1**	11.2
Total trade receivables, net of allowance	**313.4**	304.1

Credit terms are granted based on the credit worthiness of individual customers.

(b) Impairment of Trade Receivables

Impairment losses in respect of trade receivables are recorded when credit losses are expected to occur. The Company does not hold any collateral over these balances.

The movements in the allowance for credit losses during the periods were as follows:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
As of January 1	**24.6**	25.9
Impairment loss recognized	**2.8**	2.0
Impairment loss written back or off	**(6.0)**	(3.2)
As of December 31	**21.4**	24.6

11. CASH AND CASH EQUIVALENTS

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Bank balances	**658.5**	690.0
Overnight sweep accounts and deposits	**17.9**	26.6
Total cash and cash equivalents	**676.3**	716.6

Cash and cash equivalents are comprised of bank balances and deposits and are generally denominated in the functional currency of the respective Company entities. There were no restrictions on the use of any of the Company's cash or cash equivalents as of December 31, 2024 and December 31, 2023.

12. EARNINGS PER SHARE AND SHARE CAPITAL

(a) Basic Earnings per Share

The calculation of basic earnings per share is based on the profit attributable to the equity holders of the Company for the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31,	
(Expressed in millions of US Dollars, except share and per share data)	**2024**	2023 As Adjusted[1]
Issued ordinary shares at January 1	**1,449,692,210**	1,438,900,432
Weighted-average impact of share award schemes and share repurchases during the year	**(4,141,400)**	5,591,254
Weighted-average number of ordinary shares at December 31	**1,445,550,810**	1,444,491,686
Profit attributable to the equity holders[1]	**345.6**	396.9
Basic earnings per share[1] *(Expressed in US Dollars per share)*	**0.239**	0.275

Note

(1) Effective since the third quarter of 2024, the Company voluntarily made a change in accounting policy related to the recognition of the subsequent changes in the fair value of put option financial liabilities associated with the non-controlling interests in certain of the Company's majority owned subsidiaries. The impact of adopting this change in accounting policy has been applied retrospectively and the comparative period in 2023 has been adjusted. All other financial statement captions for the year ended December 31, 2023, in this table that have not been identified with this footnote were not impacted by this policy change. See note 2(e) Voluntary Change in Accounting Policy to the consolidated financial statements for further discussion on this voluntary change in accounting policy.

12. EARNINGS PER SHARE AND SHARE CAPITAL (Continued)

(b) Diluted Earnings per Share

Diluted earnings per share is calculated by adjusting the weighted-average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares:

	Year ended December 31,	
(Expressed in millions of US Dollars, except share and per share data)	**2024**	2023 As Adjusted[1]
Weighted-average number of ordinary shares (basic) at the end of the year	**1,445,550,810**	1,444,491,686
Effect of dilutive potential ordinary shares	**10,151,526**	8,768,763
Weighted-average number of shares for the year	**1,455,702,336**	1,453,260,449
Profit attributable to the equity holders[1]	**345.6**	396.9
Diluted earnings per share[1] *(Expressed in US Dollars per share)*	**0.237**	0.273

Note

(1) Effective since the third quarter of 2024, the Company voluntarily made a change in accounting policy related to the recognition of the subsequent changes in the fair value of put option financial liabilities associated with the non-controlling interests in certain of the Company's majority owned subsidiaries. The impact of adopting this change in accounting policy has been applied retrospectively and the comparative period in 2023 has been adjusted. All other financial statement captions for the year ended December 31, 2023, in this table that have not been identified with this footnote were not impacted by this policy change. See note 2(e) Voluntary Change in Accounting Policy to the consolidated financial statements for further discussion on this voluntary change in accounting policy.

At December 31, 2024 and December 31, 2023, 44,163,302 and 42,643,402 unvested share awards, respectively, were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive.

(c) Dividends and Distributions

On March 13, 2024, the Company's Board of Directors recommended that a cash distribution in the amount of US$150.0 million, or approximately US$0.1026 per share (before tax), be made to the Company's shareholders from its ad hoc distributable reserve. The shareholders approved this distribution on June 6, 2024 at the Company's Annual General Meeting and the distribution was paid on July 16, 2024. No cash distribution was paid to the Company's shareholders during 2023.

Dividend payments to non-controlling interests amounted to US$19.7 million and US$12.6 million during the years ended December 31, 2024 and December 31, 2023, respectively.

12. EARNINGS PER SHARE AND SHARE CAPITAL (Continued)

(d) Share Capital

For the year ended December 31, 2024, the Company issued 11,649,397 ordinary shares at a weighted-average exercise price of HK$21.00 per share in connection with the exercise of vested share options that were granted under the Company's 2012 Share Award Scheme. For the year ended December 31, 2024, the Company issued 876,192 ordinary shares upon the vesting of time-based restricted share awards that were awarded under the Company's 2022 Share Award Scheme (each share award scheme is defined in note 14(b) Share-based Payment Arrangements).

In August 2024, the Company began repurchasing its shares under its share buyback program of up to US$200.0 million. For the year ended December 31, 2024, the Company repurchased 62,610,300 shares at a weighted-average repurchase price of HK$19.60 from its existing shareholders. The total cash outflow associated with the repurchased shares amounted to US$157.6 million. The shares purchased are held in treasury. There were no sales or redemptions of the Company's listed securities (including sale of treasury shares) by the Company or any of its subsidiaries for the year ended December 31, 2024. There were no other movements in the share capital of the Company during the year ended December 31, 2024.

For the year ended December 31, 2023, the Company issued 10,791,778 ordinary shares at a weighted-average exercise price of HK$19.47 per share in connection with the exercise of vested share options that were granted under the Company's 2012 Share Award Scheme. There were no other movements in the share capital of the Company during the year ended December 31, 2023.

13. LOANS AND BORROWINGS

(a) Non-current Obligations

Non-current obligations represent non-current debt and were as follows:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Term Loan A Facility	**770.0**	790.0
2023 Term Loan B Facility	**—**	597.0
Revolving Credit Facility	**100.0**	—
2023 Senior Credit Facilities	**870.0**	1,387.0
2024 Term Loan B Facility	**497.5**	—
Total Senior Credit Facilities	**1,367.5**	1,387.0
Senior Notes[1]	**362.4**	386.3
Other borrowings and obligations	**49.0**	50.7
Total loans and borrowings	**1,778.9**	1,824.0
Less deferred financing costs	**(7.9)**	(17.0)
Total loans and borrowings less deferred financing costs	**1,771.0**	1,807.0
Less current portion of long-term borrowings and obligations	**(84.0)**	(76.7)
Non-current loans and borrowings	**1,687.0**	1,730.3

Note

(1) The value of the Senior Notes, when translated from euros into US Dollars, will change relative to the fluctuation in the exchange rate between the euro and US Dollar at stated points in time.

The contractual maturities of non-current loans and borrowings are included in note 21(c) Exposure to Liquidity Risk.

13. LOANS AND BORROWINGS (Continued)

Senior Credit Facilities

On June 21, 2023, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Second Amended and Restated Credit Agreement (the "2023 Credit Agreement"), which provided for (i) a US$800.0 million senior secured term loan A facility (the "Term Loan A Facility"), (ii) a US$600.0 million senior secured term loan B facility (the "2023 Term Loan B Facility") and (iii) a new US$850.0 million revolving credit facility (the "Revolving Credit Facility"). The credit facilities provided under the 2023 Credit Agreement are referred to herein as the "2023 Senior Credit Facilities."

The Company borrowed US$100.0 million under the Revolving Credit Facility and used the proceeds of such borrowing, plus the proceeds from borrowings under the Term Loan A Facility and the 2023 Term Loan B Facility, along with cash on hand, to repay the entire principal amount of its outstanding borrowings under the Amended and Restated Credit Agreement dated April 25, 2018 (as amended from time to time prior to June 21, 2023, the "2018 Credit Agreement"), plus transaction expenses (such transactions, the "2023 Refinancing").

On April 12, 2024 (the "2024 Refinancing Date"), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the 2023 Credit Agreement (as amended, the "Senior Credit Agreement") to derecognize the 2023 Term Loan B Facility and enter into a US$500.0 million senior secured term loan B facility (the "2024 Term Loan B Facility"). The Term Loan B Facility has an interest rate based on the Secured Overnight Financing Rate ("SOFR"), with a SOFR floor of 0.50%, plus 2.00% per annum (or a base rate plus 1.00% per annum), but the other terms are the same as under the 2023 Term Loan B Facility. The credit facilities provided under the Senior Credit Agreement are referred to herein as the "Senior Credit Facilities".

On the 2024 Refinancing Date, the Company borrowed US$100.0 million under the Revolving Credit Facility and used the proceeds of such borrowing and the proceeds from the 2024 Term Loan B Facility to repay in full and derecognize the entire principal amount of its outstanding borrowings under the 2023 Term Loan B Facility, plus payment of transaction expenses.

As of December 31, 2024, the Company had outstanding borrowings of US$770.0 million, US$497.5 million, and US$100.0 million under the Term Loan A Facility, the 2024 Term Loan B Facility, and the Revolving Credit Facility, respectively. As of December 31, 2023, the Company had outstanding borrowings of US$790.0 million and US$597.0 million under the Term Loan A Facility and the 2023 Term Loan B Facility, respectively, and no amounts were outstanding under the Revolving Credit Facility.

Interest Rate

Interest on borrowings under the Term Loan A Facility and the Revolving Credit Facility is based on SOFR, with a SOFR floor of 0%, plus a 10 basis-point credit spread adjustment, plus an applicable margin that can vary and is based on the lower rate derived from either a first lien net leverage ratio or the Company's corporate ratings.

Interest on borrowings under the 2023 Term Loan B Facility was based on SOFR, with a SOFR floor of 0.50%, plus 2.750% per annum (or a base rate plus 1.750% per annum). The interest rate payable on borrowings under the 2024 Term Loan B Facility is based on SOFR, with a SOFR floor of 0.50%, plus 2.00% per annum (or a base rate plus 1.00% per annum).

As the Senior Credit Facilities have floating interest rates, the Company calculates interest expense based on the actual benchmark interest rate plus the applicable margin that was in effect for the relevant period.

13. LOANS AND BORROWINGS (Continued)

Amortization and Final Maturity

The Term Loan A Facility requires scheduled quarterly payments with an annual amortization of 2.5% of the original principal amount of the loans thereunder during each of the first and second years, with a step-up to 5.0% annual amortization during each of the third and fourth years and 7.5% annual amortization during the fifth year, with the balance due and payable on the maturity date for the Term Loan A Facility. There is no scheduled amortization of any principal amounts outstanding under the Revolving Credit Facility. The balance then outstanding under the Term Loan A Facility and the Revolving Credit Facility will be due and payable on June 21, 2028.

If (i) on the date that is 91 days prior to the maturity date of the Senior Notes (as defined below), more than €150.0 million in aggregate principal amount of the Senior Notes has not been repaid and/or refinanced with indebtedness having a maturity date at least 90 days later than the then-stated maturity date of the Term Loan A Facility and the Revolving Credit Facility and the total net leverage ratio of the Company and its restricted subsidiaries on such date is greater than 3.00:1.00 or (ii) on the date that is 90 days prior to the maturity date of the Senior Notes, more than US$150 million in aggregate principal amount of the loans outstanding under the 2024 Term Loan B Facility have matured pursuant to the Term Loan B Maturity Springer (as defined below), then the maturity date with respect to the Term Loan A Facility and the Revolving Credit Facility will spring to a date that is 90 days prior to the maturity date of the Senior Notes.

The 2024 Term Loan B Facility requires scheduled quarterly payments equal to 0.25% of the original principal amount of the loans under the 2024 Term Loan B Facility, with the balance due and payable on June 21, 2030.

If (i) on the date that is 91 days prior to the maturity date of Senior Notes, more than €150.0 million in aggregate principal amount of the Senior Notes has not been repaid and/or refinanced with indebtedness having a maturity date at least 90 days later than the then-stated maturity date of the 2024 Term Loan B Facility and after giving effect to a refinancing of the Senior Notes, the Company and its restricted subsidiaries have liquidity of less than US$350 million during the period from the 91st day prior to the maturity date applicable to the Senior Notes until the maturity date applicable to the Senior Notes, the maturity date with respect to the 2024 Term Loan B Facility will spring to the date that is 90 days prior to the maturity date of the Senior Notes (such circumstances resulting in such earlier maturity date being the “Term Loan B Maturity Springer”).

Guarantees and Security

The obligations of the borrowers under the Senior Credit Facilities are unconditionally guaranteed by the Company and certain of the Company’s existing direct or indirect wholly-owned material restricted subsidiaries organized in Luxembourg, Belgium, Canada, Hong Kong, Hungary, Mexico, the United States and Singapore, and are required to be guaranteed by certain future direct or indirect wholly-owned material restricted subsidiaries organized in such jurisdictions (except Singapore) (the “Credit Facility Guarantors”). All obligations under the Senior Credit Facilities, and the guarantees of those obligations, are secured, subject to certain exceptions, by substantially all of the assets of the borrowers and the Credit Facility Guarantors (including the Shared Collateral (as defined below)).

13. LOANS AND BORROWINGS (Continued)

Certain Covenants and Events of Default

The Senior Credit Facilities contain a number of customary negative covenants that, among other things and subject to certain exceptions, may restrict the ability of the Company and that of its restricted subsidiaries to: (i) incur additional indebtedness; (ii) pay dividends or distributions on its capital stock or redeem, repurchase or retire its capital stock or its other indebtedness; (iii) make investments, loans and acquisitions; (iv) engage in transactions with its affiliates; (v) sell assets, including capital stock of its subsidiaries; (vi) consolidate or merge; (vii) materially alter the business it conducts; (viii) incur liens; and (ix) prepay or amend any junior debt or subordinated debt.

In addition, the Senior Credit Agreement requires the Company to meet certain quarterly financial covenants. The Company is required to maintain (i) a pro forma total net leverage ratio (as defined in the Senior Credit Agreement) of not greater than 4.50:1.00, subject to certain exceptions, and (ii) a pro forma consolidated cash interest coverage ratio (as defined in the Senior Credit Agreement) of not less than 3.00:1.00 (collectively, the “Financial Covenants”). The Financial Covenants only apply for the benefit of the lenders under the Term Loan A Facility and the Revolving Credit Facility. The Company was in compliance with the Financial Covenants for the test period ended on December 31, 2024. The Senior Credit Agreement also contains certain customary representations and warranties, affirmative covenants and provisions relating to events of default (including upon a change of control).

Other Information

The Company incurred US$3.1 million of financing costs in conjunction with entering into the 2024 Term Loan B Facility and US$17.1 million of financing costs in conjunction with entering into the 2023 Refinancing. Financing costs incurred in conjunction with borrowing and amendments have been deferred and are being offset against loans and borrowings. The deferred financing costs are being amortized using the effective interest method over the life of the Senior Credit Facilities and Senior Notes. Total deferred financing costs included within total loans and borrowings amounted to US$7.9 million and US$17.0 million as of December 31, 2024 and December 31, 2023, respectively.

The amortization of deferred financing costs, which is included in interest expense, amounted to US$2.7 million and US$3.4 million for the years ended December 31, 2024 and December 31, 2023, respectively.

During the year ended December 31, 2024, the Company recorded a non-cash charge in interest expense in the amount of US$9.5 million related to unamortized deferred financing costs that were part of the net carrying value of the 2023 Term Loan B Facility settled with the Senior Credit Agreement. During the year ended December 31, 2023, the Company recorded a non-cash charge in interest expense in the amount of US$4.4 million related to unamortized deferred financing costs that were part of the net carrying value of the credit facilities provided under the 2018 Credit Agreement (the “2018 Senior Credit Facilities”), which were settled.

13. LOANS AND BORROWINGS (Continued)

Interest Rate Swaps

The Company maintains interest rate swaps to hedge a portion of its interest rate exposure under the floating-rate Senior Credit Facilities by swapping certain US Dollar floating-rate bank borrowings with fixed-rate agreements. On June 18, 2024, the Company entered into new interest rate swap agreements that became effective on August 30, 2024 and will terminate on February 27, 2026 (the "2024 Swaps"). Under the 2024 Swaps, SOFR has been effectively fixed at approximately 4.6% with respect to an amount equal to approximately 29% of the principal amount of the Senior Credit Facilities as of December 31, 2024, which reduced a portion of the Company's exposure to interest rate increases. The 2024 Swaps have fixed payments due monthly. The 2024 Swaps qualified as cash flow hedges. As of December 31, 2024, the 2024 Swaps were marked-to-market, resulting in a net liability position to the Company in the amount of US$2.2 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income.

On September 4, 2019, the Company entered into interest rate swap agreements that became effective on September 6, 2019, and terminated on August 31, 2024 (the "2019 Swaps"). As of December 31, 2023, the 2019 Swaps were marked-to-market, resulting in a net asset position to the Company in the amount of US$14.1 million which was recorded as an asset with the effective portion of the gain (loss) deferred to other comprehensive income.

Senior Notes

The Company's wholly-owned, indirect subsidiary Samsonite Finco S.à r.l. (the "Issuer") had outstanding €350.0 million aggregate principal amount of its 3.500% senior notes due 2026 (the "Senior Notes") with a carrying amount of US$362.4 million as of December 31, 2024. The Senior Notes will mature on May 15, 2026 and bear interest at a fixed rate of 3.500% per year and are guaranteed on a senior subordinated basis by the Company and certain of its direct or indirect wholly-owned subsidiaries (together, the "Senior Note Guarantors"). The Senior Notes are also secured by a second-ranking pledge over the shares of the Issuer and a second-ranking pledge over the Issuer's rights in a proceeds loan in respect of the proceeds of the offering of the Senior Notes that the Issuer made to certain of the Company's indirect subsidiaries upon completion of the offering of the Senior Notes (the "Shared Collateral"). The Shared Collateral also secures the borrowings under the Senior Credit Agreement on a first-ranking basis.

The indenture governing the Senior Notes contains a number of customary negative covenants that, among other things and subject to certain exceptions, may restrict the ability of the Company and its restricted subsidiaries (including the Issuer) to: (i) incur or guarantee additional indebtedness, (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem the capital stock or subordinated debt of the Company or its restricted subsidiaries, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of inter-company loans and advances, (viii) engage in mergers or consolidations and (ix) impair the security interests in the Shared Collateral. The indenture governing the Senior Notes also contains certain customary provisions relating to events of default.

13. LOANS AND BORROWINGS (Continued)

(b) Current Obligations and Credit Facilities

Current obligations represent current debt obligations and were as follows:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Current portion of long-term borrowings and obligations	**35.0**	26.0
Other loans and borrowings	**49.0**	50.7
Total current obligations	**84.0**	76.7

Other Loans and Borrowings

Certain of the Company's consolidated subsidiaries maintain credit lines and other loans with various third-party lenders in the regions in which they operate. Other loans and borrowings are generally variable-rate instruments denominated in the functional currency of the borrowing Company entity. These credit lines provide short-term financing and working capital for the day-to-day business operations of certain Company entities, including overdraft, bank guarantees, and trade finance facilities. The majority of such credit lines are uncommitted facilities. The total aggregate amount of other loans and borrowings was US$49.0 million and US$50.7 million as of December 31, 2024 and December 31, 2023, respectively. The uncommitted available facilities amounted to US$95.3 million and US$93.7 million as of December 31, 2024 and December 31, 2023, respectively.

The following represents the contractual maturity dates of the Company's loans and borrowings as of December 31, 2024 and December 31, 2023:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
On demand or within one year	**84.0**	76.7
After one year but within two years	**407.4**	36.0
After two years but within five years	**815.0**	1,144.3
More than five years	**472.5**	567.0
Total loans and borrowings	**1,778.9**	1,824.0

13. LOANS AND BORROWINGS (Continued)

(c) Reconciliation of Movements of Liabilities and Equity to Cash Flows Arising from Financing Activities

	Liabilities		Equity			
(Expressed in millions of US Dollars)	Loans and borrowings[2]	Lease liabilities	Share capital	Reserves	Non-controlling interests	Total
Balance at January 1, 2024	1,810.7	489.0	14.5	1,436.5	66.7	3,817.5
Changes from financing cash flows:						
Proceeds from the Senior Credit Facilities	100.0	—	—	—	—	100.0
Proceeds from issuance of 2024 Term Loan B Facility	500.0	—	—	—	—	500.0
Settlement of prior Term Loan B Facility	(595.5)	—	—	—	—	(595.5)
Payments on Senior Credit Facilities	(24.0)	—	—	—	—	(24.0)
Proceeds from other loans and borrowings	1.1	—	—	—	—	1.1
Principal payments on lease liabilities	—	(142.3)	—	—	—	(142.3)
Payment of financing costs	(3.1)	—	—	—	—	(3.1)
Proceeds from the exercise of share options	—	—	0.1	31.2	—	31.3
Repurchase of treasury shares	—	—	—	(157.6)	—	(157.6)
Cash distributions to equity holders	—	—	—	(150.0)	—	(150.0)
Dividend payments to non-controlling interests	—	—	—	—	(19.7)	(19.7)
Total changes from financing cash flows	(21.5)	(142.3)	0.1	(276.4)	(19.7)	(459.7)
The effect of changes in foreign exchange rates/other	(27.3)	205.2	—	—	—	177.9
Other changes:						
Liability-related						
Interest expense on borrowings and lease liabilities	95.5	35.0	—	—	—	130.5
Interest paid on borrowings and lease liabilities	(96.0)	(35.0)	—	—	—	(131.0)
Amortization of deferred financing costs	2.7	—	—	—	—	2.7
Non-cash charge to derecognize deferred financing costs	9.5	—	—	—	—	9.5
Net changes in defined benefit pension plan	—	—	—	1.8	0.0	1.8
Total other changes	11.7	—	—	1.8	0.0	13.5
Other movements in equity[1]	—	—	0.0	299.7	21.7	321.4
Balance at December 31, 2024	1,773.7	551.9	14.6	1,461.6	68.8	3,870.6

Notes

(1) See consolidated statements of changes in equity for further details on movements during the year.

(2) Includes accrued interest which is included in trade and other payables in the consolidated statements of financial position.

13. LOANS AND BORROWINGS (Continued)

	Liabilities		Equity			
(Expressed in millions of US Dollars)	Loans and borrowings[2]	Lease liabilities	Share capital	Reserves	Non-controlling interests	Total
Balance at January 1, 2023	2,014.2	375.6	14.4	1,017.4	47.8	3,469.4
Changes from financing cash flows:						
Proceeds from issuance of the Senior Credit Facilities	1,500.0	—	—	—	—	1,500.0
Settlement of prior Senior Credit Facilities	(1,565.1)	—	—	—	—	(1,565.1)
Payments on Senior Credit Facilities	(125.9)	—	—	—	—	(125.9)
Payments on other loans and borrowings	(14.4)	—	—	—	—	(14.4)
Principal payments on lease liabilities	—	(139.6)	—	—	—	(139.6)
Payment of financing costs	(17.1)	—	—	—	—	(17.1)
Proceeds from the exercise of share options	—	—	0.1	26.7	—	26.8
Dividend payments to non-controlling interests	—	—	—	—	(12.6)	(12.6)
Total changes from financing cash flows	(222.5)	(139.6)	0.1	26.7	(12.6)	(347.8)
The effect of changes in foreign exchange rates/other	10.1	253.0	—	—	—	263.1
Other changes:						
Liability-related						
Interest expense on borrowings and lease liabilities	101.8	27.7	—	—	—	129.5
Interest paid on borrowings and lease liabilities	(100.8)	(27.7)	—	—	—	(128.5)
Amortization of deferred financing costs	3.4	—	—	—	—	3.4
Non-cash charge to derecognize deferred financing costs	4.4	—	—	—	—	4.4
Net changes in defined benefit pension plan	—	—	—	(3.4)	(0.1)	(3.4)
Total other changes	8.9	—	—	(3.4)	(0.1)	5.4
Other movements in equity[1]	—	—	—	395.7	31.6	427.3
Balance at December 31, 2023	1,810.7	489.0	14.5	1,436.5	66.7	3,817.5

Notes

(1) See consolidated statements of changes in equity for further details on movements during the year.

(2) Includes accrued interest which is included in trade and other payables in the consolidated statements of financial position.

14. EMPLOYEE BENEFITS

(a) Employee Benefits Expense

Employee benefits expense, which consists of payroll, bonuses, pension plan expenses, share-based payments and other benefits, amounted to US$518.8 million and US$512.3 million for the years ended December 31, 2024 and December 31, 2023, respectively. Of these amounts, US$38.4 million and US$35.7 million were included in cost of sales for the years ended December 31, 2024 and December 31, 2023, respectively. The remaining amounts were presented in distribution expenses and general and administrative expenses.

Share-based compensation cost of US$13.5 million and US$14.8 million was recognized in the consolidated statements of income, with a corresponding increase in equity reserves, for the years ended December 31, 2024 and December 31, 2023, respectively.

The average worldwide full-time equivalent headcount was approximately 12,106 and 11,111, respectively, for the years ended December 31, 2024 and December 31, 2023, respectively.

The Company is committed to helping its employees develop the knowledge, skills and abilities needed for continued success and encourages professional development throughout each employee's career.

14. EMPLOYEE BENEFITS (Continued)

(b) Share-based Payment Arrangements

On September 14, 2012, the Company's shareholders approved the 2012 Share Award Scheme (as amended from time to time), which was valid for a term of 10 years from October 26, 2012 (being the adoption date under the terms of the 2012 Share Award Scheme), until its expiration on October 26, 2022. No further awards may be granted under the 2012 Share Award Scheme, but all outstanding awards granted thereunder prior to its expiration remain outstanding in accordance with their terms.

On December 21, 2022, the Company's shareholders approved the 2022 Share Award Scheme, which is valid for a term of 10 years from January 5, 2023 (being the adoption date under the terms of the 2022 Share Award Scheme), until its expiration on January 5, 2033.

The purpose of both the 2012 Share Award Scheme and the 2022 Share Award Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Company and to motivate them to strive for the future development and expansion of the Company by providing them with the opportunity to acquire equity interests in the Company. Awards under both the 2012 Share Award Scheme and the 2022 Share Award Scheme may take the form of either share options or restricted share units ("RSUs"), which may be granted at the discretion of the Remuneration Committee to executive directors of the Company and its subsidiaries, managers employed or engaged by the Company, and/or employees of the Company.

Share Options

The Company may, from time to time, grant share options to certain key management personnel and other employees of the Company. The exercise price of share options is determined at the time of grant by the Remuneration Committee in its absolute discretion, but in any event shall not be less than the higher of:

a) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant;
b) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
c) the nominal value of the shares.

The Company may, at its discretion, require a grantee to pay a remittance of HK$1.00 (or such other amount in any other currency as the Remuneration Committee may determine) as consideration for the grant of an option at the time of acceptance of an option grant.

Expected volatility is estimated taking into account the historic average share price volatility. The expected cash distributions are based on the Company's history and expectation of cash distribution payouts.

14. EMPLOYEE BENEFITS (Continued)

Particulars and movements of share options during the years ended December 31, 2024 and December 31, 2023 were as follows:

	Number of options	**Weighted-average exercise price**
Outstanding at January 1, 2024	**85,349,278**	**HK$21.50**
Exercised during the year	**(11,649,397)**	**HK$21.00**
Lapsed during the year	**(474,360)**	**HK$28.07**
Canceled during the year	**(471,320)**	**HK$22.82**
Outstanding at December 31, 2024	**72,754,201**	**HK$21.52**
Exercisable at December 31, 2024	**62,473,680**	**HK$21.95**

	Number of options	Weighted-average exercise price
Outstanding at January 1, 2023	96,726,144	HK$21.30
Exercised during the year	(10,791,778)	HK$19.47
Lapsed during the year	(585,088)	HK$26.38
Outstanding at December 31, 2023	85,349,278	HK$21.50
Exercisable at December 31, 2023	64,322,598	HK$22.51

At December 31, 2024, the range of exercise prices for outstanding share options was HK$15.18 to HK$31.10 with a weighted average contractual life of 4.5 years. At December 31, 2023, the range of exercise prices for outstanding share options was HK$15.18 to HK$31.10 with a weighted average contractual life of 5.1 years.

Restricted Share Units ("RSUs")

No amount is payable to the Company for the grant or acceptance of RSU awards or at the time of vesting of the RSU awards.

RSU awards, including time-based RSUs ("TRSUs") and performance-based RSUs ("PRSUs"), were granted during the year ended December 31, 2024 and December 31, 2023 and are discussed further below.

14. EMPLOYEE BENEFITS (Continued)

Time-based Restricted Share Units

TRSUs granted by the Company are subject to *pro rata* vesting over a three-year period, with one-third of such TRSUs vesting on each anniversary of the date of the grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Company on the applicable vesting date. Expense for TRSUs is based on the closing market price of the Company's shares on the date of grant, discounted by the present value of expected future dividends or other cash distributions to shareholders, and is recognized ratably over the vesting period, net of expected forfeitures.

On June 12, 2024, the Company awarded TRSUs with respect to 2,407,254 shares to the executive director of the Company and certain employees of the Company, and on October 8, 2024, the Company awarded TRSUs with respect to 66,141 shares to an employee of the Company.

A summary of TRSU activity during the years ended December 31, 2024 and December 31, 2023 was as follows:

	Number of TRSUs	**Weighted-average fair value per TRSU**
Outstanding at January 1, 2024	**2,628,576**	**HK$20.89**
Granted during the year	**2,473,395**	**HK$22.54**
Vested and converted to ordinary shares during the year	**(876,192)**	**HK$21.60**
Outstanding at December 31, 2024	**4,225,779**	**HK$21.71**

	Number of TRSUs	Weighted-average fair value per TRSU
Outstanding at January 1, 2023	—	—
Granted during the year	2,628,576	HK$20.89
Outstanding at December 31, 2023	2,628,576	HK$20.89

Performance-based Restricted Share Units

PRSUs vest in full on the third anniversary of the date of grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Company on the vesting date, and only to the extent certain pre-established performance targets are met. Expense related to PRSUs with non-market-based performance conditions is recognized ratably over the performance period, net of estimated forfeitures, based on the probability of attainment of the related performance targets. The potential number of shares that may be issued upon vesting of the PRSUs ranges from 0% of the target number of shares subject to the PRSUs, if the minimum level of performance is not attained, to up to 200% of the target number of shares subject to the PRSUs, if the level of performance is at or above the predetermined maximum achievement level. For any PRSUs granted with market-based performance conditions, the expense is recognized over the vesting period based on the fair value as determined on the grant date utilizing a Monte Carlo simulation.

14. EMPLOYEE BENEFITS (Continued)

On June 12, 2024, the Company granted PRSUs with respect to a target number of 2,407,254 shares to the executive director and certain employees of the Company, and on October 8, 2024, the Company awarded PRSUs with respect to a target number of 33,072 shares to an employee of the Company, in each case assuming target-level achievement of the performance conditions applicable to the PRSU grants. Such PRSUs will cliff vest on June 12, 2027 and October 8, 2027, respectively, based on the achievement of pre-established performance goals determined by reference to the Company's annual long-term incentive plan ("LTIP") adjusted EBITDA ("LTIP adjusted EBITDA") growth rate targets set at the time of the grant, which growth rate targets are expressed on a constant currency basis compared to the previous year.

For purposes of the PRSUs granted on June 12, 2024 and on October 8, 2024, LTIP adjusted EBITDA is defined as the Company's consolidated earnings before interest, taxes, depreciation and amortization of intangible assets, as adjusted to eliminate the effect of a number of costs, charges and credits and certain other non-cash charges. LTIP adjusted EBITDA includes the lease interest and amortization expense under IFRS 16 to account for operational rent expenses and excludes annual cash bonus expenses and cash long-term-incentive award expenses.

When setting the performance targets, the objective was for the targets to be sufficiently challenging to create appropriate pay-for-performance alignment as expected by the Company's shareholders, within parameters that are likely to be perceived by the grantees to be achievable in order to create appropriate incentives.

With respect to the PRSUs granted on June 12, 2024, the annual LTIP adjusted EBITDA growth rate target for each year included in the three-year performance period was established by the Remuneration Committee and was communicated to the recipients of the PRSUs in the grant notices. At the end of each year, the extent to which the annual growth target has been achieved will be determined in respect of 1/3 of the total PRSUs granted.

With respect to the PRSUs granted on October 8, 2024, the annual LTIP adjusted EBITDA growth rate target for each year included in the two-year performance period was established by the Remuneration Committee and was communicated to the recipient of the PRSUs in the grant notice. At the end of 2025 and 2026, the extent to which the annual growth target has been achieved will be determined in respect of 1/2 of the total PRSUs granted.

In making its determination of the extent to which the performance targets are achieved, the Remuneration Committee shall adjust either the performance goals or the calculation of the LTIP adjusted EBITDA to reflect the following occurrences affecting the Company during the performance period (to the extent such occurrences affect the year-over-year comparability of LTIP adjusted EBITDA):

- the effect of changes in laws, regulations, or accounting principles, methods or estimates;
- changes to amortization of lease right-of-use assets resulting from the write down or impairment of such assets or the reversal of impairments;
- the planned, unrealized LTIP adjusted EBITDA associated with a business segment, division, or unit or product group that is sold or discontinued (where such sale or discontinuation was unplanned);
- results from an unplanned acquired business and costs related to such unplanned acquisition;
- restructuring and workforce severance costs pursuant to a plan approved by the Board and the Company's chief executive officer; and
- unusual and infrequently occurring items as defined by the IASB IFRS Accounting Standards and any other unusual and exceptional events outside the ordinary course of business, provided that such adjustment is guided by the principles of the Company's long-term incentive program and alignment of shareholders' and participants' interests.

14. EMPLOYEE BENEFITS (Continued)

Details of the payout levels with respect to each year included in the three-year performance period applicable to the PRSUs granted on June 12, 2024 are set out below:

	Payout levels (% of shares underlying PRSUs)		
	2024 against 2023 (1/3 weighting)	2025 against 2024 (1/3 weighting)	2026 against 2025 (1/3 weighting)
Maximum	200%	200%	200%
Target	100%	100%	100%
Threshold	25%	25%	25%
Below Threshold	0%	0%	0%

Vesting levels will be interpolated for actual performance between payout levels.

PRSUs will vest only upon completion of the three-year performance period to the extent the annual targets have been satisfied. PRSUs will ensure that there is linkage between the Company's stated long-term strategic and financial goals and executive compensation.

The maximum number of shares underlying the PRSUs granted on June 12, 2024 is 4,814,508 shares.

Details of the payout levels with respect to each year included in the two-year performance period applicable to the PRSUs granted on October 8, 2024 are set out below:

	Payout levels (% of shares underlying PRSUs)	
	2025 against 2024 (1/2 weighting)	2026 against 2025 (1/2 weighting)
Maximum	200%	200%
Target	100%	100%
Threshold	25%	25%
Below Threshold	0%	0%

Vesting levels will be interpolated for actual performance between payout levels. PRSUs will vest only upon completion of the two-year performance period to the extent the annual targets have been satisfied. PRSUs will ensure that there is linkage between the Company's stated long-term strategic and financial goals and executive compensation.

The maximum number of shares underlying the PRSUs granted on October 8, 2024 is 66,144 shares.

14. EMPLOYEE BENEFITS (Continued)

A summary of PRSU activity (at target level vesting) during the years ended December 31, 2024 and December 31, 2023 was as follows:

	Number of PRSUs	**Weighted-average fair value per PRSU**
Outstanding at January 1, 2024	**2,628,576**	**HK$20.17**
Granted during the year	**2,440,326**	**HK$21.64**
Outstanding at December 31, 2024	**5,068,902**	**HK$20.88**

	Number of PRSUs	Weighted-average fair value per PRSU
Outstanding at January 1, 2023	—	—
Granted during the year	2,628,576	HK$20.17
Outstanding at December 31, 2023	2,628,576	HK$20.17

Shares underlying an award of share options, TRSUs or PRSUs that lapse without the issuance of such shares upon vesting of such award may be available for future grant under the 2022 Share Award Scheme. During the year ended December 31, 2024, there were 471,320 share options canceled; there were no cancellations of TRSUs or PRSUs. During the year ended December 31, 2023, there were no cancellations of share options, TRSUs or PRSUs.

Information about the fair value calculation for share options is set out in note 3(n)*(vi)* Share-based Compensation to the consolidated financial statements.

(c) Defined Benefit Plans and Schemes

Plan Descriptions

The Company sponsors various pension and other post-retirement plans in certain jurisdictions. As of December 31, 2024 and December 31, 2023, the total unfunded liability recognized for such plans amounted to US$22.3 million and US$28.4 million, respectively. Details of certain defined benefit plans are presented below.

A Belgian subsidiary of the Company sponsors a pre-pension defined benefit retirement plan, which covers certain employees who meet certain age and years of service eligibility requirements. Benefits are calculated based on a final pay formula and are contributed until the employee reaches the legal retirement age. The Belgian subsidiary also provides long-service benefits (jubilee awards) to employees who meet certain years of service eligibility requirements. The expense is recorded as incurred and the outstanding liability is calculated annually by an independent actuary. Together, these defined benefit plans make up the Belgian Plans. The latest valuations of the Belgian Plans were provided as of December 31, 2024 and were prepared by independent qualified actuaries, Mercer (Belgium), who are members of the Institute of Actuaries in Belgium, using the projected unit credit method.

The actuarial valuations indicate that the Company's obligations under the Belgian Plans as of December 31, 2024 and December 31, 2023 were US$8.9 million and US$12.5 million, respectively, neither of which was funded by plan assets.

14. EMPLOYEE BENEFITS (Continued)

Remeasurements to the Company's defined benefit plans can include the effect of changes in demographic assumptions, the effect of changes in financial assumptions and the effect of experience adjustments, all of which are recognized in other comprehensive income or loss ("OCI"). For the years ended December 31, 2024 and December 31, 2023, remeasurements recognized in OCI to the Belgian Plans were US$(5.4) million and US$(1.4) million, respectively.

The total net periodic benefit cost (gain), including service cost (gain) and interest expense on defined benefit obligation, is recognized in the consolidated statements of income. For the years ended December 31, 2024 and December 31, 2023, total net periodic benefit cost (gain) amounted to US$1.2 million and US$1.0 million, respectively.

The actuarial assumptions used for the Company's Belgian Plans were as follows:

	Belgian Plans
2024	
Weighted average assumptions used to determine benefit obligations as of December 31:	
Discount rate	**3.25%**
Price inflation rate	**2.00%**
Weighted average assumptions used to determine net periodic benefit cost for the year ended December 31:	
Discount rate	**3.10%**
2023	
Weighted average assumptions used to determine benefit obligations as of December 31:	
Discount rate	3.10%
Price inflation rate	2.30%
Weighted average assumptions used to determine net periodic benefit cost for the year ended December 31:	
Discount rate	3.50%

(d) Defined Contribution Plan

A US subsidiary of the Company provides a defined contribution 401(k) retirement plan. The plan covers substantially all employees of the subsidiary for the sole purpose of encouraging participants to save for retirement. Plan participants may contribute up to 75% of their compensation to the plan, a percentage of which is matched by the Company. The Company may also make non-elective contributions to participants' accounts. Participant contributions and the earnings thereon are fully vested upon contribution. Participants become vested in the matching and non-elective contributions upon completion of two and three years of service, respectively. Forfeited contributions made by the Company are not used to reduce the existing level of contributions; forfeited contributions are used to reduce future matching contributions and/or administrative expenses.

In connection with this plan, the Company recognized an expense of US$4.8 million and US$4.5 million for the years ended December 31, 2024 and December 31, 2023, respectively. Forfeited contributions were inconsequential for the periods presented.

15. TRADE AND OTHER PAYABLES

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Accounts payable	**511.5**	500.4
Accrued restructuring	**0.8**	5.7
Other payables and accruals	**190.7**	198.9
Other tax payables	**9.1**	20.1
Total trade and other payables	**712.1**	725.1

Included in accounts payable are trade payables with the following aging analysis by due date of the respective invoice:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Current	**372.6**	351.8
0 – 30 days past due	**20.4**	20.8
Greater than 30 days past due	**2.5**	7.8
Total trade payables	**395.5**	380.4

16. CONTINGENT LIABILITIES

In the ordinary course of business, the Company is subject to various forms of litigation and legal proceedings. The facts and circumstances relating to particular cases are evaluated in determining whether it is more likely than not that there will be a future outflow of funds and, once established, whether a provision relating to specific litigation is sufficient. The Company records provisions based on its past experience and on facts and circumstances known at each reporting date. The provision charge is typically recognized within general and administrative expenses in the consolidated statements of income. When the date of the settlement of an obligation is not reliably measurable, the provisions are not discounted and are classified in current liabilities.

The Company did not settle any material litigation for the years ended December 31, 2024 and December 31, 2023.

17. LEASES

(a) Lease Right-of-use Assets

The following table sets forth a breakdown of IFRS 16 lease right-of-use asset additions, amortization expenses and impairment reversals for the year ended December 31, 2024 and December 31, 2023 and the carrying amount of lease right-of-use assets by class of underlying asset as of December 31, 2024 and December 31, 2023:

(Expressed in millions of US Dollars)	**Real Estate**	**Other**	**Total**
For the year ended December 31, 2024:			
Additions of lease right-of-use assets	**215.5**	**5.7**	**221.2**
Amortization expense of lease right-of-use assets	**146.6**	**3.4**	**150.0**
Impairment reversals on lease right-of-use assets	**(5.1)**	**—**	**(5.1)**
Balance at December 31, 2024:			
Carrying value of lease right-of-use assets	**491.3**	**7.9**	**499.2**

17. LEASES (Continued)

(a) Lease Right-of-use Assets (Continued)

(Expressed in millions of US Dollars)	Real Estate	Other	Total
For the year ended December 31, 2023:			
Additions of lease right-of-use assets	247.9	3.5	251.4
Amortization expense of lease right-of-use assets	130.4	3.1	133.5
Balance at December 31, 2023:			
Carrying value of lease right-of-use assets	429.8	6.0	435.8

In accordance with IAS 36, the Company is required to evaluate its CGUs for potential impairment whenever events or changes in circumstance indicate that their carrying amount might not be recoverable. If there are changes in circumstance that indicate that the recoverable amount of an asset or CGU exceeds the net impaired carrying value, an impairment reversal would be recognized, where applicable.

2024 Impairment Reversals

Based on an evaluation of company-operated retail stores for the year ended December 31, 2024, the Company's management determined that the recoverable amount of certain stores within its retail store fleet, each of which represents an individual CGU, exceeded its corresponding net impaired carrying value, resulting in the reversal during the year ended December 31, 2024, of certain non-cash impairment charges that had previously been recorded during the year ended December 31, 2020. For the year ended December 31, 2024, the Company recognized a non-cash impairment reversal related to lease right-of-use assets totaling US$5.1 million.

For the year ended December 31, 2023, the Company determined there were no impairments of its lease right-of-use assets.

Expenses related to lease right-of-use assets have historically been classified as distribution expenses on the consolidated statements of income using the function of expense presentation method. The impairment reversals for the year ended December 31, 2024 were recorded in the Company's consolidated statements of income in the line item "Impairment Reversals" (see also note 5 Impairment and Impairment Reversals for further discussion).

17. LEASES (Continued)

(b) Lease Liabilities

The Company's IFRS 16 lease liabilities primarily consist of leases of retail stores, distribution centers, warehouses, office facilities, equipment and automobiles. As of December 31, 2024 and December 31, 2023, future minimum contractual payments under lease liabilities were as follows:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Within one year	**175.5**	159.9
After one year but within two years	**142.9**	131.7
After two years but within five years	**247.1**	212.7
More than five years	**82.7**	75.1
Total future minimum payments under lease liabilities[1]	**648.2**	579.3

Note

(1) Future minimum payments under lease liabilities represent contractual future cash payments consisting of principal and interest. The future minimum payments under lease liabilities will not equal the lease liabilities presented on the consolidated statements of financial position due to the interest component of the liability.

(c) Short-term, Low-value and Variable Lease Payments

Under IFRS 16, a majority of the Company's leases are recognized on the consolidated statements of financial position. The only exceptions are short-term leases (lease periods that are twelve months or less), low-value leases (leases that are US$5,000 or less) and the current and anticipated expenses relating to variable lease payments not included in the measurement of lease liabilities.

The rental cost for short-term, low-value and current expense for variable lease payments are recorded as incurred to rent expense and amounted to US$55.1 million and US$61.2 million for the year ended December 31, 2024 and December 31, 2023, respectively. Certain of the retail store leases provide for additional rent payments based on a percentage of sales. These additional variable rent payments amounted to US$40.0 million and US$43.7 million for the years ended December 31, 2024 and December 31, 2023, respectively.

As of December 31, 2024 and December 31, 2023, future minimum contractual payments under short-term and low-value lease payments were as follows:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Within one year	**2.7**	2.8
Total future minimum payments under short-term and low-value leases	**2.7**	2.8

17. LEASES (Continued)

(d) Total Cash Outflows for Leases

The following table sets forth a breakdown of total cash outflows for the years ended December 31, 2024 and December 31, 2023 related to IFRS 16 lease liabilities and those leases exempt from capitalization under IFRS 16:

	Year ended December 31, 2024		
(Expressed in millions of US Dollars)	**Lease liabilities**	**Short-term, low-value and variable leases**	**Total cash outflow for leases**
Principal payments on lease liabilities	**142.3**	**—**	**142.3**
Interest paid on lease liabilities	**35.0**	**—**	**35.0**
Rent expense – short-term, variable and low value leases[1]	**—**	**55.1**	**55.1**
Contingent rent	**—**	**40.0**	**40.0**
Total cash outflow	**177.3**	**95.2**	**272.4**

	Year ended December 31, 2023		
(Expressed in millions of US Dollars)	Lease liabilities	Short-term, low-value and variable leases	Total cash outflow for leases
Principal payments on lease liabilities	139.6	—	139.6
Interest paid on lease liabilities	27.7	—	27.7
Rent expense – short-term, variable and low value leases[1]	—	61.2	61.2
Contingent rent	—	43.7	43.7
Total cash outflow	167.3	104.9	272.1

Note

(1) Reflects costs for leases that did not qualify for capitalization under IFRS 16.

18. INCOME TAXES

(a) Taxation in the Consolidated Statements of Income

Taxation in the consolidated statements of income for the years ended December 31, 2024 and December 31, 2023 consisted of the following:

	Year ended December 31,	
(Expressed in millions of US Dollars)	**2024**	2023
Current tax expense – Hong Kong Profits Tax:		
Current period	**(0.3)**	(0.9)
Current tax expense – foreign:		
Current period	**(92.2)**	(118.8)
Global Minimum Top-up Tax	**(1.9)**	—
Changes in estimates related to prior years	**(0.7)**	(4.5)
Total current tax expense – foreign	**(94.8)**	(123.3)
Total current tax expense	**(95.1)**	(124.2)
Deferred tax benefit (expense):		
Origination and reversal of temporary differences	**(20.4)**	(24.9)
Current year losses for which no deferred tax assets are recognized	**(2.7)**	(0.1)
Recognition of previously unrecognized losses	**3.5**	21.2
Change in recognized temporary differences and tax credits	**0.6**	1.6
Change in tax rate	**(4.2)**	(8.2)
Total deferred tax expense	**(23.2)**	(10.4)
Total income tax expense	**(118.3)**	(134.6)

The Company recorded income tax expense of US$118.3 million for the year ended December 31, 2024, compared to income tax expense of US$134.6 million for the year ended December 31, 2023. The income tax expense recorded during the year ended December 31, 2024 was due mainly to the US$490.8 million reported profit before income tax, combined with tax impacts from changes in tax reserves, unrealized foreign exchange, income tax interest receivable, and the profit mix between high and low tax jurisdictions. The income tax expense recorded during the year ended December 31, 2023 was due mainly to the US$564.9 million reported profit before income tax, combined with tax impacts from changes in unrecognized deferred tax assets, and the profit mix between high and low tax jurisdictions.

Deferred tax assets in each jurisdiction are analyzed for recoverability at each reporting date and derecognized to the extent that it is no longer probable that the assets will be utilized in future taxable periods. The analysis considers both positive and negative evidence. In 2024, the Company's results showed an increase in certain jurisdictional profit before income tax reported during the year. As a result, the Company recognized only certain deferred tax assets in the amount of US$1.4 million. In 2023, the Company's results showed an increase in profit before income tax reported during the year. As a result, the Company began to recognize certain deferred tax assets that were previously unrecognized in the amount of US$22.7 million.

18. INCOME TAXES (Continued)

Excluding the effect of the changes in tax reserves, unrealized foreign exchange, and income tax interest receivable the consolidated effective tax rate for operations would have been 26.4% for the year ended December 31, 2024. Excluding the effect of the changes in unrecognized deferred tax assets, the consolidated effective tax rate for operations would have been 27.8% for the year ended December 31, 2023. The decrease in the Company's effective tax rate as adjusted for changes in tax reserves and changes in unrecognized deferred tax assets was mainly the result of changes in the profit mix between high and low tax jurisdictions.

The provision for Hong Kong Profits Tax for the years ended December 31, 2024 and December 31, 2023 was calculated at an effective tax rate of 16.5% of the estimated assessable profits for the year. Taxation for overseas subsidiaries was charged at the appropriate current rates of taxation in the relevant countries.

(b) Reconciliation Between Tax Expense and Profit Before Taxation at Applicable Tax Rates

	Year ended December 31,	
(Expressed in millions of US Dollars)	**2024**	2023 As Adjusted[1]
Profit for the year[1]	**372.6**	430.3
Total income tax expense	**(118.3)**	(134.6)
Profit before income tax[1]	**490.8**	564.9
Income tax expense using the Company's applicable tax rate[2]	**(109.0)**	(123.5)
Tax incentives	**2.0**	2.4
Change in tax rates – other	**(4.2)**	(8.2)
Change in tax reserves	**2.5**	(1.8)
Permanent differences	**(6.6)**	(16.6)
Change in tax effect of undistributed earnings	**(1.3)**	(2.2)
Current year losses for which no deferred tax assets are recognized	**(2.7)**	(0.1)
Recognition of previously unrecognized tax losses	**3.5**	21.2
Change in recognized temporary differences	**0.6**	1.6
Share-based compensation	**(5.2)**	1.7
Withholding taxes – net of credits	**(5.8)**	(4.8)
Unrealized foreign exchange	**4.8**	1.8
Income tax interest receivable	**4.0**	—
Global Minimum Top-up Tax	**(1.9)**	—
Other	**1.7**	(1.6)
Over (under) provided in prior periods	**(0.7)**	(4.5)
	(118.3)	(134.6)

Notes

(1) Effective since the third quarter of 2024, the Company voluntarily made a change in accounting policy related to the recognition of the subsequent changes in the fair value of put option financial liabilities associated with the non-controlling interests in certain of the Company's majority owned subsidiaries. The impact of adopting this change in accounting policy has been applied retrospectively and the comparative period in 2023 has been adjusted. All other financial statement captions for the year ended December 31, 2023, in this table that have not been identified with this footnote were not impacted by this policy change. See note 2(e) Voluntary Change in Accounting Policy to the consolidated financial statements for further discussion on this voluntary change in accounting policy.

(2) The applicable tax rate is the weighted average income tax rate.

18. INCOME TAXES (Continued)

The Company's consolidated effective tax rate for operations was 24.1% and 23.8% for the years ended December 31, 2024 and December 31, 2023, respectively. The effective tax rate is calculated using a weighted average income tax rate from those jurisdictions in which the Company is subject to tax, adjusted for permanent book/tax differences, tax incentives, changes in tax reserves and changes in unrecognized deferred tax assets. This weighted average income tax rate is calculated using the profit before tax for each jurisdiction in which the Company is subject to tax, multiplied by the applicable national and local tax rates in each such jurisdiction. The total of these taxes is then divided by the Company's consolidated profit before tax to determine the weighted average worldwide tax rate. The increase in the Company's effective tax rate year-over-year was mainly the result of (i) changes in tax reserves, (ii) unrealized foreign exchange, (iii) income tax interest receivable, and (iv) changes in the profit mix between high and low tax jurisdictions.

The provision for taxation for the years ended December 31, 2024 and December 31, 2023 was calculated using the Company's applicable tax rate of 22.2% and 21.9%, respectively. The applicable rate was based on the Company's weighted average worldwide tax rate.

Uncertain Tax Treatments

In the ordinary course of business, the Company is subject to various forms of tax examination and audits. The facts and circumstances relating to particular examinations are evaluated in determining whether it is probable that the tax treatments will be accepted by the tax authorities and, if not probable, whether a tax reserve relating to specific uncertain tax treatments is required. The Company records tax reserves based on the expected value or most likely amount of the uncertainty. The Company relies on its past experience and on facts and circumstances known at each reporting date. The provision charge and applicable interest and penalties are recognized within current income tax expense in the consolidated statements of income.

(c) Income Tax Benefit (Expense) Recognized in Other Comprehensive Income

	Year ended December 31, 2024			Year ended December 31, 2023		
(Expressed in millions of US Dollars)	**Before tax**	**Income tax benefit (expense)**	**Net of tax**	Before tax	Income tax benefit (expense)	Net of tax
Remeasurements on defined benefit plans	**1.8**	**(0.4)**	**1.4**	(3.4)	0.8	(2.6)
Changes in fair value of hedges	**(12.9)**	**3.3**	**(9.7)**	(14.9)	3.8	(11.1)
Foreign currency translation gains for foreign operations	**(54.5)**	**—**	**(54.5)**	(7.5)	—	(7.5)
	(65.6)	**2.8**	**(62.8)**	(25.8)	4.6	(21.2)

18. INCOME TAXES (Continued)

(d) Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities were attributable to the following:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Deferred tax assets:		
Allowance for credit losses	**4.8**	5.4
Inventories	**36.8**	21.2
Lease liabilities	**119.3**	117.8
Property, plant and equipment	**11.3**	10.5
Intangible assets	**24.1**	36.2
Pension and post-retirement benefits	**5.3**	13.6
Share-based compensation	**6.5**	10.9
Tax losses	**40.5**	66.8
Reserves	**38.1**	44.3
Financing charges[1]	**18.8**	15.4
Tax credits	**0.2**	2.7
Other	**5.5**	6.0
Set off of tax[2]	**(145.5)**	(160.0)
Total gross deferred tax assets	**165.7**	190.8
Deferred tax liabilities:		
Lease right-of-use assets	**(105.3)**	(99.6)
Property, plant and equipment	**(2.8)**	(3.4)
Intangible assets	**(198.0)**	(202.1)
Deferred gain on legal entity reorganization	**(17.8)**	(20.4)
Other	**(11.9)**	(21.0)
Set off of tax[2]	**145.5**	160.0
Total gross deferred tax liabilities	**(190.3)**	(186.5)
Net deferred tax (liability) asset	**(24.6)**	4.3

Notes

(1) Relates to deferred financing charges and interest expense limitation.

(2) Relates to jurisdictional netting of deferred tax assets and liabilities.

18. INCOME TAXES (Continued)

The movement in temporary differences for the years ended December 31, 2024 and December 31, 2023 was:

(Expressed in millions of US Dollars)	**Balance, January 1, 2024**	**Recognized in profit or loss**	**Recognized in equity[3]**	**Other[4]**	**Balance, December 31, 2024**
Allowance for credit losses	**5.4**	**(0.3)**	**—**	**(0.3)**	**4.8**
Inventories	**21.2**	**16.1**	**—**	**(0.5)**	**36.8**
Lease liabilities[1]	**117.8**	**6.3**	**—**	**(4.8)**	**119.3**
Lease right-of-use assets[1]	**(99.6)**	**(9.7)**	**—**	**4.0**	**(105.3)**
Property, plant and equipment[1]	**7.1**	**1.3**	**—**	**0.1**	**8.5**
Intangible assets[1]	**(165.8)**	**(5.6)**	**—**	**(2.5)**	**(173.9)**
Pension and post-retirement benefits	**13.6**	**(7.6)**	**(0.4)**	**(0.3)**	**5.3**
Share-based compensation	**10.9**	**(4.4)**	**—**	**—**	**6.5**
Tax losses	**66.8**	**(24.0)**	**—**	**(2.3)**	**40.5**
Reserves	**44.3**	**(4.2)**	**—**	**(2.0)**	**38.1**
Financing charges[2]	**13.8**	**5.4**	**—**	**(0.4)**	**18.8**
Deferred gain on legal entity reorganization	**(20.4)**	**2.6**	**—**	**—**	**(17.8)**
Tax credits	**2.7**	**(2.5)**	**—**	**—**	**0.2**
Other	**(13.5)**	**3.4**	**3.3**	**0.4**	**(6.4)**
Net deferred tax asset (liability)	**4.3**	**(23.2)**	**2.8**	**(8.5)**	**(24.6)**

Notes

(1) Includes 2024 impairment reversals, excluding goodwill.

(2) Relates to deferred financing charges and interest expense limitation.

(3) Income tax benefit of US$2.8 million recognized in other comprehensive income.

(4) Other comprises primarily foreign exchange rate effects.

(Expressed in millions of US Dollars)	Balance, January 1, 2023	Recognized in profit or loss	Recognized in equity[3]	Other[4]	Balance, December 31, 2023
Allowance for credit losses	4.3	1.1	—	0.0	5.4
Inventories	13.6	7.2	—	0.4	21.2
Lease liabilities[1]	74.5	44.6	—	(1.3)	117.8
Lease right-of-use assets[1]	(57.5)	(42.9)	—	0.8	(99.6)
Property, plant and equipment[1]	7.4	(0.5)	—	0.2	7.1
Intangible assets[1]	(131.9)	(34.8)	—	0.9	(165.8)
Pension and post-retirement benefits	7.9	4.7	0.8	0.2	13.6
Share-based compensation	3.1	7.8	—	0.0	10.9
Tax losses	63.6	2.3	—	0.9	66.8
Reserves	26.9	19.1	—	(1.7)	44.3
Financing charges[2]	10.7	2.9	—	0.2	13.8
Deferred gain on legal entity reorganization	(22.3)	1.9	—	0.0	(20.4)
Tax credits	17.2	(14.5)	—	0.0	2.7
Other	(5.6)	(9.3)	3.8	(2.4)	(13.5)
Net deferred tax asset (liability)	11.9	(10.4)	4.6	(1.8)	4.3

Notes

(1) Includes 2023 impairment reversals, excluding goodwill.

(2) Relates to deferred financing charges and interest expense limitation.

(3) Income tax benefit of US$4.6 million recognized in other comprehensive income.

(4) Other comprises primarily foreign exchange rate effects.

18. INCOME TAXES (Continued)

Unrecognized Deferred Tax Assets

Deferred tax assets have not been recognized in respect of the following items:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Tax losses	**148.1**	125.5
Other deferred tax assets	**32.5**	45.4
Balance at end of year	**180.6**	170.9

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits from them.

Available tax losses (recognized and unrecognized):

	December 31, 2024		December 31, 2023			
(Expressed in millions of US Dollars)	**Recognized**	**Unrecognized**	Recognized	Unrecognized	**Life of tax losses**	**Expires if not used by[1]**
North America	**3.4**	**1.6**	1.7	—	Definite	2025 – 2044
North America	**1.0**	**—**	0.8	—	Indefinite	n/a
Asia	**7.7**	**12.7**	13.2	14.2	Definite	2025 – 2034
Asia	**202.6**	**41.9**	210.1	25.4	Indefinite	n/a
Europe	**—**	**63.3**	—	60.7	Definite	2025 – 2041
Europe	**0.5**	**0.5**	74.1	0.5	Indefinite	n/a
Latin America	**16.4**	**0.6**	29.5	0.8	Definite	2025 – 2036
Latin America	**4.3**	**27.5**	7.1	23.9	Indefinite	n/a
Total	**235.9**	**148.1**	336.5	125.5		

Notes

(1) Applies to December 31, 2024 balances.

n/a Not applicable.

Unrecognized Deferred Tax Liabilities

As of December 31, 2024 and December 31, 2023, a deferred tax liability of US$49.2 million and US$61.8 million, respectively, related to investments in subsidiaries is not recognized because the Company controls whether the liability will be incurred and it is satisfied that the temporary difference will not be reversed in the foreseeable future.

Global Minimum Top-up Tax

The Company is subject to the global minimum top-up tax under Pillar Two tax legislation. The top-up tax relates to the Company's operations in Panama, Argentina, Hungary, Poland, Switzerland, and United Arab Emirates, where either the statutory tax rate is below 15% or where the Company receives government support through additional tax deductions that reduce its effective tax rate below 15%. The Company recognized a current tax expense of approximately US$1.9 million for the year ended December 31, 2024. The Company did not recognize any current tax expense for the year ended December 31, 2023.

The Company has applied a temporary mandatory relief from deferred tax accounting for impacts of the top-up tax and accounts for it as a current tax when incurred.

19. FINANCE INCOME AND COSTS

The following table presents a summary of finance income and finance costs recognized in the consolidated statements of income and consolidated statements of comprehensive income:

(Expressed in millions of US Dollars)	Year ended December 31, 2024	2023 As Adjusted[1]
Recognized in income or loss:		
Interest income	**13.6**	14.3
Total finance income	**13.6**	14.3
Interest expense on loans and borrowings	**(95.5)**	(101.8)
Derecognition of deferred financing costs associated with refinancing	**(9.5)**	(4.4)
Amortization of deferred financing costs associated with the Senior Credit Facilities	**(2.7)**	(3.4)
Interest expense on lease liabilities	**(35.0)**	(27.7)
Change in the fair value of put options[1]	**0.9**	(41.9)
Net foreign exchange loss	**(6.7)**	(10.2)
Other finance costs	**(3.5)**	(3.6)
Total finance costs[1]	**(152.0)**	(193.1)
Net finance costs recognized in profit or loss[1]	**(138.4)**	(178.8)
Recognized in other comprehensive income (loss):		
Foreign currency translation losses for foreign operations	**(54.5)**	(7.5)
Changes in fair value of hedges	**(12.9)**	(14.9)
Income tax benefit on finance income and finance costs recognized in other comprehensive income	**3.3**	3.8
Net finance costs recognized in total other comprehensive income (loss), net of tax	**(64.2)**	(18.6)
Attributable to:		
Equity holders of the Company	**(58.9)**	(16.9)
Non-controlling interests	**(5.3)**	(1.7)

Note

(1) Effective since the third quarter of 2024, the Company voluntarily made a change in accounting policy related to the recognition of the subsequent changes in the fair value of put option financial liabilities associated with the non-controlling interests in certain of the Company's majority owned subsidiaries. The impact of adopting this change in accounting policy has been applied retrospectively and the comparative period in 2023 has been adjusted. All other financial statement captions for the year ended December 31, 2023, in this table that have not been identified with this footnote were not impacted by this policy change. See note 2(e) Voluntary Change in Accounting Policy to the consolidated financial statements for further discussion on this voluntary change in accounting policy.

20. ADDITIONAL DISCLOSURE OF CERTAIN EXPENSES

Profit before income tax was arrived at after recognizing the following expenses for the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31,	
(Expressed in millions of US Dollars)	**2024**	2023
Depreciation of fixed assets	**51.7**	39.8
Amortization of intangible assets	**20.3**	19.0
Amortization of lease right-of-use assets	**150.0**	133.5
Impairment Reversals	**(5.1)**	(84.0)
Employee benefits expense	**518.8**	512.3
Auditors' remuneration	**11.7**	7.2
Research and development	**20.2**	19.8
Rent expense[1]	**75.1**	75.5

Note

(1) Rent expense for the years ended December 31, 2024 and December 31, 2023 represents those contracts/agreements which are not recognized on the consolidated statements of financial position in accordance with IFRS 16, including month-to-month contracts, certain shop-in-shop arrangements and variable rent agreements.

The fees in relation to the audit and related services for the years ended December 31, 2024 and December 31, 2023, provided by KPMG Audit S.à r.l. and its foreign member firms, the external auditors of the Group, were as follows:

	Year ended December 31,	
(Expressed in millions of US Dollars)	**2024**	2023
Legal annual audit fees and interim services[1]	**8.1**	5.9
Fees for tax services	**1.2**	1.0
Other non-audit fees[2]	**2.4**	0.3
Total	**11.7**	7.2

Notes

(1) "Legal annual audit fees and interim services" are comprised of fees for each of the years listed for professional services rendered by KPMG LLP and its foreign member firms for the audit of the Company's annual consolidated financial statements, audits of the statutory financial statements of certain global subsidiaries, and the review of the Company's interim condensed consolidated financial statements. During the year ended December 31, 2024, fees also included audit services performed in connection with the preparation of a potential dual listing of the Company's securities in the United States.

(2) "Other non-audit fees" are primarily comprised of fees associated with certain diligence and process assessment projects, as well as various global statutory certification and other projects. During the year ended December 31, 2024, other non-audit fees also included advisory services rendered related to the preparation of a potential dual listing of the Company's securities in the United States, which resulted in the increase in fees for other non-audit related services compared to the year ended December 31, 2023.

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(a) Risk Management

The Company's Board of Directors is responsible for ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board of Directors has delegated to the Audit Committee the responsibility for reviewing the Company's risk management and internal control systems. The Company's management, under the oversight of the Board of Directors, is responsible for the design, implementation and monitoring of the Company's risk management and internal control systems.

(b) Exposure to Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. Maximum exposure is limited to the carrying amounts of the financial assets presented in the consolidated financial statements.

Trade and Other Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and the country in which customers operate, as these factors may have an influence on credit risk. The percentage of the Company's net sales that were attributable to the Company's five largest customers was less than 30% for the years ended December 31, 2024 and December 31, 2023. The percentage of the Company's net sales that were attributable to the Company's largest customer was less than 10% for the years ended December 31, 2024 and December 31, 2023. There were no concentrations of credit risk associated with any single customer on the Company's sales for the periods presented or trade and other receivables as of December 31, 2024 and December 31, 2023. Geographically, there is no concentration of credit risk.

The Company has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including aging profile, and existence of previous financial difficulties. Trade and other receivables relate mainly to the Company's wholesale customers. Customers that are graded as "high risk" are placed on credit hold and monitored by the Company, and future sales are made on an approval basis.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Trade and other receivables	**325.3**	319.6

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Asia	**114.1**	129.6
North America	**119.6**	95.7
Europe	**51.3**	51.1
Latin America	**28.4**	27.7
Total trade receivables	**313.4**	304.1

(c) Exposure to Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities.

The Company's primary sources of liquidity are its cash flows from operating activities, invested cash, available lines of credit (see note 13 Loans and Borrowings) and, subject to shareholder approval, its ability to issue additional shares. The Company believes that its existing cash and estimated cash flows, along with current working capital and access to financing, will be sufficient to meet its foreseeable future operating and capital requirements for the next twelve months and future periods.

The following tables summarize the scheduled maturities of the Company's contractual obligations for which cash flows are fixed and determinable as of December 31, 2024 and December 31, 2023. The tables also indicate the periods in which the cash flows associated with derivatives, that are cash flow hedges, are expected to occur and impact profit or loss:

	December 31, 2024					
(Expressed in millions of US Dollars)	Carrying amount	Contractual cash flows	Less than one year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities:						
Senior Credit Facilities[1]	1,360.3	1,670.3	112.8	116.8	954.4	486.3
Senior Notes[1], [2]	361.6	380.0	12.9	367.1	—	—
Other borrowings and obligations	49.0	49.0	49.0	—	—	—
Trade and other payables	712.1	712.1	712.1	—	—	—
Derivative financial instruments[3]:						
Foreign exchange forward contracts – assets	5.5	114.0	114.0	—	—	—
Interest rate swap agreements – liabilities[4]	2.2	21.6	18.6	3.0	—	—
Other:						
Open inventory purchase orders	—	480.9	480.7	0.2	—	—
Lease liabilities	551.9	648.2	175.5	142.9	247.1	82.7
Short-term and low-value leases	—	2.7	2.7	—	—	—

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

	December 31, 2023					
(Expressed in millions of US Dollars)	Carrying amount	Contractual cash flows	Less than one year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities:						
Senior Credit Facilities[1]	1,371.3	1,834.2	124.1	119.3	966.1	624.7
Senior Notes[1, 2]	385.0	418.8	13.7	13.7	391.4	—
Other borrowings and obligations	50.7	50.7	50.7	—	—	—
Trade and other payables	725.1	725.1	725.1	—	—	—
Derivative financial instruments[3]:						
Interest rate swap agreements – assets[4]	14.1	4.2	4.2	—	—	—
Foreign exchange forward contracts – liabilities	1.4	104.2	104.2	—	—	—
Other:						
Open inventory purchase orders	—	466.6	463.9	2.6	—	—
Lease liabilities	489.0	579.3	159.9	131.7	212.7	75.1
Short-term and low-value leases	—	2.8	2.8	—	—	—

Notes

(1) The carrying amounts for the Senior Credit Facilities and the Senior Notes as of December 31, 2024 and December 31, 2023 represent the principal balance less remaining deferred financing costs.

(2) The value of the Senior Notes, when translated from euros into US Dollars, will change relative to the fluctuation in the exchange rate between the euro and US Dollar at stated points in time.

(3) The future cash flows on derivative instruments may be different from the amount in the tables above as interest rates and foreign exchange rates change.

(4) See note 13(a) Non-current Obligations for further details on interest rate swaps in effect during the year.

(d) Exposure to Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Company periodically buys and sells financial derivatives, such as forward purchase contracts for hedging purposes, in order to manage market risks.

(i) Currency Risk

The Company is exposed to currency risk on purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company's subsidiaries.

The Company periodically uses forward exchange contracts to hedge its exposure to currency risk on product purchases denominated in a currency other than the respective functional currency of the Company's subsidiaries. The forward exchange contracts typically have maturities of less than one year.

Interest on borrowings is typically denominated in the local currency of the borrowing. Borrowings are generally denominated in currencies that match the cash flows generated by the underlying operations of the borrowing entity.

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

The Company's exposure to currency risk arising from the currencies that more significantly affect the Company's financial performance was as follows based on notional amounts of items with the largest exposure:

	December 31, 2024				
	Euro (Euro millions)	**Renminbi (RMB millions)**	**Indian Rupee (INR millions)**	**Won (KRW millions)**	**Yen (JPY millions)**
Cash	**184.0**	**150.1**	**3,195.2**	**16,764.7**	**2,081.5**
Trade and other receivables, net	**43.2**	**207.2**	**895.7**	**19,809.9**	**2,653.8**
Inter-company receivables (payables)	**(1.6)**	**(49.0)**	**(83.5)**	**(6,553.3)**	**(2,457.1)**
Trade and other payables	**(87.5)**	**(154.7)**	**(1,350.5)**	**(2.4)**	**(51.3)**
Statement of financial position exposure	**138.0**	**153.7**	**2,657.1**	**30,018.9**	**2,226.9**

	December 31, 2023				
	Euro (Euro millions)	Renminbi (RMB millions)	Indian Rupee (INR millions)	Won (KRW millions)	Yen (JPY millions)
Cash	164.8	126.0	2,399.4	21,530.6	1,796.0
Trade and other receivables, net	41.8	200.3	1,399.3	23,504.7	2,364.7
Inter-company receivables (payables)	(2.5)	43.0	41.9	(5,349.0)	(2,109.3)
Trade and other payables	(73.3)	(200.2)	(1,819.1)	(76.7)	(49.7)
Statement of financial position exposure	130.7	169.1	2,021.6	39,609.6	2,001.8

The following exchange rates applied to the currencies noted above during the year:

	Average rate		**Reporting date spot rate**	
	2024	2023	**2024**	2023
Euro	**1.0808**	1.0809	**1.0354**	1.1037
Renminbi	**0.1392**	0.1414	**0.1370**	0.1409
Indian Rupee	**0.0119**	0.0121	**0.0117**	0.0120
Korean Won	**0.0007**	0.0008	**0.0007**	0.0008
Japanese Yen	**0.0066**	0.0071	**0.0064**	0.0071

Foreign Currency Sensitivity Analysis

If each of the above currencies that more significantly affects the Company's financial performance had strengthened by 10% against the US Dollar, profit (loss) for the years ended December 31, 2024 and December 31, 2023 and equity as of December 31, 2024 and December 31, 2023 would have increased (decreased) by:

	Profit for the year ended December 31,		**Equity as of December 31,**	
(Expressed in millions of US Dollars)	**2024**	2023	**2024**	2023
Euro	**11.1**	9.3	**64.6**	61.4
Renminbi	**3.1**	3.7	**7.0**	7.6
Indian Rupee	**0.9**	2.6	**7.7**	7.5
Korean Won	**1.2**	1.9	**6.6**	7.5
Japanese Yen	**1.8**	2.0	**2.9**	1.5

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

The analysis assumes that all other variables, in particular interest rates, remain constant. A 10% weakening against the US Dollar in each of the above currencies that more significantly affects the Company's financial performance would have an equal but opposite impact on profit for the year and equity as of these reporting dates.

(ii) Interest Rate Risk

The Company monitors its exposure to changes in interest rates on borrowings on variable-rate debt instruments. From time to time, the Company enters into interest rate swap agreements to manage interest rate risk. See note 13(a) Non-current Obligations for further details on interest rate swaps in effect during the year.

The interest rate profile of the Company's interest-bearing financial instruments was:

(Expressed in millions of US Dollars)	**December 31, 2024**	December 31, 2023
Variable-rate instruments:		
Financial assets	**17.9**	26.6
Financial liabilities[1]	**(1,416.5)**	(1,437.7)
Total variable-rate instruments	**(1,398.6)**	(1,411.2)
Fixed-rate instruments:		
Interest rate swap agreements – assets	**—**	14.1
Interest rate swap agreements – liabilities	**(2.2)**	—
Financial liabilities[2]	**(362.4)**	(386.3)
Total fixed-rate instruments	**(364.6)**	(372.2)

Notes

(1) Primarily reflects the Senior Credit Facilities as of December 31, 2024 and December 31, 2023.

(2) Primarily reflects the Senior Notes.

Sensitivity Analysis for Variable-rate Instruments

If the benchmark interest rates on each of the Term Loan A Facility, 2024 Term Loan B Facility and Revolving Credit Facility increased by 100 basis points, with all other variables held constant, and in the absence of any interest rate swaps, the profit for the year would have decreased by US$10.8 million for the year ended December 31, 2024 and equity would have decreased by US$10.8 million as of December 31, 2024. A 100 basis point decrease in interest rates under each of the Term Loan A Facility, 2024 Term Loan B Facility and Revolving Credit Facility would have an equal but opposite impact on profit for the year and equity as of December 31, 2024.

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

If the benchmark interest rates on each of the Term Loan A Facility, Term Loan B Facility and Revolving Credit Facility increased by 100 basis points, with all other variables held constant, and in the absence of any interest rate swaps, the profit for the year would have decreased by US$10.1 million for the year ended December 31, 2023 and equity would have decreased by US$10.1 million as of December 31, 2023. A 100 basis point decrease in interest rates under each of the Term Loan A Facility, Term Loan B Facility and Revolving Credit Facility would have an equal but opposite impact on profit for the year and equity as of December 31, 2023.

Fair Value Sensitivity Analysis for Fixed-rate Instruments

The Company does not designate interest rate swap agreements as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the end of the reporting period would not affect profit or loss for fixed-rate instruments.

(e) Capital Management

The primary objective of the Company's capital management policies is to safeguard its ability to continue as a going concern, to provide returns for shareholders, to fund total capital expenditures, normal operating expenses and working capital needs, and to pay obligations. The primary source of cash is revenue from sales of the Company's products. The Company anticipates generating sufficient cash flow from operations in the majority of countries where it operates and will have sufficient available cash and ability to draw on credit facilities for funding to satisfy the working capital and financing needs.

The Company's capital needs are primarily managed through cash and cash equivalents (note 11), trade and other receivables (note 10), inventories (note 9), property, plant and equipment (note 6), trade and other payables (note 15) and loans and borrowings (note 13).

(f) Fair Value Versus Carrying Amounts

All financial assets and liabilities have fair values that approximate carrying amounts.

(g) Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS Accounting Standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The carrying amount of cash and cash equivalents, trade receivables, accounts payable, short-term debt, and accrued expenses approximates fair value because of the short maturity or duration of these instruments.

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

Loans and Borrowings

As of December 31, 2024, the fair value of the Term Loan A Facility, 2024 Term Loan B Facility and Senior Notes (see note 13 Loans and Borrowings for further discussion), including their respective current portions, was US$1,627.0 million. The difference between the fair value and carrying value of the Term Loan A Facility, 2024 Term Loan B Facility and Senior Notes is due to the Company's fixed and variable-rate debt obligations carrying interest rates that are above or below market rates at the measurement date. The fair value of these facilities was calculated based on estimated rates for the same or similar instruments with similar terms and remaining maturities, which represent Level 2 inputs in the fair value hierarchy.

The following table presents the estimated fair value of the Term Loan A Facility, 2024 Term Loan B Facility and Senior Notes as of December 31, 2024 and the Term Loan A Facility, Term Loan B Facility and Senior Notes as of December 31, 2023:

			Fair value measurements at reporting date using		
(Expressed in millions of US Dollars)	Carrying Amount	Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
December 31, 2024					
Term Loan A Facility	**770.0**	**768.1**	**—**	**768.1**	**—**
2024 Term Loan B Facility	**497.5**	**499.0**	**—**	**499.0**	**—**
Senior Notes[1]	**362.4**	**360.0**	**—**	**360.0**	**—**
Total	**1,629.9**	**1,627.0**	**—**	**1,627.0**	**—**
December 31, 2023					
Term Loan A Facility	790.0	772.2	—	772.2	—
Term Loan B Facility	597.0	597.2	—	597.2	—
Senior Notes[1]	386.3	379.5	—	379.5	—
Total	1,773.3	1,749.0	—	1,749.0	—

Note

(1) The value of the Senior Notes, when translated from euros into US Dollars, will change relative to the fluctuation in the exchange rate between the euro and US Dollar at stated points in time.

Derivatives

The fair value of forward exchange contracts is based on their listed market price. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). Call options are considered derivative financial assets and are recorded at fair value. The fair values of interest rate swap agreements and cross-currency swap agreements are based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair value estimates reflect the credit risk of the Company and counterparty.

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

Redeemable Non-controlling Interests

The Company has entered into agreements that include put and call option arrangements to sell and to acquire non-controlling interests in certain majority-owned subsidiaries exercisable at fair value at certain predetermined dates. Pursuant to these agreements, the Company has call options to acquire the remaining shares owned by the non-controlling interest holders and these non-controlling interest holders have put options to sell their ownership in these subsidiaries to the Company. In addition, the Company has the right to buy out these non-controlling interests in the event of termination of the underlying agreements. The table of contractual maturities (note 21(c) Exposure to Liquidity Risk) above does not include amounts for the repurchase of non-controlling interests as they do not represent contractual maturities.

The following table presents assets and liabilities that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) as of December 31, 2024 and December 31, 2023:

		Fair value measurements at reporting date using		
(Expressed in millions of US Dollars)	**December 31, 2024**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets:				
Foreign currency forward contracts	**5.5**	**5.5**	**—**	**—**
Total assets	**5.5**	**5.5**	**—**	**—**
Liabilities:				
Non-controlling interest put options	**126.0**	**—**	**—**	**126.0**
Interest rate swap agreements[1]	**2.2**	**—**	**2.2**	**—**
Total liabilities	**128.3**	**—**	**2.2**	**126.0**

		Fair value measurements at reporting date using		
(Expressed in millions of US Dollars)	December 31, 2023	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Interest rate swap agreements[1]	14.1	—	14.1	—
Total assets	14.1	—	14.1	—
Liabilities:				
Non-controlling interest put options	126.9	—	—	126.9
Foreign currency forward contracts	1.4	1.4	—	—
Total liabilities	128.3	1.4	—	126.9

Note

(1) The change in value of the interest rate swap agreements from December 31, 2023 to December 31, 2024 was due to changes in the LIBOR/SOFR curves.

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

The fair value of foreign currency forward contracts and interest rate swaps are estimated by reference to market quotations received from banks.

The Company maintains interest rate swaps which are used to hedge interest rate risk associated with the Senior Credit Facilities. See note 13(a) Non-current Obligations for further discussion. Since the interest rate swap fair values are based predominantly on observable inputs, such as the interest yield curve, that are corroborated by market data, they are categorized as Level 2 in the fair value hierarchy.

Certain non-US subsidiaries of the Company periodically enter into forward contracts related to the purchase of inventory denominated primarily in US Dollars which are designated as cash flow hedges. The hedging effectiveness was evaluated in accordance with IFRS 9, *Financial Instruments*. The fair value of these instruments was an asset of US$5.5 million and a liability of US$1.4 million as of December 31, 2024 and December 31, 2023, respectively.

The following table shows the valuation technique used in measuring the Level 3 fair value, as well as the significant unobservable inputs used:

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Put options	*Income approach* – The valuation model converts future amounts based on an EBITDA multiple to a single current discounted amount reflecting current market expectations about those future amounts.	EBITDA Multiple	The estimated value would increase (decrease) if the EBITDA multiple was higher (lower).

The following table shows the reconciliation from the opening balance to the closing balance for Level 3 fair values:

(Expressed in millions of US Dollars)	
Balance at January 1, 2023	85.0
Change in fair value included in finance costs	41.9
Balance at December 31, 2023 and January 1, 2024	126.9
Change in fair value included in finance costs	**(0.9)**
Balance at December 31, 2024	**126.0**

For the fair value of put options, reasonably possible changes to one of the significant unobservable inputs, holding other inputs constant, would have the following effects at December 31, 2024:

	December 31, 2024		December 31, 2023	
	Profit or Loss		Profit or Loss	
(Expressed in millions of US Dollars)	**Increase**	**Decrease**	Increase	Decrease
EBITDA multiple (movement of 0.1x)	**3.5**	**(3.5)**	3.5	(3.5)

Fair value estimates are made at a specific point in time based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

22. RELATED PARTY TRANSACTIONS

(a) Transactions with Key Management Personnel

In addition to their cash compensation, the Company also provides non-cash benefits to certain directors and other key management personnel and may contribute to post-employment plans on their behalf.

Key management personnel are comprised of the Company's directors and senior management team. Compensation paid to key management personnel for the years ended December 31, 2024 and December 31, 2023 comprised:

	Year ended December 31,	
(Expressed in millions of US Dollars)	**2024**	2023
Director's fees	**1.4**	1.4
Salaries, allowances and other benefits in kind	**5.8**	7.0
Bonus[1]	**10.1**	9.6
Share-based compensation[2]	**12.1**	14.8
Contributions to post-employment plans	**0.2**	0.7
Total compensation	**29.7**	33.6

Notes

(1) Bonus or other approved compensation arrangements reflect amounts paid during the period and are generally based on the performance of the Company for the previous year.

(2) Share-based compensation amounts reported represent the expense taken during the period of awards granted previously.

(b) Directors' Remuneration

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation:

	Year ended December 31, 2024					
(Expressed in millions of US Dollars)	Directors' fees	Salaries, allowances and other benefits in kind	Bonus[1]	Share-based compensation expense[2]	Contributions to post-employment plans	Total
Executive Director						
Kyle Gendreau	–	1.5	4.2	6.0	0.0	11.8
Non-Executive Director						
Timothy Parker	0.5	–	–	–	–	0.5
Independent Non-Executive Directors						
Claire Marie Bennett	0.1	–	–	–	–	0.1
Angela Iris Brav	0.1	–	–	–	–	0.1
Paul Etchells	0.2	–	–	–	–	0.2
Jerome Griffith	0.2	–	–	–	–	0.2
Tom Korbas	0.1	–	–	–	–	0.1
Ying Yeh	0.1	–	–	–	–	0.1
Total	1.4	1.5	4.2	6.0	0.0	13.2

Notes

(1) Bonus or other approved compensation arrangements reflect amounts paid during the period and are generally based on the performance of the Company for the previous year.

(2) Share-based compensation amounts reported represent the expense taken during the period of awards granted previously.

22. RELATED PARTY TRANSACTIONS (Continued)

	Year ended December 31, 2023					
(Expressed in millions of US Dollars)	Directors' fees	Salaries, allowances and other benefits in kind	Bonus[1]	Share-based compensation expense[2]	Contributions to post-employment plans	Total
Executive Director						
Kyle Gendreau	–	1.4	3.0	6.3	0.0	10.7
Non-Executive Director						
Timothy Parker	0.5	–	–	–	–	0.5
Independent Non-Executive Directors						
Claire Marie Bennett	0.1	–	–	–	–	0.1
Angela Iris Brav	0.1	–	–	–	–	0.1
Paul Etchells	0.2	–	–	–	–	0.2
Jerome Griffith	0.2	–	–	–	–	0.2
Tom Korbas	0.1	–	–	–	–	0.1
Ying Yeh	0.1	–	–	–	–	0.1
Total	1.4	1.4	3.0	6.3	0.0	12.1

Notes

(1) Bonus or other approved compensation arrangements reflect amounts paid during the period and are generally based on the performance of the Company for the previous year.

(2) Share-based compensation amounts reported represent the expense taken during the period of awards granted previously.

No director received any emoluments from the Company as an inducement to join or upon joining the Company for the years ended December 31, 2024 and December 31, 2023. No director received any compensation for the years ended December 31, 2024 and December 31, 2023 for the loss of office as a director of the Company or of any other office in connection with the management of the affairs of the Company. No director waived or agreed to waive any emoluments during the periods presented. No director received any loans from the Company for the years ended December 31, 2024 and December 31, 2023.

(c) Individuals with the Highest Emoluments

The five highest paid individuals of the Company included one director for the years ended December 31, 2024 and December 31, 2023 whose emoluments are disclosed above. Details of remuneration paid to the remaining highest paid individuals of the Company are as follows:

	Year ended December 31,	
(Expressed in millions of US Dollars)	**2024**	2023
Salaries, allowances and other benefits in kind	**2.6**	2.4
Bonus[1]	**4.0**	3.7
Share-based compensation expense[2]	**3.7**	4.5
Contributions to post-employment plans	**0.0**	0.1
Total	**10.3**	10.7

Notes

(1) Bonus or other approved compensation arrangements reflect amounts paid during the period and are generally based on the performance of the Company for the previous year.

(2) Share-based compensation amounts reported represent the expense taken during the period of awards granted previously.

22. RELATED PARTY TRANSACTIONS (Continued)

The emoluments of each individual for 2024 and 2023 fall within these ranges:

	Year ended December 31,	
	2024	2023
HK$17,000,000 – HK$17,500,000 (US$2,178,695 – US$2,242,774):	**2**	0
HK$17,500,000 – HK$18,000,000 (US$2,242,774 – US$2,306,853):	**1**	0
HK$18,000,000 – HK$18,500,000 (US$2,306,853 – US$2,370,932):	**0**	1
HK$18,500,000 – HK$19,000,000 (US$2,370,932 – US$2,435,012):	**0**	2
HK$27,000,000 – HK$27,500,000 (US$3,460,280 – US$3,524,359):	**1**	0
HK$28,000,000 – HK$28,500,000 (US$3,588,438 – US$3,652,517):	**0**	1

No amounts have been paid to these individuals as compensation for loss of office or as an inducement to join or upon joining the Company for the years ended December 31, 2024 and December 31, 2023.

23. SHARE CAPITAL AND RESERVES AND PARTICULARS OF COMPANY ENTITIES

(a) Share Capital and Reserves

(i) Ordinary Shares

There were no changes to the authorized share capital of the Company during 2024 or 2023.

As of December 31, 2024, and December 31, 2023, the Company had 2,100,392,501 and 2,050,307,790, respectively, shares authorized but unissued and 1,399,607,499 and 1,449,692,210, respectively, ordinary shares with a par value of US$0.01 per share issued and outstanding.

The holders of ordinary shares are entitled to one vote per share at shareholder meetings of the Company. All ordinary shares in issue rank equally and in full for all dividends or other distributions declared, made or paid on the shares in respect of a record date.

(ii) Treasury Share Reserve

The reserve for the Company's treasury shares comprises the cost of the Company's shares held by the Company. As of December 31, 2024, the Company held 62,610,300 of the Company's shares in treasury. Such treasury shares may be reissued upon the vesting of RSUs or the exercise of share options, or in connection with any other issuance of shares that the Board may consider to be in the Company's best interest. In August 2024, the Company began repurchasing its shares under its share buyback program of up to US$200.0 million. In implementing the share buyback program, the Board considered that the Company's share price was below its intrinsic value and may not fully reflect the business prospects of the Company. The share buyback program reflects the Board's confidence in the Company's long-term business and growth prospects. The Board believes that actively managing the Company's capital structure through the share buyback program may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the Company's net asset value per share and/or earnings per share. Further, the share buyback program helps to offset the dilutive effect arising from the exercise of options and/or the vesting of restricted share units granted by the Company under the Company's 2012 Share Award Scheme and 2022 Share Award Scheme.

There were no treasury shares held by the Company as of December 31, 2023.

23. SHARE CAPITAL AND RESERVES AND PARTICULARS OF COMPANY ENTITIES (Continued)

(iii) Distributable Reserves

As of December 31, 2024, reserves available for distribution to shareholders amounted to approximately US$1.4 billion, as shown in the statutory financial statements of Samsonite Group S.A. and calculated in accordance with the Company's Articles of Incorporation.

(iv) Foreign Currency Translation Reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(v) Other Reserves

Other reserves comprise amounts related to defined benefit pension plans, the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions pending subsequent recognition of the hedged cash flows and the share option reserve for share-based payments made by the Company.

(b) Non-controlling Interests

The Company currently operates in certain markets by means of majority-owned subsidiaries that are operated in conjunction with a non-controlling partner in each country. Under these arrangements, the Company contributes brands through trademark licensing agreements and international marketing expertise and the partner contributes local market expertise. All interests acquired were paid in full at the time of the acquisition and each of these subsidiaries is operated on a self-financing basis. There are no current or future requirements for the Company to contribute any further investment amount to any of these entities.

The agreements governing certain majority-owned subsidiaries include put and call options whereby the Company may be required to acquire the respective non-controlling interest at amounts intended to represent current fair value. As of December 31, 2024 and December 31, 2023, the financial liabilities recognized related to these put options were US$126.0 million and US$126.9 million, respectively.

The call options were deemed to have a fair value of nil as of each reporting date as the agreements call for redemption at fair value upon the option being exercised.

23. SHARE CAPITAL AND RESERVES AND PARTICULARS OF COMPANY ENTITIES (Continued)

The following tables summarize the information relating to certain of the Company's subsidiaries that have non-controlling interests ("NCI"), before any intra-group eliminations:

For the year ended December 31, 2024:

(Expressed in millions of US Dollars)	**PT Samsonite Indonesia**	**Samsonite Chile S.A.**	**Samsonite South Asia Private Limited**
NCI percentage	**40%**	**15%**	**40%**
Non-current assets	**17.3**	**45.9**	**64.2**
Current assets	**86.6**	**30.4**	**120.6**
Non-current liabilities	**4.3**	**18.0**	**42.6**
Current liabilities	**59.7**	**26.9**	**64.9**
Net assets	**39.8**	**31.4**	**77.3**
Carrying amount of NCI	**15.9**	**4.7**	**30.9**
Net outside revenue	**63.8**	**55.6**	**210.0**
Profit for the year	**18.0**	**1.4**	**8.9**
Other comprehensive loss	**(1.7)**	**(5.5)**	**(2.3)**
Total comprehensive income (loss)	**16.3**	**(4.1)**	**6.6**
Profit allocated to NCI	**7.2**	**0.2**	**3.6**
Other comprehensive loss allocated to NCI	**(0.7)**	**(0.8)**	**(0.9)**
Dividends paid to NCI	**6.0**	**—**	**1.7**
Net (decrease) increase in cash and cash equivalents	**(8.8)**	**1.7**	**8.5**

For the year ended December 31, 2023:

(Expressed in millions of US Dollars)	PT Samsonite Indonesia	Samsonite Chile S.A.	Samsonite South Asia Private Limited
NCI percentage	40%	15%	40%
Non-current assets	14.0	56.6	57.7
Current assets	75.9	33.3	145.9
Non-current liabilities	4.0	12.5	41.4
Current liabilities	47.6	30.0	87.3
Net assets	38.3	47.4	74.9
Carrying amount of NCI	15.3	7.1	30.0
Net outside revenue	64.6	63.2	260.3
Profit for the year	17.1	7.0	26.0
Other comprehensive income (loss)	0.2	(0.9)	(0.6)
Total comprehensive income	17.3	6.1	25.5
Profit allocated to NCI	6.9	1.1	10.4
Other comprehensive income (loss) allocated to NCI	0.1	(0.1)	(0.2)
Dividends paid to NCI	3.0	—	—
Net increase (decrease) in cash and cash equivalents	16.5	(1.3)	(8.3)

23. SHARE CAPITAL AND RESERVES AND PARTICULARS OF COMPANY ENTITIES (Continued)

(c) Particulars of Company Entities

Entity name	Principal country of operation and country of incorporation	Ownership % December 31, 2024	December 31, 2023
Samsonite Group S.A. (formerly known as Samsonite International S.A.)	Luxembourg	**Parent**	Parent
AboutBags NV	Belgium	**100**	100
Astrum R.E. LLC	United States	**100**	100
Bravo Holdings Limited	United Arab Emirates	**100**	—
Bypersonal S.A. de C.V.	Mexico	**100**	100
Delilah Europe Investments S.à r.l.	Luxembourg	**100**	100
Delilah US Investments S.à r.l.	Luxembourg	**100**	100
Direct Marketing Ventures, LLC	United States	**100**	100
Equipaje en Movimiento, S.A. de C.V.	Mexico	**100**	100
Global Licensing Company, LLC	United States	**100**	100
HL Operating, LLC	United States	**100**	100
Jody Apparel II, LLC	United States	**100**	100
Lonberg Express S.A.	Uruguay	**100**	100
McGregor II, LLC	United States	**100**	100
PT Samsonite Indonesia	Indonesia	**60**	60
PT Samsonite Ritel Indonesia	Indonesia	**100**	100
PTL Holdings, Inc.	United States	**100**	100
Samsonite (Malaysia) Sdn Bhd	Malaysia	**100**	100
Samsonite (Thailand) Co., Ltd.	Thailand	**60**	60
Samsonite A/S	Denmark	**100**	100
Samsonite AB (Aktiebolag)	Sweden	**100**	100
Samsonite AG	Switzerland	**100**	100
Samsonite Argentina S.A.	Argentina	**95**	95
Samsonite Asia Limited	Hong Kong	**100**	100
Samsonite Australia Pty Limited	Australia	**100**	100
Samsonite Belgium Holdings BV	Belgium	**100**	100
Samsonite Brands Private Limited	Singapore	**100**	100
Samsonite Brasil Ltda.	Brazil	**100**	100
Samsonite BV	Netherlands	**100**	100
Samsonite Canada Inc.	Canada	**100**	100
Samsonite Chile S.A.	Chile	**85**	85
Samsonite China Holdings Limited	Hong Kong	**100**	100
Samsonite (China) Co., Ltd.	China	**100**	100
Samsonite Colombia S.A.S.	Colombia	**100**	100
Samsonite Company Stores, LLC	United States	**100**	100
Samsonite Espana S.A.	Spain	**100**	100
Samsonite Europe Holdings S.à r.l.	Luxembourg	**100**	100
Samsonite Europe NV	Belgium	**100**	100
Samsonite Finco S.à r.l.	Luxembourg	**100**	100
Samsonite Finland Oy	Finland	**100**	100
Samsonite Franquias do Brasil Eireli	Brazil	**100**	100
Samsonite Gesm.b.H.	Austria	**100**	100
Samsonite GmbH	Germany	**100**	100
Samsonite Hungaria Borond KFT	Hungary	**100**	100
Samsonite Importaciones, S.A. de C.V.	Mexico	**100**	100
Samsonite IP Holdings S.à r.l.	Luxembourg	**100**	100
Samsonite Japan Co. Ltd.	Japan	**100**	100

23. SHARE CAPITAL AND RESERVES AND PARTICULARS OF COMPANY ENTITIES (Continued)

Entity name	Principal country of operation and country of incorporation	Ownership % December 31, 2024	December 31, 2023
Samsonite Korea Limited	South Korea	**100**	100
Samsonite Latinoamerica S.A. de C.V.	Mexico	**100**	100
Samsonite Limited	United Kingdom	**100**	100
Samsonite LLC	United States	**100**	100
Samsonite Luxembourg S.à r.l.	Luxembourg	**100**	—
Samsonite Macau Limitada	Macau	**100**	100
Samsonite Mauritius Limited	Mauritius	**100**	100
Samsonite Mercosur Limited	Bahamas	**100**	100
Samsonite Mexico, S.A. de C.V.	Mexico	**100**	100
Samsonite Middle East FZCO	United Arab Emirates	**60**	60
Samsonite Norway AS	Norway	**100**	100
Samsonite Pacific LLC	United States	**100**	100
Samsonite Panama S.A.	Panama	**100**	100
Samsonite Peru S.A.C.	Peru	**100**	100
Samsonite Philippines Inc.	Philippines	**60**	60
Samsonite S.A.S.	France	**100**	100
Samsonite S.p.A.	Italy	**100**	100
Samsonite Seyahat Ürünleri Sanayi ve Ticaret Anonim Sirketi	Turkey	**60**	60
Samsonite Singapore Pte Ltd	Singapore	**100**	100
Samsonite South Asia Private Limited	India	**60**	60
Samsonite Southern Africa (Pty) Ltd.	South Africa	**60**	60
Samsonite Sp.zo.o	Poland	**100**	100
Samsonite Sub Holdings S.à r.l.	Luxembourg	**100**	100
Samsonite Uruguay S.A.(1)	Uruguay	**100**	100
Samsonite US Holdco, LLC	United States	**100**	100
SC Chile Uno S.A.	Chile	**100**	100
SC Inversiones Chile Ltda	Chile	**100**	100
The Tumi Haft Company, LLC	United States	**100**	100
Tumi Asia, Limited	Hong Kong	**100**	100
Tumi Asia Brand Holdings LLC	United States	**100**	100
Tumi Asia (Macau) Co., Ltd.	Macau	**100**	100
Tumi Canada Holdings, LLC	United States	**100**	100
Tumi Canada ULC	Canada	**100**	100
Tumi Charlotte Airport LLC	United States	**74**	74
Tumi Dulles Airport LLC	United States	**90**	90
Tumi Houston Airport LLC	United States	**70**	70
Tumi Inc.	United States	**100**	100
Tumi International LLC	United States	**100**	100
Tumi Ireland Limited	Ireland	**100**	100
Tumi Japan Inc.	Japan	**100**	100
Tumi Newark Airport LLC	United States	**70**	70
Tumi Services GmbH	Germany	**100**	100
Tumi Stores, Inc.	United States	**100**	100
Tumi (UK) Limited	United Kingdom	**100**	100

Note

(1) This entity was renamed from Borwer S.A. to Samsonite Uruguay S.A. in 2024.

24. SUBSEQUENT EVENTS

The Company has evaluated events occurring subsequent to December 31, 2024, the reporting date, through March 12, 2025, the date this financial information was authorized for issuance by the Board.

The Company issued 81,516 ordinary shares from January 1, 2025, through February 28, 2025, upon the exercise of share options that were outstanding and exercisable as of December 31, 2024.

During January 2025, the Company repurchased 4,164,900 shares from its existing shareholders. The total cash outflow associated with the repurchased shares amounted to US$12.0 million.

In January 2025, following a vote of the Company's shareholders, the Company changed its name from Samsonite International S.A. to Samsonite Group S.A. The Company believes the name change reflects an important evolution since its IPO in Hong Kong in 2011. Then, the Company's business largely comprised a single brand, *Samsonite*. Since 2011, the Company has added the *TUMI*, *Gregory*, *Lipault* and other complementary brands to its portfolio, and the Company has also significantly grown the *American Tourister* brand. Today, the Company is a multi-brand business, and believes its new corporate name better reflects its portfolio of customer-centric, iconic brands, while continuing to reflect the *Samsonite* brand's heritage as the historical foundation of its business.

On March 12, 2025, the Company's Board of Directors recommended that a dividend in the amount of US$150.0 million, or approximately US$0.1074 per share, be made to the Company's shareholders. The dividend will be subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company.