SAMSONITE INTERNATIONAL S.A.

新秀麗國際有限公司

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R.C.S. LUXEMBOURG: B 159.469

(Incorporated in Luxembourg with limited liability)

(Stock code: 1910)

QUARTERLY REPORT FOR THE PERIOD ENDED MARCH 31, 2024

The Board of Directors of Samsonite International S.A. (the "Company"), together with its consolidated subsidiaries (the "Group"), is pleased to present the unaudited consolidated financial and business review of the Group as of March 31, 2024, and for the three month period then ended, together with comparative figures for the three month period ended March 31, 2023. This announcement is made pursuant to the Inside Information Provisions of Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Summary Financial Results and Financial Highlights

Summary Financial Results

For the Three Months Ended March 31, 2024, and March 31, 2023

The following table summarizes the consolidated financial results for the three months ended March 31, 2024, and March 31, 2023.

(Expressed in millions of US Dollars, except per share data)	Three months ended March 31, **2024**	2023	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[1]
Net sales	**859.6**	852.1	0.9 %	4.1 %
Gross profit	**519.5**	494.5	5.0 %	9.1 %
Gross profit margin	**60.4 %**	58.0 %		
Operating profit	**149.8**	144.7	3.5 %	9.3 %
Profit for the period	**90.5**	83.9	7.8 %	13.5 %
Profit attributable to the equity holders	**82.9**	73.8	12.3 %	18.8 %
Adjusted Net Income[2]	**87.1**	81.2	7.2 %	13.1 %
Adjusted EBITDA[3]	**161.2**	156.4	3.1 %	8.5 %
Adjusted EBITDA margin[4]	**18.8 %**	18.4 %		
Basic earnings per share *(Expressed in US Dollars per share)*	**0.057**	0.051	11.6 %	18.0 %
Diluted earnings per share *(Expressed in US Dollars per share)*	**0.056**	0.051	11.0 %	17.4 %
Adjusted basic earnings per share[5] *(Expressed in US Dollars per share)*	**0.060**	0.056	6.6 %	12.4 %
Adjusted diluted earnings per share[5] *(Expressed in US Dollars per share)*	**0.059**	0.056	6.0 %	11.8 %

Notes

(1) Results stated on a constant currency basis, a non-International Financial Reporting Standards ("IFRS") Accounting Standards measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

(2) Adjusted Net Income, a non-IFRS measure, 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 Group's reported profit attributable to the equity holders, which the Group believes helps to give securities analysts, investors and other interested parties a more complete understanding of the Group's underlying financial performance. See Management Discussion and Analysis - Adjusted Net Income for a reconciliation from the Group's profit attributable to the equity holders to Adjusted Net Income.

(3) Adjusted earnings before interest, taxes, depreciation and amortization of intangible assets ("Adjusted EBITDA"), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. The Group believes these measures provide additional information that is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business. See Management Discussion and Analysis - Adjusted EBITDA for a reconciliation from the Group's profit for the period to Adjusted EBITDA.

(4) Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.

(5) Adjusted basic and diluted earnings per share, both non-IFRS measures, 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.

Financial Highlights

- Net sales were US$859.6 million for the three months ended March 31, 2024, an increase of 0.9% (+4.1% constant currency) compared to a strong first quarter of 2023 that was fueled by the resurgence in travel following the pandemic.
- Gross profit margin was 60.4% for the three months ended March 31, 2024, compared to 58.0% for the three months ended March 31, 2023. The increase in gross profit margin was driven mainly by year-on-year gross profit margin improvements in all regions and particularly in Asia, which is the region with the highest gross profit margin, and which increased its share of total net sales. This increase in gross profit margin was also driven by an increased proportion of total net sales attributable to the direct-to-consumer channel and continued discipline on promotional discounts. See Management Discussion and Analysis - Cost of Sales and Gross Profit for further discussion.
- The Group spent US$52.8 million on marketing during the three months ended March 31, 2024, compared to US$50.0 million for the three months ended March 31, 2023, an increase of US$2.8 million, or 5.6% (+8.4% constant currency). As a percentage of net sales, marketing expenses increased by 20 basis points to 6.1% for the three months ended March 31, 2024, from 5.9% for the three months ended March 31, 2023. The Group will continue to invest in marketing to drive further net sales growth.
- The Group reported an operating profit of US$149.8 million for the three months ended March 31, 2024, compared to US$144.7 million for the same period in the previous year, an improvement of US$5.1 million, or 3.5% (+9.3% constant currency).
- Profit for the three months ended March 31, 2024, was US$90.5 million compared to US$83.9 million for the three months ended March 31, 2023, an improvement of US$6.6 million, or 7.8% (+13.5% constant currency).
- Profit attributable to the equity holders was US$82.9 million for the three months ended March 31, 2024, compared to US$73.8 million for the same period in the previous year, an improvement of US$9.1 million, or 12.3% (+18.8% constant currency).
- Adjusted EBITDA, a non-IFRS measure, improved by US$4.8 million, or 3.1% (+8.5% constant currency), to US$161.2 million for the three months ended March 31, 2024, compared to US$156.4 million for the three months ended March 31, 2023.
- Adjusted EBITDA margin, a non-IFRS measure, was 18.8% for the three months ended March 31, 2024, compared to 18.4% for the three months ended March 31, 2023. The 40 basis points improvement in Adjusted EBITDA margin was primarily due to continued net sales improvement and the increase in gross profit margin, even as the Group increased its investment in marketing by 20 basis points year-on-year.
- Adjusted Net Income, a non-IFRS measure, increased by US$5.9 million, or 7.2% (+13.1% constant currency), to US$87.1 million for the three months ended March 31, 2024, compared to US$81.2 million for the three months ended March 31, 2023. The improvement in Adjusted Net Income was primarily due to improved net sales and gross profit margin.
- Free Cash Flow(1) improved by US$67.9 million to US$6.5 million for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, driven by positive changes in working capital and an increase in Adjusted Net Income.
- As of March 31, 2024, the Group had US$744.5 million in cash and cash equivalents and outstanding financial debt of US$1,824.5 million (excluding deferred financing costs of US$16.2 million), resulting in a net debt position of US$1,079.9 million compared to a net debt position of US$1,107.4 million as of December 31, 2023.
- Total liquidity(2) as of March 31, 2024, was US$1,589.8 million compared to US$1,562.0 million as of December 31, 2023.
- On April 12, 2024, the Company refinanced its term loan B facility to further enhance its financial flexibility. The Company borrowed US$100.0 million from its revolving credit facility and used the proceeds of such borrowing to reduce the principal amount of the term loan B facility by US$95.5 million. The Company was able to reduce the interest rate payable on its term loan B borrowings by 75 basis points, with the refinancing expected to reduce the Company's annual cash interest payments in the first full year following the refinancing by approximately US$4.9 million. See Management Discussion and Analysis - Indebtedness for further discussion.

The Company has presented certain non-IFRS measures in the Summary Financial Results and Financial Highlights above 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 Group's operational performance and of the trends impacting its business. These non-IFRS measures, as calculated herein, may not be comparable to similarly named measures used by other companies and should not be considered comparable to IFRS measures. Non-IFRS measures have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Group's financial results as reported under IFRS Accounting Standards.

Notes

(1) Free Cash Flow is defined as net cash generated from (used in) operating activities less (i) purchases of property, plant and equipment and software ("total capital expenditures") and (ii) principal payments on lease liabilities (each as set forth on the consolidated statements of cash flows).

(2) 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.

Disclaimer

Non-IFRS Measures

The Company has presented certain non-IFRS[1] measures in the Summary Financial Results and Financial Highlights and Management Discussion and Analysis 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 Group's operational performance and of the trends impacting its business. These non-IFRS measures, as calculated herein, may not be comparable to similarly named measures used by other companies and should not be considered comparable to IFRS measures. Non-IFRS measures have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Group's financial results as reported under IFRS Accounting Standards.

Forward-looking Statements

This document contains forward-looking statements. Forward-looking statements reflect the Company's current views with respect to future events and performance. These statements may discuss, among other things, the Company's net sales, gross profit margin, operating profit, Adjusted Net Income, Adjusted EBITDA, Adjusted EBITDA margin, cash flow, liquidity and capital resources, potential impairments, growth, strategies, plans, achievements, distributions, organizational structure, future store openings or closings, market opportunities and general market and industry conditions. The Company generally identifies forward-looking statements by words such as "expect", "seek", "believe", "plan", "intend", "estimate", "project", "anticipate", "may", "will", "would" and "could" or similar words or statements. Forward-looking statements are based on beliefs and assumptions made by management using currently available information. These statements are only predictions and are not guarantees of future performance, actions or events. Forward-looking statements are subject to risks and uncertainties.

If one or more of these risks or uncertainties materialize, or if management's underlying beliefs and assumptions prove to be incorrect, actual results may differ materially from those contemplated by a forward-looking statement. Among the factors that could cause actual results to differ materially are: the effect of worldwide economic conditions; the effect of political or social unrest and armed conflict; the effects of inflation; a general economic downturn or generally reduced consumer spending; significant changes in consumer spending patterns or preferences; competition; interruptions or delays in the supply of finished goods or key components; the performance of the Group's products within the prevailing retail environment; and financial difficulties encountered by customers and related bankruptcy and collection issues.

Forward-looking statements speak only as of the date on which they are made. The Company's shareholders, potential investors and other interested parties should not place undue reliance on these forward-looking statements. The Company expressly disclaims any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable securities laws and regulations.

Rounding

Certain amounts presented in this report have been rounded up or down to the nearest tenth of a million, unless otherwise indicated. There may therefore be discrepancies between the actual totals of the individual amounts in the tables and the totals shown, 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 US Dollars.

Note

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

Condensed Consolidated Statements of Income (Unaudited)

	Three months ended March 31,	
(Expressed in millions of US Dollars, except per share data)	**2024**	2023
Net sales	**859.6**	852.1
Cost of sales	**(340.1)**	(357.6)
Gross profit	**519.5**	494.5
Distribution expenses	**(257.6)**	(234.7)
Marketing expenses	**(52.8)**	(50.0)
General and administrative expenses	**(59.9)**	(64.1)
Other income (expense)	**0.6**	(1.0)
Operating profit	**149.8**	144.7
Finance income	**3.8**	2.8
Finance costs	**(34.0)**	(41.1)
Net finance costs	**(30.1)**	(38.3)
Profit before income tax	**119.7**	106.4
Income tax expense	**(29.1)**	(22.5)
Profit for the period	**90.5**	83.9
Profit attributable to the equity holders	**82.9**	73.8
Profit attributable to non-controlling interests	**7.7**	10.1
Profit for the period	**90.5**	83.9
Earnings per share:		
Basic earnings per share	**0.057**	0.051
Diluted earnings per share	**0.056**	0.051

Condensed Consolidated Statements of Comprehensive Income (Unaudited)

	Three months ended March 31,	
(Expressed in millions of US Dollars)	**2024**	2023
Profit for the period	**90.5**	83.9
Other comprehensive income (loss):		
Items that are or may be reclassified subsequently to profit or loss:		
Changes in fair value of hedges, net of tax	**(2.1)**	(5.3)
Foreign currency translation gains (losses) for foreign operations	**(15.0)**	2.6
Other comprehensive loss	**(17.1)**	(2.7)
Total comprehensive income for the period	**73.4**	81.2
Total comprehensive income attributable to the equity holders	**67.8**	70.0
Total comprehensive income attributable to non-controlling interests	**5.6**	11.2
Total comprehensive income for the period	**73.4**	81.2

Condensed Consolidated Statements of Financial Position (Unaudited)

(Expressed in millions of US Dollars)	**March 31, 2024**	December 31, 2023
Non-current Assets		
Property, plant and equipment	**219.2**	222.7
Lease right-of-use assets	**460.2**	435.8
Goodwill	**823.3**	825.9
Other intangible assets	**1,529.2**	1,534.4
Deferred tax assets	**183.1**	190.8
Other assets and receivables	**67.1**	66.6
Total non-current assets	**3,282.1**	3,276.2
Current Assets		
Inventories	**667.9**	695.9
Trade and other receivables	**335.0**	319.6
Prepaid expenses and other assets	**111.8**	103.5
Cash and cash equivalents	**744.5**	716.6
Total current assets	**1,859.2**	1,835.6
Total assets	**5,141.3**	5,111.8
Equity and Liabilities		
Equity:		
Share capital	**14.6**	14.5
Reserves	**1,534.2**	1,436.5
Total equity attributable to the equity holders	**1,548.8**	1,451.0
Non-controlling interests	**66.8**	66.7
Total equity	**1,615.7**	1,517.7
Non-current Liabilities		
Loans and borrowings	**1,716.2**	1,730.3
Lease liabilities	**378.1**	357.8
Employee benefits	**30.8**	28.4
Non-controlling interest put options	**126.4**	126.9
Deferred tax liabilities	**182.5**	186.5
Other liabilities	**6.5**	6.8
Total non-current liabilities	**2,440.3**	2,436.7
Current Liabilities		
Loans and borrowings	**66.1**	50.7
Current portion of long-term loans and borrowings	**26.0**	26.0
Current portion of lease liabilities	**134.7**	131.2
Employee benefits	**99.4**	135.0
Trade and other payables	**646.9**	725.1
Current tax liabilities	**112.2**	89.4
Total current liabilities	**1,085.3**	1,157.4
Total liabilities	**3,525.6**	3,594.1
Total equity and liabilities	**5,141.3**	5,111.8
Net current assets	**773.9**	678.2
Total assets less current liabilities	**4,056.0**	3,954.4

Condensed Consolidated Statements of Changes in Equity (Unaudited)

(Expressed in millions of US Dollars, except number of shares)	Number of shares	Share capital	Reserves: Additional paid-in capital	Reserves: Translation reserve	Reserves: Other reserves	Retained earnings	Total equity attributable to the equity holders	Non-controlling interests	Total equity
Three months ended March 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 period	**—**	**—**	**—**	**—**	**—**	**82.9**	**82.9**	**7.7**	**90.5**
Other comprehensive income (loss):									
Changes in fair value of hedges, net of tax	**—**	**—**	**—**	**—**	**(2.1)**	**—**	**(2.1)**	**(0.0)**	**(2.1)**
Foreign currency translation losses for foreign operations	**—**	**—**	**—**	**(13.0)**	**—**	**—**	**(13.0)**	**(2.0)**	**(15.0)**
Total comprehensive income (loss) for the period	**—**	**—**	**—**	**(13.0)**	**(2.1)**	**82.9**	**67.8**	**5.6**	**73.4**
Transactions with owners recorded directly in equity:									
Change in fair value of put options included in equity	**—**	**—**	**—**	**—**	**—**	**1.0**	**1.0**	**—**	**1.0**
Share-based compensation expense	**—**	**—**	**—**	**—**	**3.7**	**—**	**3.7**	**—**	**3.7**
Exercise of share options	**9,206,650**	**0.1**	**33.1**	**—**	**(7.7)**	**—**	**25.4**	**—**	**25.4**
Dividends paid to non-controlling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(5.6)**	**(5.6)**
Balance, March 31, 2024	**1,458,898,860**	**14.6**	**1,141.0**	**(78.0)**	**100.1**	**371.1**	**1,548.8**	**66.8**	**1,615.7**

Condensed Consolidated Statements of Changes in Equity (Unaudited) (continued)

(Expressed in millions of US Dollars, except number of shares)	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
Three months ended March 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 period	—	—	—	—	—	73.8	73.8	10.1	83.9
Other comprehensive income (loss):									
Changes in fair value of hedges, net of tax	—	—	—	—	(5.2)	—	(5.2)	(0.1)	(5.3)
Foreign currency translation gains for foreign operations	—	—	—	1.4	—	—	1.4	1.2	2.6
Total comprehensive income (loss) for the period	—	—	—	1.4	(5.2)	73.8	70.0	11.2	81.2
Transactions with owners recorded directly in equity:									
Change in fair value of put options included in equity	—	—	—	—	—	(5.9)	(5.9)	—	(5.9)
Share-based compensation expense	—	—	—	—	3.4	—	3.4	—	3.4
Exercise of share options	4,226,423	0.0	12.3	—	(3.2)	—	9.1	—	9.1
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	(1.2)	(1.2)
Balance, March 31, 2023	1,443,126,855	14.4	1,083.7	(57.8)	110.0	(41.9)	1,108.4	57.8	1,166.2

Condensed Consolidated Statements of Cash Flows (Unaudited)

	Three months ended March 31,	
(Expressed in millions of US Dollars)	**2024**	2023
Cash flows from operating activities:		
Profit for the period	**90.5**	83.9
Adjustments to reconcile profit for the period to net cash generated from (used in) operating activities:		
Depreciation	**11.7**	8.9
Amortization of intangible assets	**5.0**	4.6
Amortization of lease right-of-use assets	**36.2**	31.6
Change in fair value of put options included in finance costs	**0.5**	4.0
Non-cash share-based compensation expense	**3.7**	3.4
Interest expense on borrowings and lease liabilities	**32.6**	32.8
Income tax expense	**29.1**	22.5
	209.3	191.7
Changes in operating assets and liabilities:		
Trade and other receivables	**(21.5)**	(15.3)
Inventories	**15.1**	(8.7)
Other current assets	**22.5**	3.3
Trade and other payables	**(106.3)**	(147.7)
Other assets and liabilities	**(19.3)**	0.9
Cash generated from operating activities	**99.8**	24.2
Interest paid on borrowings and lease liabilities	**(28.0)**	(28.2)
Income tax paid	**(16.8)**	(14.2)
Net cash generated from (used in) operating activities	**55.0**	(18.2)
Cash flows from investing activities:		
Purchases of property, plant and equipment and software	**(13.2)**	(9.7)
Net cash used in investing activities	**(13.2)**	(9.7)
Cash flows from financing activities:		
Payments on Senior Credit Facilities	**(6.5)**	(12.9)
Proceeds from (payments on) other loans and borrowings	**18.0**	(0.8)
Principal payments on lease liabilities	**(35.4)**	(33.5)
Proceeds from the exercise of share options	**25.4**	9.1
Dividend payments to non-controlling interests	**(5.6)**	(1.2)
Net cash used in financing activities	**(4.0)**	(39.3)
Net increase (decrease) in cash and cash equivalents	**37.8**	(67.2)
Cash and cash equivalents, at beginning of period	**716.6**	635.9
Effect of exchange rate changes	**(9.9)**	2.4
Cash and cash equivalents, at end of period	**744.5**	571.1

Management Discussion and Analysis
For the Three Months Ended March 31, 2024, and March 31, 2023
Net Sales

The Group's net sales increased by US$7.5 million, or 0.9% (+4.1% constant currency), during the three months ended March 31, 2024, compared to the three months ended March 31, 2023. During the first quarter of 2024 the Group leveraged its increased investment in marketing to capitalize on the continued recovery and growth in leisure and business travel, particularly in Asia, to deliver year-on-year net sales gains, even as the Company anniversaries a strong first quarter in 2023. 2023 was a strong year in which the Group's net sales were fueled by the resurgence of travel following the pandemic, leading to increased demand for its products. The first quarter of 2023 also benefited from wholesale customers in North America beginning to buy again as demand rapidly increased ahead of the expected robust summer travel season and by strong sales of the *Tumi* brand supported by improved inventories to meet customer demand, as well as from accelerated sales in Europe in advance of the implementation of new European warehouse management software in April 2023. This particularly impacted the year-on-year net sales comparison for the first quarter of 2024.

Net Sales by Region

The following table sets forth a breakdown of net sales by region for the three months ended March 31, 2024, and March 31, 2023, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,				2024 vs. 2023	
	2024		2023			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Net sales by region[1]:						
Asia	**340.1**	**39.6 %**	329.1	38.6 %	3.3 %	7.5 %
North America	**285.3**	**33.2 %**	284.3	33.4 %	0.3 %	0.3 %
Europe	**175.5**	**20.4 %**	179.9	21.1 %	(2.5)%	(0.5)%
Latin America	**58.5**	**6.8 %**	58.4	6.9 %	0.2 %	17.9 %
Corporate	**0.2**	**0.0 %**	0.3	0.0 %	(29.3)%	(29.3)%
Net sales	**859.6**	**100.0 %**	852.1	100.0 %	0.9 %	4.1 %

Notes
(1) The geographic location of the Group'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 measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

Brands

The following table sets forth a breakdown of net sales by brand for the three months ended March 31, 2024, and March 31, 2023, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,				2024 vs. 2023	
	2024		2023			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Net sales by brand:						
Samsonite	**439.8**	**51.2 %**	424.2	49.8 %	3.7 %	6.5 %
Tumi	**194.0**	**22.5 %**	194.5	22.8 %	(0.3)%	1.6 %
American Tourister	**151.1**	**17.6 %**	151.2	17.7 %	(0.1)%	3.2 %
Other[1]	**74.8**	**8.7 %**	82.3	9.7 %	(9.1)%	(0.6)%
Net sales	**859.6**	**100.0 %**	852.1	100.0 %	0.9 %	4.1 %

Notes
(1) "Other" includes certain other non-core brands owned by the Group, such as *Gregory*, *High Sierra*, *Kamiliant*, *ebags*, *Xtrem*, *Lipault*, *Hartmann*, *Saxoline* and *Secret*, as well as third-party brands sold through the Group's Rolling Luggage and Chic Accent retail stores.
(2) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

The Group's core brands all recorded constant currency net sales increases during the three months ended March 31, 2024, compared to the three months ended March 31, 2023, driven by the continued recovery and growth in leisure and business travel globally.

Net sales of the *Samsonite* brand increased by US$15.6 million, or 3.7% (+6.5% constant currency), year-on-year. Net sales of the *Tumi* brand as reported decreased by US$0.5 million, or 0.3%, but increased by 1.6% on a constant currency basis, compared to an exceptionally strong first quarter of 2023 during which net sales experienced strong year-on-year growth supported by the resurgence of travel following the pandemic. Net sales of the *American Tourister* brand decreased by US$0.1 million, or 0.1%, but increased by 3.2% on a constant currency basis, for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. Further discussion of net sales by brand is included in the regional discussions below.

Product Categories

The Group 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 three months ended March 31, 2024, and March 31, 2023, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,					
	2024		2023		2024 vs. 2023	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Net sales by product category:						
Travel	**558.3**	**64.9 %**	555.7	65.2 %	0.5 %	2.8 %
Non-travel[1]	**301.3**	**35.1 %**	296.5	34.8 %	1.6 %	6.6 %
Net sales	**859.6**	**100.0 %**	852.1	100.0 %	0.9 %	4.1 %

Notes
(1) The non-travel product category comprises business, casual, accessories and other products.
(2) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

Net sales in the travel product category during the three months ended March 31, 2024, increased by US$2.6 million, or 0.5% (+2.8% constant currency), compared to the three months ended March 31, 2023. Total non-travel product category net sales, which comprises business, casual, accessories and other products, increased by US$4.8 million, or 1.6% (+6.6% constant currency), for the three months ended March 31, 2024, compared to the three months ended March 31, 2023.

Net sales of business products decreased by US$1.4 million, or 0.9%, but increased by 2.6% on a constant currency basis for the three months ended March 31, 2024, compared to the same period in the previous year. Net sales of casual products increased by US$7.8 million, or 9.6% (+19.2% constant currency), year-on-year. Net sales of accessories products decreased by US$0.2 million, or 0.4%, but increased by 1.8% on a constant currency basis, year-on-year.

Distribution Channels

The Group sells its products through two primary distribution channels: wholesale and direct-to-consumer. The following table sets forth a breakdown of net sales by distribution channel for the three months ended March 31, 2024, and March 31, 2023, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,				2024 vs. 2023	
	2024		2023			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(3)
Net sales by distribution channel:						
Wholesale	**540.0**	**62.8 %**	543.9	63.8 %	(0.7)%	2.1 %
DTC(1)	**319.1**	**37.1 %**	307.9	36.1 %	3.7 %	7.6 %
Other(2)	**0.5**	**0.1 %**	0.4	0.1 %	37.0 %	37.0 %
Net sales	**859.6**	**100.0 %**	852.1	100.0 %	0.9 %	4.1 %

Notes
(1) DTC, or direct-to-consumer, includes brick-and-mortar retail and e-commerce sites operated by the Group.
(2) “Other” primarily consists of licensing revenue.
(3) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

Net sales in the wholesale channel decreased by US$3.9 million, or 0.7%, but increased by 2.1% on a constant currency basis during the three months ended March 31, 2024, compared to the three months ended March 31, 2023.
Net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, increased by US$11.2 million, or 3.7% (+7.6% constant currency), to US$319.1 million (representing 37.1% of net sales) for the three months ended March 31, 2024, from US$307.9 million (representing 36.1% of net sales) for the three months ended March 31, 2023. The increased net sales from the Group’s DTC channel were primarily due to increased investments in marketing.

Net sales in the DTC retail channel increased by US$5.4 million, or 2.4% (+6.4% constant currency), during the three months ended March 31, 2024, compared to the same period in the previous year. During the three months ended March 31, 2024, the Group added 23 company-operated retail stores. This was partially offset by the permanent closure of 9 company-operated retail stores. This resulted in a net addition of 14 company-operated retail stores during the three months ended March 31, 2024, compared to a net addition of 4 company-operated retail stores during the three months ended March 31, 2023. The total number of company-operated retail stores was 1,066 as of March 31, 2024, compared to 989 as of March 31, 2023. On a same store, constant currency basis, retail net sales grew by 2.2% for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. This was due to constant currency same store net sales increases of 7.3%, 3.5%, and 2.6% in Latin America, Europe, and Asia, respectively. The Group’s same store analysis includes existing company-operated retail stores which 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$5.8 million, or 7.1% (+11.0% constant currency), to US$87.0 million (representing 10.1% of net sales) for the three months ended March 31, 2024, from US$81.2 million (representing 9.5% of net sales) for the three months ended March 31, 2023.

Regions

Asia

Countries/Territories

The Group's net sales in Asia increased by US$11.0 million, or 3.3% (+7.5% constant currency), for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, with certain major markets experiencing meaningful year-on-year net sales increases driven mainly by the continued recovery and growth in leisure and business travel.

Net sales in China increased by US$10.4 million, or 17.7% (+23.0% constant currency), for the three months ended March 31, 2024, compared to the same period in the previous year. Net sales in Japan increased by US$5.9 million, or 13.7% (+26.4% constant currency), year-on-year. Net sales in South Korea increased by US$3.6 million, or 8.9% (+13.3% constant currency), year-on-year. The net sales increases in these markets were driven mainly by the continued recovery and growth in leisure and business travel and the resulting increased demand for the Group's products. These net sales increases were partially offset by decreased net sales in India. After three years of strong growth in India, during which net sales nearly doubled from the first quarter of 2019 to the first quarter of 2023, the Group's net sales in India decreased by US$6.5 million, or 10.8% (-9.9% constant currency), for the three months ended March 31, 2024, compared to the same period in the previous year as customer traffic began to moderate.

Brands
For the three months ended March 31, 2024, net sales of the *Samsonite* brand in Asia increased by US$12.7 million, or 8.8% (+13.6% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand in Asia decreased by US$0.6 million, or 1.0%, but increased by 3.9% on a constant currency basis year-on-year, driven by strong year-on-year net sales increases in China, Japan and South Korea. Net sales of the *American Tourister* brand in Asia increased by US$2.9 million, or 3.2% (+6.2% constant currency), compared to the three months ended March 31, 2023.

North America

Countries
The Group's net sales in North America increased by US$1.0 million, or 0.3% (+0.3% constant currency), for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, during which net sales experienced strong year-on-year growth. During the first quarter of 2023, net sales in North America increased by 31.8% (+32.3% constant currency) compared to the first quarter of 2022 driven by certain wholesale customers beginning to buy again as demand rapidly increased ahead of the expected robust summer travel season and by strong sales of the *Tumi* brand supported by improved inventories to meet customer demand.

For the three months ended March 31, 2024, net sales in the United States increased by US$2.2 million, or 0.8%, compared to the same period in the previous year, partially offset by a US$1.2 million, or 8.4% (-8.6% constant currency), decrease in Canada.

Brands
For the three months ended March 31, 2024, net sales of the *Samsonite* brand in North America increased by US$1.3 million, or 0.9% (+0.9% constant currency), compared to the same period in the previous year during which net sales experienced strong year-on-year growth as certain wholesale customers were beginning to buy again as demand rapidly increased ahead of the expected robust summer travel season. Net sales of the *Tumi* brand in North America increased by US$0.5 million, or 0.4% (+0.4% constant currency) compared to the first quarter of 2023 during which net sales of the brand experienced strong year-on-year growth supported by improved inventories to meet customer demand. Additionally, customer traffic began to return closer to historical trends during the first quarter of 2024. Net sales of the *American Tourister* brand in North America increased by US$0.8 million, or 3.8% (+3.8% constant currency).

Europe

Countries
The Group's net sales in Europe decreased by US$4.5 million, or 2.5% (-0.5% constant currency), for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. This decrease period over period was the result of a high net sales base in the first quarter of 2023 (first quarter 2023 net sales in Europe increased by 42.2% (+52.1% constant currency) compared to the first quarter of 2022) primarily due to the resurgence of travel driving strong demand for the Group's products, as well as accelerated sales during the first quarter of 2023 in advance of the implementation of new European warehouse management software in April 2023.

Net sales in Germany decreased by US$3.1 million, or 12.5% (-13.3% constant currency), for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. Net sales in France decreased by US$1.5 million, or 8.8% (-9.8% constant currency), compared to the three months ended March 31, 2023. Net sales in Italy decreased by US$1.2 million, or 5.8% (-6.7% constant currency), compared to the same period in the previous year. Net sales in the United Kingdom (net sales reported for the United Kingdom include net sales made in Ireland) decreased by US$0.7 million, or 4.1% (-7.7% constant currency), year-on-year. These net sales decreases were partially offset by net sales increases in Belgium of US$1.8 million, or 3.9% (+2.9% constant currency), year-on-year, and in Spain of US$0.5 million, or 3.4% (+2.3% constant currency), compared to the same period in the previous year.

Brands
For the three months ended March 31, 2024, net sales of the *Samsonite* brand in Europe increased by US$1.4 million, or 1.1% (+3.1% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand in Europe decreased by US$1.7 million, or 8.0% (-4.7% constant currency), year-on-year as strong DTC channel net sales growth was offset by a reduction in wholesale net sales due to the Group's efforts to stop sales to certain wholesale customers that represent a high risk of trans-shipment of goods to Asia. Net sales of the *American Tourister* brand in Europe decreased by US$5.0 million, or 16.5% (-15.0% constant currency), compared to the three months ended March 31, 2023, due to the resurgence of travel driving strong demand for the Group's products during the first quarter of 2023, as well as accelerated sales during the first quarter of 2023 in advance of the implementation of new European warehouse management software in April 2023.

Latin America

Countries

The Group's net sales in Latin America increased by US$0.1 million, or 0.2% (+17.9% constant currency), for the three months ended March 31, 2024, compared to the three months ended March 31, 2023.

Net sales in Mexico increased by US$3.5 million, or 24.6% (+13.8% constant currency), year-on-year. Net sales in Chile decreased by US$2.7 million, or 10.4%, but increased by 2.0% on a constant currency basis during the three months ended March 31, 2024, compared to the same period in the previous year. Net sales in Brazil decreased by US$0.5 million, or 8.2% (-11.9% constant currency), year-on-year due to a warehouse relocation that temporarily impacted sales in the first quarter of 2024, which has since been completed.

Brands

For the three months ended March 31, 2024, net sales of the *Samsonite* brand in Latin America increased by US$0.2 million, or 1.2% (+17.2% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand in Latin America increased by US$1.4 million, or 69.7% (+58.8% constant currency), year-on-year driven by the net increase of four Tumi company-operated retail stores as of March 31, 2024, compared to March 31, 2023. Net sales of the *American Tourister* brand in Latin America increased by US$1.1 million, or 15.0% (+37.6% constant currency), year-on-year.

Cost of Sales and Gross Profit

Cost of sales decreased by US$17.5 million, or 4.9% (-2.7% constant currency), to US$340.1 million (representing 39.6% of net sales) for the three months ended March 31, 2024, from US$357.6 million (representing 42.0% of net sales) for the three months ended March 31, 2023, notwithstanding net sales increasing by US$7.5 million over the same period. The decrease in cost of sales is primarily due to purchase price improvements year-on-year related to the Group's inventory.

Gross profit increased by US$24.9 million, or 5.0% (+9.1% constant currency), to US$519.5 million for the three months ended March 31, 2024, from US$494.5 million for the three months ended March 31, 2023, due to increased net sales year-on-year and higher gross profit margin. The gross profit margin was 60.4% for the three months ended March 31, 2024, compared to 58.0% for the same period in the previous year. The 240 basis point increase in gross profit margin was driven mainly by year-on-year gross profit margin improvements in all regions and particularly in Asia, which is the region with the highest gross profit margin, and which increased its share of total net sales. This increase in gross profit margin was also driven by an increased proportion of total net sales attributable to the direct-to-consumer channel and continued discipline on promotional discounts.

Distribution Expenses

Distribution expenses increased by US$22.9 million, or 9.8% (+13.6% constant currency), to US$257.6 million (representing 30.0% of net sales) for the three months ended March 31, 2024, from US$234.7 million (representing 27.5% of net sales) for the three months ended March 31, 2023. Distribution expenses as a percentage of net sales increased primarily due to higher depreciation and amortization of lease right-of-use assets, an increase in salaries and benefits as the Company selectively added headcount since the first quarter of 2023 to support sales growth, an increase in professional fees, and 77 net new company-operated retail stores opened since March 31, 2023 (including 14 net new company-operated retail stores opened during the first quarter of 2024). The Group remains focused on managing its distribution expenses to drive operating leverage.

Marketing Expenses

The Group spent US$52.8 million on marketing during the three months ended March 31, 2024, compared to US$50.0 million for the three months ended March 31, 2023, an increase of US$2.8 million, or 5.6% (+8.4% constant currency). As a percentage of net sales, marketing expenses increased by 20 basis points to 6.1% for the three months ended March 31, 2024, from 5.9% for the three months ended March 31, 2023. The Group will continue to invest in marketing to drive further net sales growth.

General and Administrative Expenses

General and administrative expenses decreased by US$4.3 million, or 6.6% (-5.0% constant currency), to US$59.9 million (representing 7.0% of net sales) for the three months ended March 31, 2024, from US$64.1 million (representing 7.5% of net sales) for the three months ended March 31, 2023. The decrease in general and administrative expenses as a percentage of net sales reflects the Group's continued disciplined expense management as well as an increase in net sales year-on-year.

Other Income (Expense)

The Group recorded other income of US$0.6 million and other expense of US$1.0 million for the three months ended March 31, 2024, and March 31, 2023, respectively. Other income for the three months ended March 31, 2024, included gains from lease exits/remeasurements, partially offset by losses on the disposal of property, plant and equipment. Other expense for the three months ended March 31, 2023, included certain other miscellaneous expense items along with losses on the disposal of property, plant and equipment, partially offset by gains from lease exits/remeasurements.

Operating Profit

The Group reported an operating profit of US$149.8 million for the three months ended March 31, 2024, compared to US$144.7 million for the same period in the previous year, an improvement of US$5.1 million, or 3.5% (+9.3% constant currency).

Net Finance Costs

Net finance costs decreased by US$8.2 million, or 21.4% (-16.7% constant currency), to US$30.1 million for the three months ended March 31, 2024, from US$38.3 million for the three months ended March 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$3.5 million year-on-year primarily due to decreased financial performance of certain of the Group's subsidiaries with non-controlling interests that are subject to put options, a US$3.4 million decrease in net foreign exchange losses year-on-year, and a US$2.1 million decrease in interest expense on loans and borrowings as the Group continued to repay its borrowings under its Senior Credit Facilities (as defined below in Management Discussion and Analysis – Indebtedness). Total loans and borrowings were US$1,824.5 million as of March 31, 2024, compared to US$2,010.7 million as of March 31, 2023. These decreases in net finance costs were partially offset by an increase in interest expense on lease liabilities of US$2.2 million.

The following table sets forth a breakdown of total finance costs for the three months ended March 31, 2024, and March 31, 2023.

	Three months ended March 31,	
(Expressed in millions of US Dollars)	**2024**	2023
Recognized in profit or loss:		
Interest income	**3.8**	2.8
Total finance income	**3.8**	2.8
Interest expense on loans and borrowings	**(23.4)**	(25.5)
Amortization of deferred financing costs associated with the Senior Credit Facilities	**(0.8)**	(1.1)
Interest expense on lease liabilities	**(8.4)**	(6.2)
Change in fair value of put options	**(0.5)**	(4.0)
Net foreign exchange loss	**(0.1)**	(3.5)
Other finance costs	**(0.8)**	(0.8)
Total finance costs	**(34.0)**	(41.1)
Net finance costs recognized in profit or loss	**(30.1)**	(38.3)

Profit before Income Tax

The Group recorded a profit before income tax of US$119.7 million for the three months ended March 31, 2024, compared to US$106.4 million for the same period in the previous year, an improvement of US$13.3 million, or 12.5% (+18.6% constant currency).

Income Tax Expense

The Group recorded income tax expense of US$29.1 million for the three months ended March 31, 2024, compared to income tax expense of US$22.5 million for the three months ended March 31, 2023. The Group’s consolidated effective tax rate for operations was 24.4% and 21.1% for the three months ended March 31, 2024, and March 31, 2023, respectively. The increase in the Group's income tax expense and effective tax rate during the three months ended March 31, 2024, was mainly the result of changes in the profit mix between high and low tax jurisdictions and recognition of previously unrecognized deferred tax assets in the first quarter of 2023 that created a tax benefit.

The reported effective tax rate was calculated using a weighted average income tax rate from those jurisdictions in which the Group is subject to tax, adjusted for permanent book/tax differences, tax incentives, changes in tax reserves and changes in unrecognized deferred tax assets. The effective tax rate for each period was recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the profit before income tax for the period adjusted for certain discrete items for the period.

Profit

Profit for the Period

Profit for the three months ended March 31, 2024, was US$90.5 million compared to US$83.9 million for the three months ended March 31, 2023, an improvement of US$6.6 million, or 7.8% (+13.5% constant currency).

Profit Attributable to the Equity Holders

Profit attributable to the equity holders was US$82.9 million for the three months ended March 31, 2024, compared to US$73.8 million for the same period in the previous year, an improvement of US$9.1 million, or 12.3% (+18.8% constant currency).

Basic and Diluted Earnings per Share

Basic earnings per share were US$0.057 for the three months ended March 31, 2024, compared to US$0.051 for the three months ended March 31, 2023. The weighted average number of shares used in the basic earnings per share calculation was 1,451,685,365 shares for the three months ended March 31, 2024, compared to 1,442,774,129 shares for the three months ended March 31, 2023. Diluted earnings per share were US$0.056 for the three months ended March 31, 2024, compared to US$0.051 for the three months ended March 31, 2023. The weighted average number of shares outstanding used in the diluted earnings per share calculation was 1,467,029,792 shares for the three months ended March 31, 2024, compared to 1,449,865,968 shares for the three months ended March 31, 2023.

Adjusted EBITDA

Adjusted EBITDA, a non-IFRS measure, improved by US$4.8 million, or 3.1% (+8.5% constant currency), to US$161.2 million for the three months ended March 31, 2024, compared to US$156.4 million for the three months ended March 31, 2023. Adjusted EBITDA margin was 18.8% for the three months ended March 31, 2024, compared to 18.4% for the three months ended March 31, 2023. The 40 basis points improvement in Adjusted EBITDA margin was primarily due to continued net sales improvement and the increase in gross profit margin, even as the Group increased its investment in marketing by 20 basis points year-on-year.

The following table presents the reconciliation from the Group's profit for the period to Adjusted EBITDA for the three months ended March 31, 2024, and March 31, 2023.

	Three months ended March 31,			
(Expressed in millions of US Dollars)	**2024**	2023	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(4)
Profit for the period	**90.5**	83.9	7.8 %	13.5 %
Plus (minus):				
Income tax expense	**29.1**	22.5	29.8 %	37.8 %
Finance costs	**34.0**	41.1	(17.4)%	(9.2)%
Finance income	**(3.8)**	(2.8)	36.9 %	93.7 %
Depreciation	**11.7**	8.9	32.2 %	35.0 %
Total amortization	**41.2**	36.2	13.9 %	15.9 %
EBITDA	**202.7**	189.8	6.8 %	11.8 %
Plus (minus):				
Share-based compensation expense	**3.7**	3.4	7.2 %	6.7 %
Amortization of lease right-of-use assets	**(36.2)**	(31.6)	14.5 %	16.8 %
Interest expense on lease liabilities	**(8.4)**	(6.2)	34.9 %	37.7 %
Other (income) expense(1)	**(0.6)**	1.0	*nm*	*nm*
Adjusted EBITDA(2)	**161.2**	156.4	3.1 %	8.5 %
Adjusted EBITDA margin(3)	**18.8 %**	18.4 %		

Notes
(1) Other income (expense) per the consolidated statements of income.
(2) Adjusted EBITDA, a non-IFRS measure, 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 as a result of the Group's adoption of IFRS 16, *Leases* ("IFRS 16") to account for operational rent expenses.
(3) Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.
(4) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.
nm Not meaningful.

The Company has presented EBITDA, Adjusted EBITDA and Adjusted EBITDA margin because it believes that, when viewed with its results of operations as prepared in accordance with IFRS Accounting Standards and with the reconciliation to profit for the period, these measures provide additional information that is useful in gaining a more complete understanding of its operational performance and of the trends impacting its business. EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are important metrics the Group uses to evaluate its operating performance and cash generation.

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS measures and as calculated herein may not be comparable to similarly named measures used by other companies and should not be considered comparable to profit for the period in the Company's consolidated statements of income. These 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 results of operations as reported under IFRS Accounting Standards.

Adjusted Net Income

Adjusted Net Income, a non-IFRS measure, increased by US$5.9 million, or 7.2% (+13.1% constant currency), to US$87.1 million for the three months ended March 31, 2024, compared to US$81.2 million for the three months ended March 31, 2023. The improvement in Adjusted Net Income was primarily due to improved net sales and gross profit margin.

The following table presents the reconciliation from the Group's profit attributable to the equity holders to Adjusted Net Income for the three months ended March 31, 2024, and March 31, 2023.

	Three months ended March 31,			
(Expressed in millions of US Dollars)	**2024**	2023	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[3]
Profit attributable to the equity holders	**82.9**	73.8	12.3 %	18.8 %
Plus (minus):				
Change in fair value of put options included in finance costs	**0.5**	4.0	(88.6)%	(88.6)%
Amortization of intangible assets	**5.0**	4.6	9.5 %	10.2 %
Tax adjustments[1]	**(1.2)**	(1.1)	8.0 %	8.8 %
Adjusted Net Income[2]	**87.1**	81.2	7.2 %	13.1 %

Notes
(1) 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.
(2) Represents Adjusted Net Income attributable to the equity holders of the Company.
(3) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

Adjusted basic and diluted earnings per share, which are non-IFRS measures, were US$0.060 and US$0.059 per share, respectively, for the three months ended March 31, 2024, compared to US$0.056 and US$0.056 per share, respectively, for the three months ended March 31, 2023. 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.

The Company has presented Adjusted Net Income and adjusted basic and diluted earnings per share because it believes these measures help to give securities analysts, investors and other interested parties a more complete understanding of the Company's underlying financial performance. By presenting Adjusted Net Income and the related adjusted basic and diluted earnings per share calculations, the Company 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 reported profit attributable to the equity holders.

Adjusted Net Income and adjusted basic and diluted earnings per share are non-IFRS measures and as calculated herein may not be comparable to similarly named measures used by other companies and should not be considered comparable to profit attributable to the equity holders or basic and diluted earnings per share presented in the Company's consolidated statements of income. Adjusted Net Income and the related adjusted basic and diluted earnings per share calculations 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 results of operations as reported under IFRS Accounting Standards.

Cash Flows

Cash flows generated from operating activities improved to US$55.0 million for the three months ended March 31, 2024, compared to cash flows used in operating activities of US$18.2 million for the three months ended March 31, 2023. The US$73.3 million increase in cash flows generated from operating activities year-on-year primarily relates to positive changes in working capital and an increase in Adjusted Net Income as compared to the three months ended March 31, 2023, partially offset by an increase in income taxes paid.

For the three months ended March 31, 2024, net cash flows used in investing activities were US$13.2 million attributable to capital expenditures (comprised of US$12.5 million for the purchase of property, plant and equipment and US$0.7 million for software purchases). The Group selectively added new retail locations, remodeled certain existing retail locations and made investments in machinery and equipment to support new product innovation. For the three months ended March 31, 2023, net cash flows used in investing activities were US$9.7 million attributable to capital expenditures (comprised of US$7.4 million for the purchase of property, plant and equipment and US$2.3 million for software purchases). The Group 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 to support continued sales growth during the rest of 2024.

Net cash flows used in financing activities were US$4.0 million for the three months ended March 31, 2024, and were largely attributable to principal payments of US$35.4 million on lease liabilities and repayments of US$6.5 million of outstanding borrowings under the Group's Senior Credit Facilities (as defined in Management Discussion and Analysis - Indebtedness). The cash flows used in financing activities during the three months ended March 31, 2024, were partially offset by proceeds from share option exercises of US$25.4 million.

Net cash flows used in financing activities were US$39.3 million for the three months ended March 31, 2023, and were largely attributable to principal payments of US$33.5 million on lease liabilities and repayments of US$12.9 million of outstanding borrowings under its Senior Credit Facilities. The cash flows used in financing activities during the three months ended March 31, 2023, were partially offset by proceeds from share option exercises of US$9.1 million.

Free Cash Flow(1) improved by US$67.9 million to US$6.5 million for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, driven by positive changes in working capital and an increase in Adjusted Net Income. As of March 31, 2024, the Group had US$744.5 million in cash and cash equivalents, compared to US$716.6 million as of December 31, 2023. Cash and cash equivalents are generally denominated in the functional currency of the applicable Group entity.

Note
(1) Free Cash Flow is defined as net cash generated from (used in) operating activities less (i) purchases of property, plant and equipment and software ("total capital expenditures") and (ii) principal payments on lease liabilities (each as set forth on the consolidated statements of cash flows).

Indebtedness

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

(Expressed in millions of US Dollars)	**March 31, 2024**	December 31, 2023
Term Loan A Facility	**785.0**	790.0
Term Loan B Facility	**595.5**	597.0
Senior Credit Facilities	**1,380.5**	1,387.0
Senior Notes(1)	**377.8**	386.3
Other borrowings and obligations	**66.1**	50.7
Total loans and borrowings	**1,824.5**	1,824.0
Less deferred financing costs	**(16.2)**	(17.0)
Total loans and borrowings less deferred financing costs	**1,808.3**	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.

Senior Credit Facilities Agreement
On June 21, 2023 (the "Closing Date"), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Second Amended and Restated Credit Agreement (the “Credit Agreement”). The Credit Agreement amended and restated in its entirety the Amended and Restated Credit Agreement dated April 25, 2018 (as amended from time to time prior to the Closing Date, the “Prior Credit Agreement”), and provided for (1) a US$800.0 million senior secured term loan A facility (the “Term Loan A Facility”), (2) a US$600.0 million senior secured term loan B facility (the “Term Loan B Facility”) and (3) a US$850.0 million revolving credit facility (the “Revolving Credit Facility”). The credit facilities provided under the Credit Agreement are referred to herein as the “Senior Credit Facilities."

On the Closing Date, the Group borrowed US$100.0 million under the Revolving Credit Facility and used the proceeds of such borrowing, plus the proceeds from the Term Loan A Facility and the Term Loan B Facility, along with cash on hand, to repay the entire principal amount of its outstanding borrowings under the Prior Credit Agreement, plus transaction expenses (the transactions entered into on the Closing Date pursuant to and in connection with the Credit Agreement are collectively referred to herein as the “Refinancing”).

As of March 31, 2024, no amounts were outstanding on the Revolving Credit Facility.

Amended Senior Credit Facilities Agreement
On April 12, 2024 (the “Effective Date”), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Credit Agreement (the “Amendment”). Under the Amendment, the applicable margin used to calculate the interest rate payable on the refinanced Term Loan B Facility (the "2024 Term Loan B Facility") was reduced by 75 basis points from the applicable margin under the prior Term Loan B Facility. On the Effective Date, the Company borrowed US$100.0 million under the Revolving Credit Facility and used the proceeds of such borrowing to reduce the principal amount of the Term Loan B Facility by US$95.5 million. The principal amount of the borrowings under the 2024 Term Loan B Facility is US$500.0 million. The other terms of the 2024 Term Loan B Facility are the same as under the prior Term Loan B Facility.

Interest Rate and Fees
In respect of the Term Loan A Facility and the Revolving Credit Facility, the interest rate payable on borrowings thereunder is based on the Secured Overnight Financing Rate (“SOFR”), with a SOFR floor of 0%, plus a 10 basis-point credit spread adjustment, plus an applicable margin which can vary and is based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company’s corporate ratings. As of March 31, 2024, the applicable margin under the Term Loan A Facility and the Revolving Credit Facility was 1.125% (or a base rate plus 0.125%).

In respect of the Term Loan B Facility, the interest rate payable with effect from the Closing Date was based on SOFR, with a SOFR floor of 0.50%, plus 2.75% per annum (or a base rate plus 1.75% per annum). The interest rate payable on the 2024 Term Loan B Facility is based on SOFR plus 2.00% per annum with a SOFR floor of 0.50%.

As the Company's Term Loan A Facility, Revolving Credit Facility and 2024 Term Loan B Facility have floating interest rates, the Company calculates interest expense based on the actual benchmark interest rate plus the applicable margin in effect for the relevant period.

In addition to paying interest on the outstanding principal amount of borrowings under the Senior Credit Facilities, the borrowers pay customary agency fees and a commitment fee in respect of the unutilized commitments under the Revolving Credit Facility based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company’s corporate ratings. As of March 31, 2024, the commitment fee was equal to 0.2% per annum.

Amortization and Final Maturity
The Term Loan A Facility requires scheduled quarterly payments commencing on the last day of the first full fiscal quarter ended after the Closing Date, with an annual amortization of 2.5% of the original principal amount of the loans under the Term Loan A Facility 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 commencing on the last day of the first full fiscal quarter ended after the Effective Date, each 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 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 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 the 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 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 each 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 Credit Agreement requires the Company and its subsidiaries to meet certain quarterly financial covenants. For test periods commencing with the first full fiscal quarter ended after the Closing Date and thereafter, the Company and its subsidiaries are required to maintain (i) a pro forma total net leverage ratio of not greater than 4.50:1.00; provided that such maximum pro forma total net leverage ratio is subject to a step up of 0.50x from the otherwise applicable ratio for the six fiscal quarter period following the fiscal quarter in which a permitted acquisition has been consummated, and (ii) a pro forma consolidated cash interest coverage ratio 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 lenders under the Revolving Credit Facility. The Company was in compliance with the Financial Covenants for the test period ended on March 31, 2024. The 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

Financing costs incurred in conjunction with borrowings 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$16.2 million and US$17.0 million as of March 31, 2024, and December 31, 2023, respectively.

The amortization of deferred financing costs, which is included in interest expense, amounted to US$0.8 million and US$1.1 million for the three months ended March 31, 2024, and March 31, 2023, respectively.

Interest Rate Swaps

The Group 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 September 4, 2019, the Group entered into interest rate swap agreements that became effective on September 6, 2019, and will terminate on August 31, 2024. The notional amounts of the interest rate swap agreements decrease over time.

On June 21, 2023, the Group amended the interest rate swap agreements by replacing references to the London Interbank Offered Rate ("LIBOR") with references to SOFR. As a result, the Group's interest rate swaps have effectively fixed SOFR at approximately 1.1305% with respect to an amount equal to approximately 40% of the principal amount of the Senior Credit Facilities as of March 31, 2024, which reduces a portion of the Company's exposure to interest rate increases. The interest rate swap agreements have fixed payments due monthly. The interest rate swap transactions qualify as cash flow hedges. As of March 31, 2024, the interest rate swaps were marked-to-market, resulting in a net asset position to the Group in the amount of US$9.5 million which was recorded as an asset with the effective portion of the gain (loss) deferred to other comprehensive income.

As of December 31, 2023, the interest rate swaps were marked-to-market, resulting in a net asset position to the Group 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.

€350.0 Million 3.500% Senior Notes Due 2026

On April 25, 2018 (the “Issue Date”), Samsonite Finco S.à r.l., a wholly-owned, indirect subsidiary of the Company (the “Issuer”), issued €350.0 million aggregate principal amount of its 3.500% senior notes due 2026 (the “Senior Notes”). The Senior Notes were issued at par pursuant to an indenture (the “Indenture”), dated the Issue Date, among the Issuer, the Company and certain of its direct or indirect wholly-owned subsidiaries (together with the Company, the “Guarantors”).

<u>Maturity, Interest and Redemption</u>

The Senior Notes will mature on May 15, 2026. Interest on the aggregate outstanding principal amount of the Senior Notes accrues at a fixed rate of 3.500% per annum, payable semi-annually in cash in arrears on May 15 and November 15 each year.

The Issuer may redeem all, or from time to time a part, of the Senior Notes at a redemption price equal to 100.000% of the principal amount of the Senior Notes redeemed plus accrued and unpaid interest and additional amounts, if any, to the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Upon certain events defined as constituting a change of control, the Issuer may be required to make an offer to purchase the Senior Notes.

<u>Guarantee and Security</u>

The Senior Notes are guaranteed by the Guarantors on a senior subordinated basis. The Senior Notes are secured by a second-ranking pledge over the shares of the Issuer and a second-ranking pledge over the Issuer’s rights in the proceeds loan in respect of the proceeds of the offering of the Senior Notes (the “Shared Collateral”). The Shared Collateral also secures the borrowings under the Credit Agreement on a first-ranking basis.

<u>Certain Covenants and Events of Default</u>

The Indenture 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 also contains certain customary provisions relating to events of default.

Other Loans and Borrowings

Certain consolidated subsidiaries of the Company 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 Group entity. These credit lines provide short-term financing and working capital for the day-to-day business operations of certain Group 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$66.1 million and US$50.7 million as of March 31, 2024, and December 31, 2023, respectively.

The following represents the contractual maturity dates of the Group's loans and borrowings as of March 31, 2024, and December 31, 2023.

(Expressed in millions of US Dollars)	**March 31, 2024**	December 31, 2023
On demand or within one year	**92.1**	76.7
After one year but within two years	**41.0**	36.0
After two years but within five years	**1,125.8**	1,144.3
More than five years	**565.5**	567.0
Total loans and borrowings	**1,824.5**	1,824.0

General

This financial and business review as of and for the three months ended March 31, 2024, is being published to provide shareholders, potential investors, lenders, bondholders and other interested parties with an update of the performance of the Group.

The Company's shareholders, potential investors, lenders, bondholders and other interested parties should note that all figures contained in this announcement are based on the Group's management accounts which have not been audited or reviewed by the Company's auditors. The accounting policies applied in the preparation of the Group's management accounts are consistent with those used in the preparation of the Company's audited financial statements for the year ended December 31, 2023.

The Company's shareholders, potential investors, lenders, bondholders and other interested parties are urged to exercise caution in dealing in the securities of the Company and are recommended to consult their own professional advisers if they are in doubt as to their investment positions.

By Order of the Board
Samsonite International S.A.
Timothy Charles Parker
Chairman

Hong Kong, May 14, 2024

As of the date of this announcement, the Executive Director is Kyle Francis Gendreau, the Non-Executive Director is Timothy Charles Parker and the Independent Non-Executive Directors are Claire Marie Bennett, Angela Iris Brav, Paul Kenneth Etchells, Jerome Squire Griffith, Tom Korbas and Ying Yeh.