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 SEPTEMBER 30, 2021

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 September 30, 2021 and for the three and nine month periods then ended, together with comparative figures for the three and nine month periods ended September 30, 2020. 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

During the three and nine months ended September 30, 2021, the Group has experienced improved sales trends due to certain governments relaxing social-distancing restrictions and markets around the world continuing to reopen due to the COVID-19 pandemic moderating. The Group's net sales recovery accelerated during the third quarter of 2021. During 2020 and through the first half of 2021, certain government-mandated restrictions and lockdowns resulted in temporary closures of certain retail stores in which the Company’s products were sold, quarantines and social-distancing required or recommended by governments, and significant reductions in travel and discretionary spending among consumers, which led to reduced demand for many of the Group’s products (collectively, the “COVID-19 Impacts”).

During 2020 and the first nine months of 2021, the Group’s management took steps to enhance the Company’s liquidity and further improve its resilience in response to the COVID-19 Impacts. In addition to strengthening the Company's liquidity, the Group aggressively reduced its operating expenses to mitigate the impact of lower sales on profit and cash flow as well as to right-size the business for the future. Management continues to tightly manage the Group's operating expenses (see Management Discussion and Analysis - Impact of COVID-19 for further discussion).

In this announcement, certain financial results for the three and nine months ended September 30, 2021 are compared to both the three and nine months ended September 30, 2020 and the three and nine months ended September 30, 2019. Comparisons to the three and nine months ended September 30, 2019 are provided because they are the most recently ended comparable periods during which the Company’s results were not affected by COVID-19. During the three and nine months ended September 30, 2020 the COVID-19 Impacts had a significant effect on the Company’s financial results.

For the Three Months Ended September 30, 2021 and September 30, 2020

The following table sets forth summary financial results for the three months ended September 30, 2021 and September 30, 2020.

(Expressed in millions of US Dollars, except per share data)	Three months ended September 30, 2021	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[1]
Net sales	**557.1**	326.6	70.6 %	68.9 %
Operating profit (loss)[2]	**50.7**	(80.5)	*nm*	*nm*
Operating profit (loss) excluding impairment charges, restructuring charges and certain other expenses[2], [3]	**57.7**	(65.8)	*nm*	*nm*
Loss for the period[2]	**(2.5)**	(117.5)	(97.8)%	(97.5)%
Loss attributable to the equity holders[2]	**(5.2)**	(110.7)	(95.3)%	(94.9)%
Adjusted Net Income (Loss)[4]	**8.7**	(98.7)	*nm*	*nm*
Adjusted EBITDA[5]	**72.2**	(50.7)	*nm*	*nm*
Adjusted EBITDA margin[6]	**13.0 %**	(15.5)%		
Basic and diluted loss per share[2] *(Expressed in US Dollars per share)*	**(0.004)**	(0.077)	(95.3)%	(94.9)%
Adjusted basic and diluted earnings (loss) per share[7] *(Expressed in US Dollars per share)*	**0.006**	(0.069)	*nm*	*nm*

Notes
(1) Results stated on a constant currency basis, a non-International Financial Reporting Standards ("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.
(2) Results for the three months ended September 30, 2021 included total Restructuring Charges (as defined in the Summary Financial Highlights) of US$5.6 million (including US$0.2 million of Restructuring Charges in cost of sales) and a loss on the sale of Speck (as defined in Summary Financial Highlights) of US$1.3 million. Results for the three months ended September 30, 2020 included total Restructuring Charges of US$9.0 million (including US$3.7 million of Restructuring Charges in cost of sales) and total non-cash impairment charges of US$5.6 million (including US$1.3 million of non-cash impairment charges in cost of sales) primarily related to lease right-of-use assets at certain retail locations. See Impairment Charges, Restructuring Charges and Other Income, respectively, in Management Discussion and Analysis for further discussion.
(3) Operating profit (loss) excluding total non-cash impairment charges, total restructuring charges and the loss on the sale of Speck is a non-IFRS measure and as calculated herein may not be comparable to similarly named measures used by other companies and should not be considered comparable to operating profit (loss) for the period in the Group's consolidated statements of income (loss).
(4) Adjusted Net Income (Loss), 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 loss for the period, which the Group believes helps to give securities analysts, investors and other interested parties a better understanding of the Group's underlying financial performance. See Management Discussion and Analysis - Adjusted Net Income (Loss) for a reconciliation from the Group's loss for the period to Adjusted Net Income (Loss).
(5) Adjusted earnings before interest, taxes, depreciation and amortization ("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 loss for the period to Adjusted EBITDA.
(6) Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.
(7) Adjusted basic and diluted earnings (loss) per share, both non-IFRS measures, are calculated by dividing Adjusted Net Income (Loss) by the weighted average number of shares used in the basic and diluted earnings (loss) per share calculations, respectively.
nm Not meaningful.

Summary Financial Highlights

- Net sales were US$557.1 million for the three months ended September 30, 2021 compared to US$326.6 million for the three months ended September 30, 2020, an increase of 70.6% (+68.9% constant currency). On July 30, 2021, a wholly owned subsidiary of the Company sold Speculative Product Design, LLC ("Speck") for US$35.3 million. When excluding the net sales of Speck for August and September 2020, consolidated net sales increased by US$255.4 million, or 84.6% (+82.8% constant currency), for the three months ended September 30, 2021 compared to the same period in the previous year. The Group has experienced improved sales trends due to governments relaxing social-distancing restrictions and markets around the world reopening due to the COVID-19 pandemic moderating.
- The Group experienced sequential quarterly net sales improvement during the first three quarters of 2021 when compared to the corresponding quarters in 2019. During the third quarter of 2021, the Group's net sales decline narrowed to 39.5% (-39.9% constant currency) when compared to the third quarter of 2019; when excluding the net sales of Speck for August and September 2019, consolidated net sales decreased by 37.3% (-37.6% constant

currency), for the three months ended September 30, 2021 compared to the three months ended September 30, 2019. This encouraging trend continued from the second quarter of 2021, when the decline in the Group's net sales narrowed to 51.8% (-52.2% constant currency) when compared to the second quarter of 2019, and from the first quarter, when the Group's net sales decreased by 57.4% (-57.3% constant currency) compared to the first quarter of 2019.

- Gross profit margin increased to 55.5% for the three months ended September 30, 2021 from 44.9% for the corresponding period in the previous year. The increase in gross profit margin was primarily related to an increase in gross profit as a result of the increase in net sales year-on-year and to lower gross profit margin in the corresponding period of the prior year due mainly to increased provisions for inventory reserves and fixed manufacturing expenses on a lower sales base. See Management Discussion and Analysis - Cost of Sales and Gross Profit for further discussion.
- The Group spent US$21.5 million on marketing during the three months ended September 30, 2021 compared to US$10.6 million for the three months ended September 30, 2020, an increase of US$10.9 million, or 102.3%. As a percentage of net sales, marketing expenses increased by 60 basis points to 3.9% for the three months ended September 30, 2021 from 3.3% for the three months ended September 30, 2020. The Group has continued to tightly manage its advertising expenses in an effort to help conserve cash and to mitigate the effects of the COVID-19 Impacts on the Group's profitability.
- There were no impairment charges recognized during the three months ended September 30, 2021. During the three months ended September 30, 2020 the Group recognized non-cash impairment charges (the "3Q 2020 Impairment Charges") totaling US$5.6 million, comprised of US$4.3 million for lease right-of-use assets attributable to the under-performance of certain retail locations and US$1.3 million (included in cost of sales) for certain property, plant and equipment attributable to molds and machinery used for the production of certain luggage product lines. See Management Discussion and Analysis - Impairment Charges for further discussion.
- During 2020, the Group aggressively reduced its operating expenses to mitigate the impact of lower sales on profit and cash flow as well as to right-size the business for the future in response to the COVID-19 Impacts (see Management Discussion and Analysis - Impact of COVID-19 for further discussion). In conjunction with these cost saving actions and other initiatives, the Group recognized charges related to these restructuring initiatives (the "Restructuring Charges"). During the three months ended September 30, 2021 and September 30, 2020, the Group recognized Restructuring Charges of US$5.6 million (including US$0.2 million of Restructuring Charges in cost of sales) and US$9.0 million (including US$3.7 million of Restructuring Charges in cost of sales), respectively. See Management Discussion and Analysis - Restructuring Charges for further discussion.
- The Group had an operating profit of US$50.7 million for the three months ended September 30, 2021 compared to an operating loss of US$80.5 million for the corresponding period in the previous year. The Group had an operating profit of US$57.7 million(1) for the three months ended September 30, 2021 when excluding the Restructuring Charges and the loss on the sale of Speck recognized during the three months ended September 30, 2021 compared to an operating loss of US$65.8 million(1) for the corresponding period in the previous year when excluding the non-cash 3Q 2020 Impairment Charges and the Restructuring Charges recognized during the three months ended September 30, 2020.
- The Group incurred a loss for the three months ended September 30, 2021 of US$2.5 million compared to a loss for the three months ended September 30, 2020 of US$117.5 million. The Group had profit for the period for the three months ended September 30, 2021 of US$2.0 million(1) when excluding the Restructuring Charges and the loss on the sale of Speck recognized during the three months ended September 30, 2021, net of the related tax impact, compared to a loss of US$105.4 million(1) for the corresponding period in the previous year when excluding the non-cash 3Q 2020 Impairment Charges and the Restructuring Charges recognized during the three months ended September 30, 2020, both of which are net of the related tax impact.
- The Group incurred a loss attributable to the equity holders of US$5.2 million for the three months ended September 30, 2021 compared to a loss attributable to the equity holders of US$110.7 million for the corresponding period in the previous year. For the three months ended September 30, 2021 the Group incurred a loss attributable to the equity holders of US$0.7 million(1) when excluding the Restructuring Charges and the loss on the sale of Speck recognized during the three months ended September 30, 2021, net of the related tax impact. In comparison, the Group recorded a loss attributable to the equity holders of US$98.7 million(1) for the corresponding period in the previous year when excluding the non-cash 3Q 2020 Impairment Charges and the Restructuring Charges recognized during the three months ended September 30, 2020, both of which are net of the related tax impact.
- Adjusted EBITDA, a non-IFRS measure, improved by US$122.9 million to earnings of US$72.2 million for the three months ended September 30, 2021 compared to a loss of US$50.7 million for the three months ended September 30, 2020. Adjusted EBITDA margin was 13.0% for the three months ended September 30, 2021 compared to (15.5)% for the three months ended September 30, 2020 due primarily to improved net sales and gross profit, along with actions taken by management to reduce the fixed and variable cost structure of the business.
- The Group generated US$157.1 million of cash from operating activities during the three months ended September 30, 2021 compared to US$0.8 million of cash used in operating activities for the corresponding period

in the previous year. Total cash generation[2] was US$116.1 million during the three months ended September 30, 2021 compared to total cash burn of (US$67.7) million for the three months ended September 30, 2020 and (US$27.3) million for the second quarter of 2021. The year-on-year improvement in total cash generation (burn) was driven by increased net sales, improved profitability and changes in working capital. The Company remains focused on cash preservation by tightly managing capital expenditures, marketing activities and discretionary spending.

Notes
(1) See reconciliations in Management Discussion and Analysis.
(2) Total cash generation (burn) is calculated as the total increase (decrease) in cash and cash equivalents per the consolidated statements of cash flows less total cash flow attributable to (i) total loans and borrowings, (ii) deferred financing costs and (iii) proceeds from the sale of Speck.

For the Nine Months Ended September 30, 2021 and September 30, 2020

The following table sets forth summary financial results for the nine months ended September 30, 2021 and September 30, 2020.

(Expressed in millions of US Dollars, except per share data)	Nine months ended September 30, 2021	Nine months ended September 30, 2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[1]
Net sales	**1,356.6**	1,129.0	20.2 %	17.7 %
Operating loss[2]	**(35.7)**	(1,143.2)	(96.9)%	(97.0)%
Operating profit (loss) excluding impairment charges, restructuring charges and certain other expenses[2], [3]	**7.5**	(222.8)	*nm*	*nm*
Loss for the period[2]	**(144.8)**	(1,093.2)	(86.8)%	(87.0)%
Loss attributable to the equity holders[2]	**(147.7)**	(1,084.5)	(86.4)%	(86.6)%
Adjusted Net Loss[4]	**(95.0)**	(271.8)	(65.0)%	(65.7)%
Adjusted EBITDA[5]	**55.3**	(173.6)	*nm*	*nm*
Adjusted EBITDA margin[6]	**4.1 %**	(15.4)%		
Basic and diluted loss per share[2] *(Expressed in US Dollars per share)*	**(0.103)**	(0.757)	(86.4)%	(86.6)%
Adjusted basic and diluted loss per share[7] *(Expressed in US Dollars per share)*	**(0.066)**	(0.190)	(65.1)%	(65.7)%

Notes
(1) 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.
(2) Results for the nine months ended September 30, 2021 included total Restructuring Charges of US$11.6 million (including US$0.3 million of Restructuring Charges in cost of sales), a loss on the sale of Speck of US$1.3 million and total non-cash impairment charges of US$30.2 million. Of this amount, US$5.5 million was attributable to lease right-of-use assets due to the under-performance of certain retail locations. The Group recognized non-cash impairment charges during the nine months ended September 30, 2021 totaling US$24.7 million related to impairments of goodwill and other intangible assets associated with the sale of Speck. Results for the nine months ended September 30, 2020 included total Restructuring Charges of US$37.8 million (including US$3.7 million of Restructuring Charges in cost of sales) and total non-cash impairment charges of US$882.7 million (including US$1.3 million of non-cash impairment charges in cost of sales) comprised of US$732.0 million related to goodwill and tradename intangible assets and US$150.7 million primarily related to lease right-of-use assets and property, plant and equipment due to the under-performance of certain retail locations. See Impairment Charges, Restructuring Charges and Other Income, respectively, in Management Discussion and Analysis for further discussion.
(3) Operating profit (loss) excluding total non-cash impairment charges, total restructuring charges and the loss on the sale of Speck is a non-IFRS measure and as calculated herein may not be comparable to similarly named measures used by other companies and should not be considered comparable to operating profit (loss) for the period in the Group's consolidated statements of income (loss).
(4) Adjusted Net Loss, 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 loss for the period, which the Group believes helps to give securities analysts, investors and other interested parties a better understanding of the Group's underlying financial performance. See Management Discussion and Analysis - Adjusted Net Loss for a reconciliation from the Group's loss for the period to Adjusted Net Loss.
(5) 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 loss for the period to Adjusted EBITDA.
(6) Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.
(7) Adjusted basic and diluted loss per share, both non-IFRS measures, are calculated by dividing Adjusted Net Loss by the weighted average number of shares used in the basic and diluted loss per share calculations, respectively.
nm Not meaningful.

Summary Financial Highlights

- Net sales were US$1,356.6 million for the nine months ended September 30, 2021 compared to US$1,129.0 million for the nine months ended September 30, 2020, an increase of 20.2% (+17.7% constant currency). When excluding the net sales of Speck for August and September 2020, consolidated net sales increased by US$252.5 million, or 22.9% (+20.3% constant currency), for the nine months ended September 30, 2021 compared to the same period in the previous year. The Group has experienced improved sales trends due to governments relaxing social-distancing restrictions and markets around the world reopening due to the COVID-19 pandemic moderating.
- For the nine months ended September 30, 2021, the Group recorded a net sales decline of 49.3% (-49.5% constant currency) when compared to the nine months ended September 30, 2019. When excluding the net sales of Speck for August and September 2019, consolidated net sales decreased by 48.7% (-48.9% constant currency), for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2019.
- Gross profit margin increased to 52.7% for the nine months ended September 30, 2021 from 48.1% for the corresponding period in the previous year. The increase in gross profit margin was primarily related to an increase in gross profit as a result of the increase in net sales year-on-year and to lower gross profit margin in the corresponding period of the prior year due mainly to increased provisions for inventory reserves and fixed manufacturing expenses on a lower sales base. See Management Discussion and Analysis - Cost of Sales and Gross Profit for further discussion.
- The Group spent US$50.2 million on marketing during the nine months ended September 30, 2021 compared to US$55.1 million for the nine months ended September 30, 2020, a decrease of US$4.9 million, or 9.0%. As a percentage of net sales, marketing expenses decreased by 120 basis points to 3.7% for the nine months ended September 30, 2021 from 4.9% for the nine months ended September 30, 2020. The Group has continued to tightly manage its advertising expenses in an effort to help conserve cash and to mitigate the effects of the COVID-19 Impacts on the Group's profitability.
- During the nine months ended September 30, 2021 the Group recognized non-cash impairment charges (the "2021 Impairment Charges") of US$30.2 million. Of this amount, US$5.5 million was attributable to lease right-of-use assets due to the under-performance of certain retail locations. During June 2021, the Group classified the assets attributable to Speck to held for sale. Speck was sold on July 30, 2021. The Group recognized non-cash impairment charges during the nine months ended September 30, 2021 totaling US$24.7 million related to impairments of goodwill and other intangible assets associated with the sale of Speck. Due to the negative impacts resulting from the COVID-19 pandemic during the nine months ended September 30, 2020, certain indefinite-lived intangible assets identified by the Group were tested for impairment. Total non-cash impairment charges (the "2020 Impairment Charges") of US$882.7 million (including US$1.3 million of non-cash impairment charges in cost of sales), comprised of (i) US$496.0 million for goodwill, (ii) US$236.0 million for certain tradenames and, based on an evaluation of loss-making stores, (iii) US$119.5 million for the write-off of lease right-of-use assets and (iv) US$31.2 million for the write-off of certain property, plant and equipment, including leasehold improvements was recognized. See Management Discussion and Analysis - Impairment Charges for further discussion.
- During 2020, the Group aggressively reduced its operating expenses to mitigate the impact of lower sales on profit and cash flow as well as to right-size the business for the future in response to the COVID-19 Impacts (see Management Discussion and Analysis - Impact of COVID-19 for further discussion). In conjunction with these cost saving actions and other initiatives, the Group recognized Restructuring Charges of US$11.6 million (including US$0.3 million of Restructuring Charges in cost of sales) and US$37.8 million (including US$3.7 million of Restructuring Charges in cost of sales) during the nine months ended September 30, 2021 and September 30, 2020, respectively. See Management Discussion and Analysis - Restructuring Charges for further discussion.
- The Group incurred an operating loss of US$35.7 million for the nine months ended September 30, 2021 compared to an operating loss of US$1,143.2 million for the corresponding period in the previous year. The Group had an operating profit of US$7.5 million(1) for the nine months ended September 30, 2021 when excluding the non-cash 2021 Impairment Charges, Restructuring Charges and the loss on the sale of Speck recognized during the nine months ended September 30, 2021 compared to an operating loss of US$222.8 million(1) for the corresponding period in the previous year when excluding the non-cash 2020 Impairment Charges and the Restructuring Charges recognized during the nine months ended September 30, 2020.
- The Group incurred a loss for the nine months ended September 30, 2021 of US$144.8 million compared to a loss for the nine months ended September 30, 2020 of US$1,093.2 million. The Group incurred a loss for the nine months ended September 30, 2021 of US$112.9 million(1) when excluding the non-cash 2021 Impairment Charges, Restructuring Charges, the loss on the sale of Speck and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement (each as defined in Management Discussion and Analysis - Indebtedness) during the nine months ended September 30, 2021, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with the intra-group realignment of certain intellectual property rights (the "Intra-Group IP Realignment"), compared to a loss for the nine months ended September 30, 2020 of US$277.0 million(1) when excluding the non-cash 2020 Impairment Charges and the Restructuring Charges recognized during the nine months ended September 30, 2020, both of which are net of the related tax impact.

- The Group incurred a loss attributable to the equity holders of US$147.7 million for the nine months ended September 30, 2021 compared to a loss attributable to the equity holders of US$1,084.5 million for the corresponding period in the previous year. For the nine months ended September 30, 2021 the Group incurred a loss attributable to the equity holders of US$115.8 million(1) when excluding the non-cash 2021 Impairment Charges, Restructuring Charges, the loss on the sale of Speck and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement during the nine months ended September 30, 2021, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with the Intra-Group IP Realignment. In comparison, the Group recorded a loss attributable to the equity holders for the nine months ended September 30, 2020 of US$268.3 million(1) when excluding the non-cash 2020 Impairment Charges and the Restructuring Charges recognized during the nine months ended September 30, 2020, both of which are net of the related tax impact.
- Adjusted EBITDA, a non-IFRS measure, improved by US$228.9 million to earnings of US$55.3 million for the nine months ended September 30, 2021 compared to a loss of US$173.6 million for the nine months ended September 30, 2020. Adjusted EBITDA margin was 4.1% for the nine months ended September 30, 2021 compared to (15.4%) for the nine months ended September 30, 2020 due primarily to improved net sales and gross profit, along with actions taken by management to reduce the fixed and variable cost structure of the business.
- The Group generated US$155.3 million of cash from operating activities during the nine months ended September 30, 2021 compared to US$173.8 million of cash used in operating activities for the corresponding period in the previous year. As of September 30, 2021, the Group had cash and cash equivalents of US$1,153.5 million and outstanding financial debt of US$2,812.2 million (excluding deferred financing costs of US$13.8 million), resulting in a net debt position of US$1,658.7 million compared to a net debt position of US$1,735.5 million as of December 31, 2020. As a result of the Group taking meaningful actions during 2020 to reduce its fixed cost base and marketing expenditures, improve working capital and put a virtual freeze on capital expenditures in response to the COVID-19 Impacts, total cash generation(2) was US$24.2 million during the nine months ended September 30, 2021 compared to total cash burn(2) of (US$356.5) million during the nine months ended September 30, 2020. The year-on-year improvement in total cash generation (burn) was driven by increased sales, improved profitability and changes in working capital. The Company remains focused on cash preservation by tightly managing capital expenditures, marketing activities and discretionary spending. Total liquidity(3) as of September 30, 2021 was US$1,323.1 million versus US$1,518.3 million as of December 31, 2020. The decrease in liquidity was primarily due to the prepayment of US$365.0 million principal amount of borrowings under the Amended Senior Credit Facilities (as defined in Management Discussion and Analysis - Indebtedness) during 2021.
- On June 7, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Fifth Amended Credit Agreement. Under the terms of the Fifth Amended Credit Agreement, if during the period from September 30, 2021 until March 31, 2022 the Company elects to use the Historical EBITDA (as defined in Management Discussion and Analysis - Indebtedness) for the purpose of calculating the maximum total net leverage ratio and minimum interest coverage ratio under the Financial Covenants, the Historical EBITDA for each of the quarters ended December 31, 2020, March 31, 2021 and June 30, 2021 will be increased by an amount equal to US$65.7 million. The Fifth Amended Credit Agreement further strengthened the Company's financial flexibility to navigate its business through the challenges from the COVID-19 pandemic.
- On June 21, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Sixth Amended Credit Agreement which provides for the 2021 Incremental Term Loan B Facility (as defined in Management Discussion and Analysis - Indebtedness) in the principal amount of US$495.5 million, which was borrowed by the Group on June 21, 2021 and, together with US$100.0 million of cash on the balance sheet, was used to repay the aggregate US$595.5 million principal amount then outstanding under the 2020 Incremental Term Loan B Facility (as defined in Management Discussion and Analysis - Indebtedness).
- On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck for an aggregate cash consideration of US$35.3 million. Additional contingent cash consideration of US$4.0 million will become payable in the event Speck's net sales for the year ending December 31, 2021 are not less than US$107.0 million. The net proceeds from the sale were used to repay a portion of the outstanding borrowings under the Company's Amended Revolving Credit Facility (as defined in Management Discussion and Analysis - Indebtedness) during the third quarter of 2021.

Notes

(1) See reconciliations in Management Discussion and Analysis.

(2) Total cash generation (burn) is calculated as the total increase (decrease) in cash and cash equivalents per the consolidated statements of cash flows less total cash flow attributable to (i) total loans and borrowings, (ii) deferred financing costs and (iii) proceeds from the sale of Speck.

(3) Total liquidity is calculated as the sum of cash and cash equivalents per the consolidated statements of financial position plus available capacity on the Amended 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 section because each of these measures provides additional information that management believes is useful in gaining a more complete understanding of the Group's operational performance and of the trends impacting its business to securities analysts, investors and other interested parties. 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 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.

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, operating profit (loss), Adjusted Net Income (Loss), Adjusted EBITDA[2], 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. These risks, uncertainties and other factors also include the potential effects of the COVID-19 pandemic on the Company's future financial and operational results, which could vary significantly depending on the duration and severity of the COVID-19 pandemic worldwide and the pace and extent of recovery following the COVID-19 pandemic.

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 length and severity of the COVID-19 pandemic; lower levels of consumer spending resulting from COVID-19; a general economic downturn or generally reduced consumer spending, including as a result of COVID-19; the pace and extent of recovery following COVID-19; significant changes in consumer spending patterns or preferences; interruptions or delays in the supply of finished goods or key components; the performance of the Group's products within the prevailing retail environment; financial difficulties encountered by customers and related bankruptcy and collection issues; and risks related to the success of the Group's restructuring programs. Given the inherent uncertainty about the future impacts of COVID-19, it is not possible for the Company to reliably predict the extent to which its business, results of operations, financial condition or liquidity will ultimately be impacted (see Management Discussion and Analysis - Impact of COVID-19 for further discussion).

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 document have been rounded up or down to the nearest 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.

Notes
(1) International Financial Reporting Standards as issued by the International Accounting Standards Board.
(2) Earnings before interest, taxes, depreciation and amortization.

Consolidated Statements of Income (Loss)

(Expressed in millions of US Dollars, except per share data)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	**2021**	2020
Net sales	**557.1**	326.6	**1,356.6**	1,129.0
Cost of sales	**(248.1)**	(180.1)	**(641.8)**	(586.0)
Gross profit	**309.0**	146.5	**714.8**	543.0
Distribution expenses	**(179.0)**	(162.5)	**(505.4)**	(570.6)
Marketing expenses	**(21.5)**	(10.6)	**(50.2)**	(55.1)
General and administrative expenses	**(53.5)**	(47.4)	**(155.9)**	(155.3)
Impairment Charges (exclusive of amounts included in cost of sales)	**—**	(4.3)	**(30.2)**	(881.4)
Restructuring Charges (exclusive of amounts included in cost of sales)	**(5.4)**	(5.3)	**(11.3)**	(34.1)
Other income	**1.1**	3.1	**2.5**	10.3
Operating profit (loss)	**50.7**	(80.5)	**(35.7)**	(1,143.2)
Finance income	**1.0**	1.1	**2.7**	2.9
Finance costs	**(31.0)**	(31.3)	**(135.2)**	(79.8)
Net finance costs	**(30.0)**	(30.2)	**(132.5)**	(76.9)
Profit (loss) before income tax	**20.7**	(110.7)	**(168.2)**	(1,220.1)
Income tax benefit (expense)	**(23.2)**	(6.8)	**23.4**	126.9
Loss for the period	**(2.5)**	(117.5)	**(144.8)**	(1,093.2)
Loss attributable to equity holders	**(5.2)**	(110.7)	**(147.7)**	(1,084.5)
Profit (loss) attributable to non-controlling interests	**2.7**	(6.8)	**2.9**	(8.7)
Loss for the period	**(2.5)**	(117.5)	**(144.8)**	(1,093.2)
Earnings (loss) per share:				
Basic and diluted loss per share				
(Expressed in US Dollars per share)	**(0.004)**	(0.077)	**(0.103)**	(0.757)

Consolidated Statements of Comprehensive Income (Loss)

(Expressed in millions of US Dollars)	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Loss for the period	**(2.5)**	(117.5)	**(144.8)**	(1,093.2)
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**	(4.1)	**12.8**	(26.7)
Settlement of cross currency swap agreement	**0.9**	—	**0.9**	—
Foreign currency translation gains (losses) for foreign operations	**(0.6)**	(3.3)	**5.4**	(30.9)
Other comprehensive income (loss)	**2.4**	(7.4)	**19.1**	(57.6)
Total comprehensive loss for the period	**(0.1)**	(124.9)	**(125.7)**	(1,150.8)
Total comprehensive loss attributable to equity holders	**(2.0)**	(118.5)	**(126.9)**	(1,139.5)
Total comprehensive income (loss) attributable to non-controlling interests	**1.9**	(6.4)	**1.2**	(11.3)
Total comprehensive loss for the period	**(0.1)**	(124.9)	**(125.7)**	(1,150.8)

Consolidated Statements of Financial Position

(Expressed in millions of US Dollars)	**September 30, 2021**	December 31, 2020
Non-Current Assets		
Property, plant and equipment	**148.3**	187.8
Lease right-of-use assets	**343.6**	399.6
Goodwill	**829.6**	849.6
Other intangible assets	**1,352.3**	1,418.3
Deferred tax assets	**100.6**	54.5
Other assets and receivables	**66.6**	78.1
Total non-current assets	**2,841.0**	2,987.9
Current Assets		
Inventories	**332.6**	455.9
Trade and other receivables	**179.0**	141.0
Prepaid expenses and other assets	**100.0**	82.4
Cash and cash equivalents	**1,153.5**	1,495.0
Total current assets	**1,765.1**	2,174.3
Total assets	**4,606.1**	5,162.2
Equity and Liabilities		
Equity:		
Share capital	**14.3**	14.3
Reserves	**502.5**	619.8
Total equity attributable to equity holders	**516.8**	634.1
Non-controlling interests	**32.8**	34.9
Total equity	**549.6**	669.0
Non-Current Liabilities		
Loans and borrowings	**2,708.4**	3,110.1
Lease liabilities	**319.6**	386.2
Employee benefits	**31.0**	25.2
Non-controlling interest put options	**36.0**	35.1
Deferred tax liabilities	**148.8**	174.5
Derivative financial instruments	**11.2**	24.3
Other liabilities	**6.1**	6.5
Total non-current liabilities	**3,261.1**	3,761.9
Current Liabilities		
Loans and borrowings	**48.5**	47.8
Current portion of long-term loans and borrowings	**41.6**	32.8
Current portion of lease liabilities	**131.4**	145.3
Employee benefits	**80.0**	57.4
Trade and other payables	**422.0**	412.9
Current tax liabilities	**71.9**	35.1
Total current liabilities	**795.4**	731.3
Total liabilities	**4,056.5**	4,493.2
Total equity and liabilities	**4,606.1**	5,162.2
Net current assets	**969.7**	1,443.0
Total assets less current liabilities	**3,810.7**	4,430.9

Consolidated Statements of Changes in Equity

(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 equity holders	Non-controlling interests	Total equity
Three months ended September 30, 2021									
Balance, July 1, 2021	**1,435,846,257**	**14.3**	**1,063.1**	**(70.2)**	**61.4**	**(549.3)**	**519.3**	**31.9**	**551.2**
Profit (loss) for the period	**—**	**—**	**—**	**—**	**—**	**(5.2)**	**(5.2)**	**2.7**	**(2.5)**
Other comprehensive income (loss):									
Changes in fair value of hedges, net of tax	**—**	**—**	**—**	**—**	**2.1**	**—**	**2.1**	**0.0**	**2.1**
Settlement of cross currency swap agreement, net of tax	**—**	**—**	**—**	**—**	**0.9**	**—**	**0.9**	**—**	**0.9**
Foreign currency translation gains (losses) for foreign operations	**—**	**—**	**—**	**0.2**	**—**	**—**	**0.2**	**(0.8)**	**(0.6)**
Total comprehensive income (loss) for the period	**—**	**—**	**—**	**0.2**	**3.0**	**(5.2)**	**(2.0)**	**1.9**	**(0.1)**
Transactions with owners recorded directly in equity:									
Change in fair value of put options included in equity	**—**	**—**	**—**	**—**	**—**	**(4.3)**	**(4.3)**	**—**	**(4.3)**
Share-based compensation expense	**—**	**—**	**—**	**—**	**3.8**	**—**	**3.8**	**—**	**3.8**
Dividends paid to non-controlling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(1.0)**	**(1.0)**
Balance, September 30, 2021	**1,435,846,257**	**14.3**	**1,063.1**	**(70.0)**	**68.2**	**(558.8)**	**516.8**	**32.8**	**549.6**

(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 equity holders	Non-controlling interests	Total equity
Three months ended September 30, 2020									
Balance, July 1, 2020	1,433,714,567	14.3	1,057.5	(76.2)	59.3	(111.6)	943.3	42.1	985.4
Loss for the period	—	—	—	—	—	(110.7)	(110.7)	(6.8)	(117.5)
Other comprehensive income (loss):									
Changes in fair value of hedges, net of tax	—	—	—	—	(4.1)	—	(4.1)	0.0	(4.1)
Foreign currency translation gains (losses) for foreign operations	—	—	—	(3.7)	—	—	(3.7)	0.4	(3.3)
Total comprehensive loss for the period	—	—	—	(3.7)	(4.1)	(110.7)	(118.5)	(6.4)	(124.9)
Transactions with owners recorded directly in equity:									
Change in fair value of put options included in equity	—	—	—	—	—	7.6	7.6	—	7.6
Share-based compensation expense	—	—	—	—	1.2	—	1.2	—	1.2
Balance, September 30, 2020	1,433,714,567	14.3	1,057.5	(79.9)	56.4	(214.7)	833.6	35.7	869.3

Consolidated Statements of Changes in Equity (continued)

(Expressed in millions of US Dollars, except number of shares)	Number of shares	Share capital	Additional paid-in capital	Reserves: Translation reserve	Reserves: Other reserves	Retained earnings / (Accumulated deficit)	Total equity attributable to equity holders	Non-controlling interests	Total equity
Nine months ended September 30, 2021									
Balance, January 1, 2021	**1,434,880,447**	**14.3**	**1,061.1**	**(77.2)**	**48.6**	**(412.7)**	**634.1**	**34.9**	**669.0**
Profit (loss) for the period	**—**	**—**	**—**	**—**	**—**	**(147.7)**	**(147.7)**	**2.9**	**(144.8)**
Other comprehensive income (loss):									
Changes in fair value of hedges, net of tax	**—**	**—**	**—**	**—**	**12.7**	**—**	**12.7**	**0.1**	**12.8**
Settlement of cross currency swap agreement, net of tax	**—**	**—**	**—**	**—**	**0.9**	**—**	**0.9**	**—**	**0.9**
Foreign currency translation gains (losses) for foreign operations	**—**	**—**	**—**	**7.2**	**—**	**—**	**7.2**	**(1.8)**	**5.4**
Total comprehensive income (loss) for the period	**—**	**—**	**—**	**7.2**	**13.6**	**(147.7)**	**(126.9)**	**1.2**	**(125.7)**
Transactions with owners recorded directly in equity:									
Change in fair value of put options included in equity	**—**	**—**	**—**	**—**	**—**	**1.6**	**1.6**	**—**	**1.6**
Share-based compensation expense	**—**	**—**	**—**	**—**	**8.0**	**—**	**8.0**	**—**	**8.0**
Exercise of share options	**3,094**	**0.0**	**0.0**	**—**	**0.0**	**—**	**0.0**	**—**	**0.0**
Vesting of time-based restricted share awards	**962,716**	**0.0**	**2.0**	**—**	**(2.0)**	**—**	**—**	**—**	**—**
Dividends paid to non-controlling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(3.3)**	**(3.3)**
Balance, September 30, 2021	**1,435,846,257**	**14.3**	**1,063.1**	**(70.0)**	**68.2**	**(558.8)**	**516.8**	**32.8**	**549.6**

(Expressed in millions of US Dollars, except number of shares)	Number of shares	Share capital	Additional paid-in capital	Reserves: Translation reserve	Reserves: Other reserves	Retained earnings / (Accumulated deficit)	Total equity attributable to equity holders	Non-controlling interests	Total equity
Nine months ended September 30, 2020									
Balance, January 1, 2020	1,432,569,771	14.3	1,055.2	(51.6)	80.9	852.2	1,951.0	50.5	2,001.5
Loss for the period	—	—	—	—	—	(1,084.5)	(1,084.5)	(8.7)	(1,093.2)
Other comprehensive income (loss):									
Changes in fair value of hedges, net of tax	—	—	—	—	(26.7)	—	(26.7)	0.0	(26.7)
Foreign currency translation losses for foreign operations	—	—	—	(28.3)	—	—	(28.3)	(2.6)	(30.9)
Total comprehensive loss for the period	—	—	—	(28.3)	(26.7)	(1,084.5)	(1,139.5)	(11.3)	(1,150.8)
Transactions with owners recorded directly in equity:									
Change in fair value of put options included in equity	—	—	—	—	—	17.6	17.6	—	17.6
Share-based compensation expense	—	—	—	—	4.5	—	4.5	—	4.5
Vesting of time-based restricted share awards	1,144,796	0.0	2.3	—	(2.3)	—	—	—	—
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	(3.5)	(3.5)
Balance, September 30, 2020	1,433,714,567	14.3	1,057.5	(79.9)	56.4	(214.7)	833.6	35.7	869.3

Consolidated Statements of Cash Flows

(Expressed in millions of US Dollars)	Three months ended September 30, **2021**	Three months ended September 30, 2020	Nine months ended September 30, **2021**	Nine months ended September 30, 2020
Cash flows from operating activities:				
Loss for the period	**(2.5)**	(117.5)	**(144.8)**	(1,093.2)
Adjustments to reconcile loss for the period to net cash generated from (used in) operating activities:				
Depreciation	**10.6**	15.0	**35.8**	50.5
Amortization of intangible assets	**7.9**	8.1	**24.3**	24.0
Amortization of lease right-of-use assets	**29.5**	34.3	**90.7**	123.8
Impairment Charges (inclusive of amounts in cost of sales)	**—**	5.6	**30.2**	882.7
Change in fair value of put options included in finance costs	**3.4**	(6.2)	**2.4**	(21.7)
Non-cash share-based compensation	**3.8**	1.2	**8.0**	4.5
Interest expense on borrowings and lease liabilities	**28.8**	37.5	**99.3**	93.5
Non-cash charge to derecognize deferred financing costs	**—**	—	**24.1**	—
Income tax (benefit) expense	**23.2**	6.8	**(23.4)**	(126.9)
	104.7	(15.2)	**146.6**	(62.8)
Changes in operating assets and liabilities:				
Trade and other receivables	**(17.0)**	2.4	**(45.6)**	216.9
Inventories	**52.9**	57.5	**100.2**	55.5
Other current assets	**(12.5)**	(3.4)	**(10.8)**	16.0
Trade and other payables	**50.3**	(14.0)	**53.7**	(320.2)
Other assets and liabilities	**4.2**	6.9	**18.6**	38.3
Cash generated from (used in) operating activities	**182.6**	34.2	**262.7**	(56.3)
Interest paid on borrowings and lease liabilities	**(23.6)**	(30.5)	**(88.8)**	(80.7)
Income tax paid	**(1.9)**	(4.5)	**(18.6)**	(36.8)
Net cash generated from (used in) operating activities	**157.1**	(0.8)	**155.3**	(173.8)
Cash flows from investing activities:				
Purchases of property, plant and equipment	**(1.2)**	(0.4)	**(5.8)**	(18.4)
Other intangible asset additions	**(0.6)**	(0.9)	**(2.0)**	(4.4)
Proceeds from the sale of Speck	**35.3**	—	**35.3**	—
Net cash provided by (used in) investing activities	**33.5**	(1.3)	**27.5**	(22.8)
Cash flows from financing activities:				
Proceeds (payments) from Amended Term Loan A Facility	**(5.0)**	—	**(140.0)**	800.0
Proceeds (payments) from 2020 Incremental Term Loan B Facility	**—**	—	**(597.0)**	600.0
Proceeds (payments) from Amended Revolving Credit Facility	**(40.0)**	—	**(140.0)**	810.3
Proceeds (payments) from 2021 Incremental Term Loan B Facility	**(1.5)**	—	**494.0**	—
Payment and settlement of Term Loan A Facility	**—**	—	**—**	(797.0)
Other payments on term loan facilities	**(1.7)**	(8.2)	**(5.0)**	(16.5)
Proceeds (payments) of other long-term debt	**(2.4)**	1.3	**(2.5)**	2.5
Proceeds (payments) from current loans and borrowings, net	**1.0**	(10.9)	**3.5**	35.0
Principal payments on lease liabilities	**(38.0)**	(65.7)	**(120.1)**	(156.5)
Payment of deferred financing costs	**—**	—	**(3.5)**	(34.8)
Proceeds from the exercise of share options	**—**	—	**0.0**	—
Dividend payments to non-controlling interests	**(1.0)**	—	**(3.3)**	(3.5)
Net cash provided by (used in) financing activities	**(88.6)**	(83.5)	**(513.9)**	1,239.5
Net increase (decrease) in cash and cash equivalents	**102.0**	(85.6)	**(331.1)**	1,042.9
Cash and cash equivalents, at beginning of period	**1,058.2**	1,589.8	**1,495.0**	462.6
Effect of exchange rate changes	**(6.7)**	6.7	**(10.4)**	5.4
Cash and cash equivalents, at end of period	**1,153.5**	1,510.9	**1,153.5**	1,510.9

Management Discussion and Analysis

Impact of COVID-19

During the three and nine months ended September 30, 2021, the Group has experienced improved sales trends due to certain governments relaxing social-distancing restrictions and markets around the world continuing to reopen due to the COVID-19 pandemic moderating. The Group's net sales recovery accelerated during the third quarter of 2021. During 2020 and through the first half of 2021, certain government-mandated restrictions and lockdowns resulted in temporary closures of certain retail stores in which the Company's products were sold, quarantines and social-distancing required or recommended by governments, and significant reductions in travel and discretionary spending among consumers, which led to reduced demand for many of the Group's products (collectively, the "COVID-19 Impacts").

While navigating through the challenges caused by COVID-19, the health and safety of the Group's employees and their families, as well as its customers and business partners, has been and will continue to be the Group's top priority. While the extent and duration of the COVID-19 pandemic remain uncertain, it has had, and it will likely continue to have, adverse impacts on the Group's business, financial condition and results of operations.

During the year ended December 31, 2020, the Group's net sales were significantly impacted by the COVID-19 pandemic, with full-year 2020 consolidated net sales decreasing by US$2,102.1 million, or 57.8% (-57.5% constant currency), compared to the year ended December 31, 2019. The Group's management took steps beginning in the first quarter of 2020 to enhance the Company's liquidity and further improve its resilience in response to the COVID-19 Impacts. In addition to strengthening the Company's liquidity, the Group aggressively reduced its operating expenses to mitigate the impact of lower sales on profit and cash flow as well as to right-size the business for the future. Management continues to tightly manage the Group's operating expenses.

The Group experienced sequential quarterly net sales improvement during the first three quarters of 2021 when compared to the corresponding quarters in 2019. During the third quarter of 2021, the Group's net sales decline narrowed to 39.5% (-39.9% constant currency) when compared to the third quarter of 2019; when excluding the net sales of Speck for August and September 2019, consolidated net sales decreased by 37.3% (-37.6% constant currency), for the three months ended September 30, 2021 compared to the three months ended September 30, 2019. This encouraging trend continued from the second quarter of 2021, when the decline in the Group's net sales narrowed to 51.8% (-52.2% constant currency) when compared to the second quarter of 2019, and from the first quarter, when the Group's net sales decreased by 57.4% (-57.3% constant currency) compared to the first quarter of 2019. The Group's actions to enhance and preserve liquidity and reduce expenses are discussed in greater detail below.

During 2020, in order to strengthen the Company's financial flexibility in response to the COVID-19 Impacts, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into certain amendments to the Group's credit agreement that increased the maximum borrowings under the Group's revolving credit facility by US$200.0 million to US$850.0 million and provided for the 2020 Incremental Term Loan B Facility in the aggregate principal amount of US$600.0 million. The Group borrowed US$810.3 million (US Dollar equivalent at the applicable exchange rate on the borrowing date) under its Amended Revolving Credit Facility on March 20, 2020 and US$600.0 million under the 2020 Incremental Term Loan B Facility on May 7, 2020. The amendment to the Group's credit agreement entered into on April 29, 2020 suspended the requirement for the Group to test certain financial covenants under its credit agreement from the beginning of the second quarter of 2020 through the end of the second quarter of 2021 and, for each of the three quarters beginning with the third quarter of 2021 and ending with the first quarter of 2022, the Company may elect to use Consolidated Adjusted EBITDA (as defined in Management Discussion and Analysis - Indebtedness) from the first two quarters of 2019 and fourth quarter of 2019 (the "Historical EBITDA") (instead of actual Consolidated Adjusted EBITDA from the fourth quarter of 2020 and the first two quarters of 2021) to calculate compliance with the Financial Covenants (as defined in Management Discussion and Analysis - Indebtedness). During the Suspension Period (as defined in Management Discussion and Analysis - Indebtedness), the Company is required to comply with a minimum liquidity covenant of US$500.0 million and the Group is subject to additional restrictions on its ability to incur indebtedness and make restricted payments (including payments of distributions or dividends to the Company's shareholders) and investments.

On June 7, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Fifth Amended Credit Agreement. Under the terms of the Fifth Amended Credit Agreement, if during the period from September 30, 2021 until March 31, 2022 the Company elects to use the Historical EBITDA for the purpose of calculating the maximum total net leverage ratio and minimum interest coverage ratio under the Financial Covenants, the Historical EBITDA for each of the quarters ended December 31, 2020, March 31, 2021 and June 30, 2021 will be increased by an amount equal to US$65.7 million. This amount was determined based on the annualized run-rate fixed cost savings from the Company's comprehensive cost reduction program that was implemented during 2020. The Fifth Amended Credit Agreement further strengthened the Company's financial flexibility to navigate its business through the challenges from the COVID-19 pandemic.

On June 21, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Sixth Amended Credit Agreement. The Sixth Amended Credit Agreement provides for the 2021 Incremental Term Loan B Facility in the principal amount of US$495.5 million, which was borrowed by the Group on June 21, 2021 and, together with US$100.0 million of cash on the balance sheet, was used to repay the aggregate US$595.5 million principal amount then outstanding under the 2020 Incremental Term Loan B Facility. The interest rate applicable to the Group's borrowings under the 2021 Incremental Term Loan B Facility is equal to the London Interbank Offered Rate ("LIBOR") plus 3.00% per annum with a LIBOR floor of 0.75% (or a base rate plus 2.00% per annum). The loans under the 2021 Incremental Term Loan Facility were issued with original issue discount with an issue price of 99.75%. See Management Discussion and Analysis - Indebtedness for further description of the Group's credit agreement.

As of September 30, 2021, the carrying amount of the Group's loans and borrowings was US$2,798.5 million, net of US$13.8 million in deferred financing costs. During the nine months ended September 30, 2021, the Group prepaid US$365.0 million principal amount of borrowings under the Amended Senior Credit Facilities, and cash equivalents held by the Group amounted to US$1,153.5 million as of September 30, 2021. Along with US$169.5 million available to be borrowed on the Group's Amended Revolving Credit Facility, the Group had total liquidity of US$1,323.1 million as of September 30, 2021.

During the nine months ended September 30, 2021, the Group continued to realize fixed cost savings from a combination of permanent and temporary actions. Permanent actions consisted primarily of headcount reductions and savings from closing stores. Temporary actions consisted primarily of furloughs, temporary headcount reductions, eliminating bonuses, salary reductions, temporary rent reductions and other expense reductions, such as travel and entertainment and professional services. These fixed cost savings have been reflected as reductions in the Group's cost of sales, distribution expenses and general and administrative expenses reported in the consolidated statements of income (loss).

In addition to these permanent and temporary actions taken, the Group continues to work to maximize the Company's participation in applicable government or other initiatives available to businesses or employees impacted by the COVID-19 pandemic. The Group also continues to engage with landlords to further negotiate rent deferrals or other rent concessions and to evaluate additional areas of cost savings in response to the COVID-19 Impacts. See Management Discussion and Analysis - Restructuring Charges for further discussion.

Given the inherent uncertainty about the future impacts of COVID-19, it is not possible for the Company to reliably predict the extent to which the Group's business, results of operations, financial condition or liquidity will ultimately be impacted, however the Group's financial condition and results of operations have been, and will continue to be, adversely affected.

Given the Group's experience with prior disruptions to travel and actions taken to improve profitability, the Company believes the Group will be able to effectively manage through the current environment, although the anticipated recovery has taken longer than prior disruptions. The Company believes that its existing cash and estimated cash flows will be adequate to meet the foreseeable future operating and capital requirements of the Group at least through November 30, 2022. There can be no assurances, however, that the Group's liquidity will be sufficient or that the Group may not need to access additional financing.

For the Three Months Ended September 30, 2021 and September 30, 2020

Net Sales

Net sales increased by US$230.5 million, or 70.6% (+68.9% constant currency), during the three months ended September 30, 2021 compared to the three months ended September 30, 2020. On July 30, 2021, a wholly owned subsidiary of the Company sold Speck for US$35.3 million. When excluding the net sales of Speck for August and September 2020, consolidated net sales increased by US$255.4 million, or 84.6% (+82.8% constant currency), for the three months ended September 30, 2021 compared to the same period in the previous year. The Group has experienced improved sales trends due to governments relaxing social-distancing restrictions and markets around the world reopening due to the COVID-19 pandemic moderating.

The Group experienced sequential quarterly net sales improvement during the first three quarters of 2021 when compared to the corresponding quarters in 2019. During the third quarter of 2021, the Group's net sales decline narrowed to 39.5% (-39.9% constant currency) when compared to the third quarter of 2019; when excluding the net sales of Speck for August and September 2019, consolidated net sales decreased by 37.3% (-37.6% constant currency), for the three months ended September 30, 2021 compared to the three months ended September 30, 2019. This encouraging trend continued from the second quarter of 2021, when the decline in the Group's net sales narrowed to 51.8% (-52.2% constant currency) when compared to the second quarter of 2019, and from the first quarter, when the Group's net sales decreased by 57.4% (-57.3% constant currency) compared to the first quarter of 2019.

The positive trend in the first three quarters of 2021 continued the recovery that began in the second half of 2020. During the fourth quarter of 2020, the Group's net sales decreased by 57.6% (-58.1% constant currency), as more of the Group's markets reopened. The Group's net sales decreased by 64.6% (-64.7% constant currency), year-on-year during the third quarter of 2020, as governments began loosening restrictions and certain of the Group's markets began reopening. During the second quarter of 2020, when most of the Group's markets were significantly affected by the COVID-19 Impacts, net sales decreased by 78.2% (-77.9% constant currency), year-on-year.

When excluding the net sales of Speck for October 2020, the Group's October 2021 net sales increased by 80.7% (+80.7% constant currency) compared to the month ended October 31, 2020. Including such net sales, net sales for the month ended October 31, 2021 increased by 62.4% (+62.4% constant currency) compared to the month ended October 31, 2020. When excluding the net sales of Speck for October 2019, the Group's October 2021 net sales decreased by 29.1% (-28.9% constant currency) compared to the month ended October 31, 2019. Including such net sales, net sales for the month ended October 31, 2021 decreased by 31.7% (-31.6% constant currency) compared to the month ended October 31, 2019.

The following table sets forth a breakdown of net sales by region for the three months ended September 30, 2021 and September 30, 2020, both in absolute terms and as a percentage of total net sales.

	Three months ended September 30,					
	2021		2020		2021 vs 2020	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[4]
Net sales by region[1]:						
North America[2]	**214.9**	**38.6 %**	120.8	37.0 %	77.9 %	77.5 %
Asia	**174.0**	**31.2 %**	122.9	37.6 %	41.5 %	38.2 %
Europe	**139.5**	**25.0 %**	74.2	22.7 %	88.1 %	87.4 %
Latin America	**28.2**	**5.1 %**	8.5	2.6 %	232.9 %	229.8 %
Corporate	**0.5**	**0.1 %**	0.3	0.1 %	94.7 %	94.7 %
Net sales[3]	**557.1**	**100.0 %**	326.6	100.0 %	70.6 %	68.9 %

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 consumers were actually located.
(2) On July 30, 2021, a wholly owned subsidiary of the Company sold Speck. When excluding the net sales of Speck for August and September 2020, net sales in North America increased by US$119.0 million, or 124.1% (+123.5% constant currency), for the three months ended September 30, 2021 compared to the same period in the previous year.
(3) When excluding the net sales of Speck for August and September 2020, consolidated net sales increased by US$255.4 million, or 84.6% (+82.8% constant currency), for the three months ended September 30, 2021 compared to the same period in the previous year.
(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.

Brands

The following table sets forth a breakdown of net sales by brand for the three months ended September 30, 2021 and September 30, 2020, both in absolute terms and as a percentage of total net sales.

	Three months ended September 30,				2021 vs 2020	
	2021		2020			
	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 brand:						
Samsonite	**259.6**	**46.6 %**	138.0	42.3 %	88.1 %	85.8 %
Tumi	**134.9**	**24.2 %**	69.7	21.3 %	93.6 %	92.3 %
American Tourister	**100.3**	**18.0 %**	46.9	14.3 %	113.9 %	111.4 %
Gregory	**16.6**	**3.0 %**	15.9	4.9 %	4.1 %	5.2 %
High Sierra	**8.4**	**1.5 %**	4.5	1.4 %	88.1 %	87.1 %
Speck(1)	**4.3**	**0.8 %**	33.3	10.2 %	(87.2)%	(87.2)%
Other(2)	**33.1**	**5.9 %**	18.3	5.6 %	80.5 %	79.4 %
Net sales	**557.1**	**100.0 %**	326.6	100.0 %	70.6 %	68.9 %

Notes

(1) On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck, including the *Speck* brand, for US$35.3 million.

(2) "Other" includes certain other brands owned by the Group, such as *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.

(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.

All of the Group’s brands, excluding *Speck* which was sold during the third quarter of 2021, recorded year-on-year net sales increases during the three months ended September 30, 2021 helped by governments relaxing social-distancing restrictions and markets around the world reopening due to the COVID-19 pandemic moderating. Net sales of the *Samsonite* brand during the three months ended September 30, 2021 increased by US$121.6 million, or 88.1% (+85.8% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand during the three months ended September 30, 2021 increased by US$65.2 million, or 93.6% (+92.3% constant currency), year-on-year driven by a US$53.8 million increase in North America, a US$5.1 million increase in Asia, a US$5.2 million increase in Europe and a US$1.1 million increase in Latin America. Net sales of the *American Tourister* brand increased by US$53.4 million, or 113.9% (+111.4% constant currency), for the three months ended September 30, 2021 compared to the three months ended September 30, 2020. Net sales of the *Gregory* brand increased by US$0.7 million, or 4.1% (+5.2% constant currency), compared to the same period in the previous year primarily due to strong net sales of the brand during the third quarter of 2020. Net sales of the *High Sierra* brand increased by US$3.9 million, or 88.1% (+87.1% constant currency), year-on-year.

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 September 30, 2021 and September 30, 2020, both in absolute terms and as a percentage of total net sales.

	Three months ended September 30,				2021 vs 2020	
	2021		2020			
	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 product category:						
Travel	**333.5**	**59.9 %**	139.2	42.6 %	139.5 %	137.2 %
Non-travel(1), (2)	**223.7**	**40.1 %**	187.4	57.4 %	19.3 %	18.2 %
Net sales	**557.1**	**100.0 %**	326.6	100.0 %	70.6 %	68.9 %

Notes

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

(2) On July 30, 2021, a wholly owned subsidiary of the Company sold Speck. When excluding the applicable net sales of Speck for August and September 2020, non-travel product category net sales increased by US$61.0 million, or 37.5% (+36.2% constant currency), for the three months ended September 30, 2021 compared to the same period in the previous year.

(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 travel product category during the three months ended September 30, 2021 increased by US$194.2 million, or 139.5% (+137.2% constant currency), compared to the three months ended September 30, 2020. Domestic travel and travel within regions continued to rebound, particularly in the United States and in Europe, with continued progress in the vaccination rollout against COVID-19. This has helped to drive the net sales recovery. Total non-travel category net sales, which includes business, casual, accessories and other products, increased by US$36.3 million, or 19.3%, (+18.2% constant currency) for the three months ended September 30, 2021 compared to the three months ended September 30, 2020. When excluding the applicable net sales of Speck for August and September 2020, non-travel product category net sales increased by US$61.0 million, or 37.5% (+36.2% constant currency), for the three months ended September 30, 2021 compared to the same period in the previous year.

Net sales of business products increased by US$28.9 million, or 33.0% (+31.8% constant currency), for the three months ended September 30, 2021 compared to the same period in the previous year. When excluding the applicable net sales of Speck for August and September 2020, business product net sales increased by US$33.2 million, or 39.8% (+38.5% constant currency), for the three months ended September 30, 2021 compared to the same period in the previous year. Net sales of casual products during the three months ended September 30, 2021 increased by US$10.4 million, or 22.7% (+21.5% constant currency), compared to the same period in the previous year. Net sales of accessories during the three months ended September 30, 2021 decreased by US$10.1 million, or 20.3% (-21.0% constant currency), year-on-year. When excluding the applicable net sales of Speck for August and September 2020, net sales of accessories increased by US$10.3 million, or 35.1% (+34.0% constant currency), for the three months ended September 30, 2021 compared to the same period in the previous year.

Distribution Channels

The Group sells its products through two primary distribution channels: wholesale and direct-to-consumer ("DTC"). The following table sets forth a breakdown of net sales by distribution channel for the three months ended September 30, 2021 and September 30, 2020, both in absolute terms and as a percentage of total net sales.

	Three months ended September 30,					
	2021		2020		2021 vs 2020	
	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	**340.7**	**61.1 %**	204.4	62.6 %	66.6 %	64.7 %
DTC[1]	**215.9**	**38.8 %**	121.9	37.3 %	77.1 %	75.9 %
Other[2]	**0.5**	**0.1 %**	0.3	0.1 %	94.7 %	94.7 %
Net sales	**557.1**	**100.0 %**	326.6	100.0 %	70.6 %	68.9 %

Notes
(1) DTC, or direct-to-consumer, includes bricks-and-mortar retail and e-commerce sites owned and 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 increased by US$136.3 million, or 66.6% (+64.7% constant currency), during the three months ended September 30, 2021 compared to the three months ended September 30, 2020. Net sales to e-retailers, which are included in the Group's wholesale channel, increased by US$29.2 million, or 104.3% (+102.1% constant currency), during the three months ended September 30, 2021 compared to the same period in the previous year as net sales through the Group's e-retailer customers were impacted less by COVID-19 than net sales through bricks-and-mortar retailers.

Net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, increased by US$94.0 million, or 77.1% (+75.9% constant currency), to US$215.9 million (representing 38.8% of net sales) for the three months ended September 30, 2021 from US$121.9 million (representing 37.3% of net sales) for the three months ended September 30, 2020.

Net sales in the DTC retail channel increased by US$79.5 million, or 101.8% (+101.0% constant currency), during the three months ended September 30, 2021 compared to the same period in the previous year primarily due to the reopening of most of the Group's company-operated stores that had been temporarily closed in the prior year period due to COVID-19. During the three months ended September 30, 2021, the Group permanently closed 15 company-operated stores. This was partially offset by the addition of 4 stores. This resulted in a net reduction of 11 company-operated stores during the three months ended September 30, 2021 compared to a net reduction of 46 company-operated stores during the three months ended September 30, 2020. The total number of company-operated retail stores was 1,016 as of September 30, 2021 compared to 1,199 company-operated retail stores as of September 30, 2020. As a result of the temporary closure of many of the Group's company-operated stores due to the COVID-19 Impacts, the Company believes its quarter-to-date 2021 comparable store sales metrics are not representative of the underlying trends of its business. The Company has not included these metrics in its discussion and analysis of net sales.

Total DTC e-commerce net sales increased by US$14.5 million, or 33.0% (+31.2% constant currency), to US$58.3 million (representing 10.5% of net sales) for the three months ended September 30, 2021 from US$43.8 million (representing 13.4% of net sales) for the three months ended September 30, 2020 due to governments relaxing social-distancing restrictions and markets around the world reopening, which has led many shoppers to begin to shop in person again instead of shopping online.

During the three months ended September 30, 2021, US$115.4 million of the Group's net sales were through e-commerce channels (comprising US$58.3 million of net sales from the Group's DTC e-commerce website, which are included within the DTC channel, and US$57.1 million of net sales to e-retailers, which are included within the wholesale channel). This represented a year-on-year increase of US$43.6 million, or 60.8% (+58.8% constant currency), compared to the three months ended September 30, 2020, when e-commerce comprised US$71.8 million of the Group's net sales. During the three months ended September 30, 2021, the Group's net sales through e-commerce channels represented 20.7% of total net sales compared to 22.0% of total net sales for the three months ended September 30, 2020.

Regions

North America

The Group's net sales in North America increased by US$94.1 million, or 77.9% (+77.5% constant currency), for the three months ended September 30, 2021 compared to the three months ended September 30, 2020 due to relaxing social-distancing restrictions, markets reopening and domestic travel continuing to rebound in both the United States and Canada, with continued progress in the vaccination rollout against COVID-19. Excluding the net sales of Speck for August and September 2020, net sales in North America increased by US$119.0 million, or 124.1% (+123.5% constant currency), for the three months ended September 30, 2021 compared to the same period in the previous year.

The Group experienced quarterly net sales improvement in North America during the first three quarters of 2021 when compared to the corresponding quarters in 2019. During the third quarter of 2021, the Group's net sales decline narrowed to 36.6% (-36.7% constant currency) when compared to the third quarter of 2019; when excluding the net sales of Speck for August and September 2019, consolidated net sales decreased by 29.7% (-29.9% constant currency), for the three months ended September 30, 2021 compared to the three months ended September 30, 2019. This encouraging trend continued from the second quarter of 2021, when the decline in the Group's net sales narrowed to 44.2% (-44.3% constant currency) when compared to the second quarter of 2019, due to continued progress in the vaccination rollout and increased demand for domestic travel, and from the first quarter of 2021, when the decline in the Group's net sales were 57.8% (-57.9% constant currency) compared to the first quarter of 2019, as the net sales recovery was temporarily slowed by a resurgence in COVID-19 cases.

The positive trend in the first three quarters of 2021 continued the recovery that began in the second half of 2020. The Group's net sales in North America decreased by 56.6% (-56.6% constant currency), for the three months ended December 31, 2020 compared to the three months ended December 31, 2019. Net sales decreased by 64.4% (-64.3% constant currency), for the three months ended September 30, 2020 compared to the three months ended September 30, 2019. Net sales for the three months ended June 30, 2020 decreased by 74.0% (-74.0% constant currency), compared to the three months ended June 30, 2019.

When excluding the net sales of Speck in North America for October 2020, the Group's October 2021 net sales increased by 123.0% (+122.3% constant currency) compared to the month ended October 31, 2020. Including such net sales, net sales in North America for the month ended October 31, 2021 increased by 61.3% (+60.8% constant currency) compared to the month ended October 31, 2020. When excluding the net sales of Speck in North America for October 2019, the Group's October 2021 net sales decreased by 28.1% (-28.3% constant currency) compared to the month ended October 31, 2019. Including such net sales, net sales in North America for the month ended October 31, 2021 decreased by 35.1% (-35.3% constant currency) compared to the month ended October 31, 2019.

Net sales of most of the Group's brands recorded year-on-year increases during the three months ended September 30, 2021. For the three months ended September 30, 2021, net sales of the *Samsonite* brand in North America increased by US$52.1 million, or 157.2% (+156.5% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand during the three months ended September 30, 2021 increased by US$53.8 million, or 182.9% (+182.1% constant currency), primarily due to the launches of several successful new product lines. When compared to the third quarter of 2019, *Tumi* brand net sales for the three months ended September 30, 2021 were down by just 13.2% (-13.4% constant currency). Net sales of the *American Tourister* brand during the three months ended September 30, 2021 increased by US$15.5 million, or 154.2% (+153.6% constant currency), compared to the three months ended September 30, 2020. Net sales of the *High Sierra* brand for the three months ended September 30, 2021 increased by US$3.8 million, or 101.5% (+100.8% constant currency), year-on-year. These increases were partially offset by decreases in the net sales of *Gregory* and other brands. Net sales of the *Gregory* brand decreased by US$0.7 million, or 13.2% (-13.2% constant currency), compared to the same period in the previous year primarily due to strong net sales of the brand during the third quarter of 2020 when consumers were spending more time outdoors. Net sales of other brands for the three months ended September 30, 2021 decreased by US$1.3 million, or 23.6% (-23.6% constant currency), compared to the same period in the previous year, due primarily to a discontinuation of sales by ebags of third party brands.

For the three months ended September 30, 2021, net sales in the United States increased by US$88.9 million, or 76.7%, year-on-year as a result of continued encouraging sales performance trends due to the relaxation of social-distancing restrictions, markets reopening and domestic travel continuing to rebound with continued progress in the vaccination rollout against COVID-19. When excluding the net sales of Speck for August and September 2020, net sales in the United States increased by US$113.8 million, or 124.9%, for the three months ended September 30, 2021 compared to the same period in the previous year.

For the three months ended September 30, 2021, net sales in Canada increased by US$5.2 million, or 108.9% (+97.3% constant currency), year-on-year as restrictions on social distancing eased and markets reopened.

Asia

The Group's net sales in Asia increased by US$51.0 million, or 41.5% (+38.2% constant currency), for the three months ended September 30, 2021 compared to the three months ended September 30, 2020 due to relaxing social-distancing restrictions, most markets reopening and improved vaccination rates, despite significant travel restrictions between countries continuing in the region.

The Group's net sales performance in Asia improved during the third quarter of 2021 as the net sales decline narrowed to 47.8% (-48.7% constant currency) when compared to the third quarter of 2019. The net sales performance during the second quarter of 2021 temporarily slowed with the decline in net sales of 54.9% (-56.0% constant currency) when compared to the second quarter of 2019, due to resurgences of COVID-19 cases, particularly in India, and the relatively slower vaccination rollout in important markets such as Japan and South Korea. The Group's net sales during the first quarter of 2021 decreased by 49.2% (-49.9% constant currency), when compared to the first quarter of 2019.

The positive trend in the first three quarters of 2021 continued the recovery that began in the second half of 2020. The Group’s net sales in Asia decreased by 54.7% (-56.1% constant currency) for the three months ended December 31, 2020 compared to the three months ended December 31, 2019. Net sales decreased by 63.1% (-63.4% constant currency), for the three months ended September 30, 2020 compared to the three months ended September 30, 2019. Net sales for the three months ended June 30, 2020 decreased by 76.2% (-75.6% constant currency), compared to the three months ended June 30, 2019.

Compared to the month ended October 31, 2020, the Group's October 2021 net sales increased by 31.9% (+31.8% constant currency). Compared to the month ended October 31, 2019, the Group's October 2021 net sales decreased by 31.7% (-32.1% constant currency).

For the three months ended September 30, 2021, net sales of the *Samsonite* brand increased by US$18.2 million, or 34.7% (+29.8% constant currency), compared to the same period in the previous year. Net sales of the *American Tourister* brand during the three months ended September 30, 2021 increased by US$19.8 million, or 76.0% (+72.3% constant currency), compared to the three months ended September 30, 2020. Net sales of the *Gregory* brand increased by US$1.5 million, or 17.8% (+20.1% constant currency). Net sales of the *Tumi* brand during the three months ended September 30, 2021 increased by US$5.1 million, or 16.0% (+14.0% constant currency), year-on-year. Net sales of the *Kamiliant* brand increased by US$5.2 million, or 205.1% (+203.1% constant currency), year-on-year.

Net sales in China increased by US$17.7 million, or 40.6% (+31.2% constant currency), for the three months ended September 30, 2021 compared to the same period in the previous year. Net sales in India increased by US$29.0 million, or 374.8% (+372.4% constant currency), for the three months ended September 30, 2021 compared to the same period in the previous year. Total net sales reported for Hong Kong (which comprises net sales made in the domestic Hong Kong market, Macau and to distributors in certain other Asian markets) increased by US$2.9 million, or 26.1% (+26.2% constant currency), year-on-year. Net sales in South Korea increased by US$1.9 million, or 12.0% (+9.0% constant currency), year-on-year. Net sales in Australia increased by US$1.8 million, or 113.4% (+107.5% constant currency), compared to the same period in the previous year. These year-on-year net sales increases were partially offset by a decrease in Japan, where the rollout of the vaccinations was delayed. Net sales in Japan decreased by US$3.3 million, or 11.6% (-8.2% constant currency), year-on-year.

Europe

The Group's net sales in Europe increased by US$65.3 million, or 88.1% (+87.4% constant currency), for the three months ended September 30, 2021 compared to the three months ended September 30, 2020 due to relaxing social-distancing restrictions, markets reopening and domestic travel continuing to rebound due to the progress made in the vaccination rollout against COVID-19.

The Group experienced quarterly net sales improvement in Europe during the first three quarters of 2021 when compared to the corresponding quarters in 2019. During the third quarter of 2021, the Group's net sales decline narrowed quickly to 33.8% (-35.5% constant currency) when compared to the third quarter of 2019. This encouraging trend continued from the second quarter of 2021 when the decline in net sales narrowed to 59.4% (-60.4% constant currency) when compared to the second quarter of 2019, as travel restrictions began to ease in June 2021, and from the first quarter of 2021, when the decline in the Group's net sales was 70.5% (-70.9% constant currency), when compared to the first quarter of 2019, as the net sales recovery was temporarily slowed by a resurgence in COVID-19 cases.

The positive trend in the first three quarters of 2021 continued the recovery that began in the second half of 2020. The Group’s net sales in Europe decreased by 66.3% (-67.1% constant currency), for the three months ended December 31, 2020 compared to the three months ended December 31, 2019 as governments across the region reinstated restrictions due to the resurgence of COVID-19 cases in late 2020. Net sales decreased by 64.8% (-65.7% constant currency), for the three months ended September 30, 2020 compared to the three months ended September 30, 2019. Net sales for the three months ended June 30, 2020 decreased by 86.0% (-85.7% constant currency), compared to the three months ended June 30, 2019.

Compared to the month ended October 31, 2020, the Group's October 2021 net sales increased by 116.1% (+116.1% constant currency). Compared to the month ended October 31, 2019, the Group's October 2021 net sales decreased by 30.5% (-31.6% constant currency).

For the three months ended September 30, 2021, net sales of the *Samsonite* brand increased by US$44.3 million, or 90.9% (+90.0% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand during the three months ended September 30, 2021 increased by US$5.2 million, or 64.1% (+64.0% constant currency), year-on-year. Net sales of the *American Tourister* brand during the three months ended September 30, 2021 increased by US$14.4 million, or 142.4% (+141.8% constant currency), compared to the three months ended September 30, 2020.

Net sales in Germany increased by US$9.1 million, or 85.4% (+84.4% constant currency), for the three months ended September 30, 2021 compared to the same period in the previous year. Italy's net sales increased by US$4.6 million, or 46.7% (+45.6% constant currency), compared to the three months ended September 30, 2020. Net sales in France increased by US$5.8 million, or 69.0% (+67.5% constant currency), compared to the same period in the previous year. Net sales in the United Kingdom increased by US$6.1 million, or 216.2% (+200.3% constant currency), year-on-year. Net sales in Russia increased by US$5.0 million, or 66.3% (+64.2% constant currency), year-on-year.

Latin America

The Group’s net sales in Latin America increased by US$19.7 million, or 232.9% (+229.8% constant currency), for the three months ended September 30, 2021 compared to the three months ended September 30, 2020 due to the relaxation of social-distancing restrictions, markets reopening and significant progress made in the vaccination rollout against COVID-19 in most countries.

The Group experienced quarterly net sales improvement in Latin America during the first three quarters of 2021 when compared to the corresponding quarters in 2019. During the third quarter of 2021, the Group's net sales decline narrowed quickly to 26.1% (-14.6% constant currency) when compared to the third quarter of 2019. This encouraging trend continued from the second quarter of 2021 when the decline in net sales narrowed to 55.5% (-48.9% constant currency) when compared to the second quarter of 2019, as net sales performance began to show some signs of improvement, and from the first quarter of 2021, when the decline in the Group's net sales was 58.8% (-51.1% constant currency), when compared to the first quarter of 2019, as the net sales recovery was temporarily slowed by a resurgence in COVID-19 cases.

The positive trend in the first three quarters of 2021 continued the recovery that began in the second half of 2020. The Group’s net sales in Latin America decreased by 46.9% (-43.2% constant currency), for the three months ended December 31, 2020 compared to the three months ended December 31, 2019. Net sales decreased by 77.8% (-74.2% constant currency), for the three months ended September 30, 2020 compared to the three months ended September

30, 2019. Net sales for the three months ended June 30, 2020 decreased by 95.4% (-94.3% constant currency), compared to the three months ended June 30, 2019.

Compared to the month ended October 31, 2020, the Group's October 2021 net sales increased by 132.2% (+137.2% constant currency). Compared to the month ended October 31, 2019, the Group's October 2021 net sales decreased by 11.3%, but increased on a constant currency basis by 3.8%.

For the three months ended September 30, 2021, net sales of the *Samsonite* brand in Latin America increased by US$7.0 million, or 188.4% (+188.4% constant currency), compared to the same period in the previous year. Net sales of the *American Tourister* brand during the three months ended September 30, 2021 increased by US$3.7 million, or 553.5% (+538.7% constant currency), compared to the three months ended September 30, 2020. For the three months ended September 30, 2021, net sales of the *Tumi* brand in Latin America increased by US$1.1 million, or 355.9% (+330.1% constant currency), compared to the same period in the previous year. Net sales of the *Xtrem* brand increased by US$3.6 million, or 243.3% (+242.0% constant currency), compared to the same period in the previous year. Net sales of the *Saxoline* brand increased by US$2.2 million, or 372.0% (+369.2% constant currency), year-on-year. Net sales of the *Secret* brand increased by US$2.4 million, or 216.1% (+212.9% constant currency), compared to the corresponding period in 2020.

Net sales in Chile increased by US$8.3 million, or 307.2% (+302.7% constant currency), during the three months ended September 30, 2021 compared to the same period in the previous year. Net sales in Mexico increased by US$5.1 million, or 201.7% (+172.1% constant currency), year-on-year. Net sales in Brazil increased by US$2.4 million, or 224.9% (+211.2% constant currency), year-on-year.

Cost of Sales and Gross Profit

Cost of sales increased by US$68.0 million, or 37.8%, to US$248.1 million (representing 44.5% of net sales) for the three months ended September 30, 2021 from US$180.1 million (representing 55.1% of net sales) for the three months ended September 30, 2020. The Group is being impacted by an increase in global freight and raw material costs. The Group has leveraged its long-standing relationships with suppliers to mitigate the effects of cost increases and has implemented price increases in certain markets to offset the resulting margin pressure.

Gross profit increased by US$162.5 million, or 110.9%, to US$309.0 million for the three months ended September 30, 2021 from US$146.5 million for the three months ended September 30, 2020 due to increased sales year over year. Gross profit margin increased to 55.5% for the three months ended September 30, 2021 from 44.9% for the corresponding period in the previous year. The increase in gross profit margin was attributable to an increase in gross profit as a result of the increase in net sales and lower provisions for inventory reserves year-on-year. The improvement in gross profit margin during the three months ended September 30, 2021 was partially offset by the non-renewal of the Generalized System of Preferences program in the United States ("GSP") in January 2021, which has resulted in increased duty costs on goods imported to the United States from countries that were beneficiaries of GSP. While this has negatively impacted gross profit margin by US$5.1 million, or 90 basis points, for the three months ended September 30, 2021, the Group has implemented and will continue to implement pricing increases on the Group's products sold in the United States during the third and fourth quarters of 2021 to moderate the impacts from the expiration of GSP. The devaluation of many currencies to the US Dollar has also had a negative impact on gross profit margin.

The gross profit margin of 44.9% for the three months ended September 30, 2020 was negatively impacted by increased provisions for inventory reserves, the impact of fixed sourcing and manufacturing expenses on a lower net sales base, and the inclusion of restructuring charges and non-cash impairment charges related to the sourcing and production of the Group's products.

The Group's improved gross profit margin of 55.5% in the third quarter of 2021 was roughly in-line with the gross profit margin of 55.7% recorded during the three months ended September 30, 2019 before COVID-19.

Distribution Expenses

Distribution expenses increased by US$16.5 million, or 10.2%, to US$179.0 million (representing 32.1% of net sales) for the three months ended September 30, 2021 from US$162.5 million (representing 49.7% of net sales) for the three months ended September 30, 2020. Distribution expenses as a percentage of net sales decreased primarily due to actions taken by management to reduce the fixed and variable cost structure of the business. See Management Discussion and Analysis - Impact of COVID-19 for further discussion. When compared to the three months ended September 30, 2019, distribution expenses decreased by 41.0% for the three months ended September 30, 2021.

Marketing Expenses

The Group spent US$21.5 million on marketing during the three months ended September 30, 2021 compared to US$10.6 million for the three months ended September 30, 2020, an increase of US$10.9 million, or 102.3%. As a percentage of net sales, marketing expenses increased by 60 basis points to 3.9% for the three months ended September 30, 2021 from 3.3% for the three months ended September 30, 2020. When compared to the three months ended September 30, 2019, marketing expenses decreased by 52.6%, and as a percentage of net sales decreased by 100 basis points from 4.9% for the three months ended September 30, 2019. The Group has continued to tightly manage its advertising expenses in an effort to help conserve cash and to mitigate the effects of the COVID-19 Impacts on the Group's profitability.

General and Administrative Expenses

General and administrative expenses increased by US$6.2 million, or 13.0%, to US$53.5 million (representing 9.6% of net sales) for the three months ended September 30, 2021 from US$47.4 million (representing 14.5% of net sales) for the three months ended September 30, 2020. The decrease in general and administrative expenses as a percentage of net sales reflects actions taken by management to reduce the fixed and variable cost structure of the business, including headcount reductions and other savings initiatives, to help mitigate the negative impacts on the Group's profitability caused by COVID-19. See Management Discussion and Analysis - Impact of COVID-19 for further discussion. Such savings were partially offset by the return of certain expenses that had been temporarily suspended at the onset of the pandemic, including certain employee compensation costs.

Impairment Charges

There were no impairment charges recorded during the three months ended September 30, 2021. The following table sets forth a breakdown of the non-cash impairment charges (the "3Q 2020 Impairment Charges") for the three months ended September 30, 2020.

(Expressed in millions of US Dollars)		**Three Months Ended September 30, 2021**	Three Months Ended September 30, 2020
Impairment charges recognized on:	Functional Area	**3Q 2021 Impairment Charges**	3Q 2020 Impairment Charges
Property, plant and equipment	Cost of sales	—	1.3
	Impairment charges included in cost of sales	—	1.3
Lease right-of-use assets	Distribution	—	4.3
	Impairment charges (exclusive of amounts included in cost of sales)	—	4.3
Total impairment charges		—	5.6

In accordance with International Accounting Standards ("IAS") 36, *Impairment of Assets* ("IAS 36"), the Group is required to evaluate its intangible assets with indefinite lives at least annually or when an event has occurred or circumstances change that would more likely than not reduce the recoverable amount of a cash generating unit ("CGU") below its carrying value. The Group 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, the Group must estimate the recoverable amount of the asset or CGU.

During the three months ended September 30, 2021, the Group determined there were no triggering events that indicated that its indefinite-lived intangible assets or other assets with finite lives were impaired.

3Q 2020 Impairment Charges

Based on an evaluation of loss-making stores during the three months ended September 30, 2020, and also due to reduced traffic and under-performance caused by the COVID-19 pandemic, the Group determined that the carrying amounts of certain retail stores, which represent individual CGUs, exceeded their corresponding recoverable amounts. Based on an evaluation of certain property, plant and equipment used in the production of certain luggage product lines during the three months ended September 30, 2020, the Group determined that the carrying amounts of certain molds and machinery exceeded their respective recoverable amounts. During the three months ended September 30, 2020 the Group recognized non-cash impairment charges totaling US$5.6 million, comprised of US$4.3 million for lease right-of-use assets attributable to the under-performance of certain retail locations and US$1.3 million for certain property, plant and equipment attributable to molds and machinery used for the production of certain luggage product lines.

Restructuring Charges

The following table sets forth a breakdown of the restructuring charges for the three months ended September 30, 2021 and September 30, 2020.

	Three Months Ended September 30,	
(Expressed in millions of US Dollars)	**2021**	2020
Functional Area		
Restructuring charges included in cost of sales	**0.2**	3.7
Restructuring charges attributable to distribution function	**1.2**	3.3
Restructuring charges attributable to general and administrative function	**4.2**	2.0
Restructuring charges (exclusive of amounts included in cost of sales)	**5.4**	5.3
Total restructuring charges	**5.6**	9.0

During the three months ended September 30, 2020, the Group aggressively reduced its operating expenses to mitigate the impact of lower sales on profit and cash flow as well as to right-size the business for the future in response to the COVID-19 Impacts. During the three months ended September 30, 2021, the Group continued to tightly manage the fixed cost structure of the business. In conjunction with these cost saving actions and other initiatives, the Group recognized charges related to these restructuring initiatives (the "Restructuring Charges") during the three months ended September 30, 2021 and September 30, 2020. The Restructuring Charges during the third quarter of 2020 consisted primarily of severance associated with permanent headcount reductions, store closure costs, and certain other costs incurred to implement profit improvement initiatives. The Restructuring Charges during the third quarter of 2021 consisted primarily of store closure costs, severance costs related to the sale of Speck on July 30, 2021, and certain other costs (described below) incurred to implement profit improvement initiatives. The Group continues to evaluate additional areas to further reduce operating expenses in response to the COVID-19 Impacts.

In June 2021, the Company established a brand development and sourcing hub in Singapore as part of a global restructuring initiative to enhance alignment of the Company's product development, brand management and supply chain operations across Asia. The establishment of this hub will enable the Company to design products closer to market while continuing to lead the industry in product development, innovation and sustainability for several key brands, including *Samsonite* and *American Tourister*. The Company will also leverage this hub to manage sourcing for Asia and the Middle East, while supporting and administering sourcing for North America and Latin America. During the three months ended September 30, 2021, the Group recognized Restructuring Charges of US$2.3 million associated with the establishment of the brand development and sourcing hub in Singapore.

During the three months ended September 30, 2021 and September 30, 2020, the Group recognized Restructuring Charges of US$5.6 million and US$9.0 million, respectively.

Other Income

The Group recorded other income of US$1.1 million and US$3.1 million for the three months ended September 30, 2021 and September 30, 2020, respectively. Other income for the three months ended September 30, 2021 included gains from the disposal of assets and gains on lease exits/remeasurements of US$1.6 million, partially offset by a loss on the sale of Speck of US$1.3 million. Other income for the three months ended September 30, 2020 included gains on lease exits/remeasurements of US$4.1 million.

Operating Profit (Loss)

The following table presents the reconciliation from the Group's operating profit (loss), as reported, to operating profit (loss), as adjusted, for the three months ended September 30, 2021 and September 30, 2020.

OPERATING PROFIT (LOSS)

	Three Months Ended September 30,			
(Expressed in millions of US Dollars)	**2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[1]
Operating profit (loss), as reported	**50.7**	(80.5)	*nm*	*nm*
Impairment Charges	**—**	5.6	(100.0)%	(100.0)%
Restructuring Charges	**5.6**	9.0	(37.5)%	(38.8)%
Loss on the sale of Speck	**1.3**	—	n/a	n/a
Operating profit (loss), as adjusted	**57.7**	(65.8)	*nm*	*nm*

Notes
(1) 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.
n/a Not applicable.
nm Not meaningful.

The Group had an operating profit of US$50.7 million for the three months ended September 30, 2021 compared to an operating loss of US$80.5 million for the corresponding period in the previous year. The Group had an operating profit of US$57.7 million for the three months ended September 30, 2021 when excluding the Restructuring Charges and the loss on the sale of Speck recognized during the three months ended September 30, 2021 compared to an operating loss of US$65.8 million for the corresponding period in the previous year when excluding the non-cash 3Q 2020 Impairment Charges and the Restructuring Charges recognized during the three months ended September 30, 2020.

Net Finance Costs

Net finance costs decreased by US$0.2 million, or 0.5%, to US$30.0 million for the three months ended September 30, 2021 from US$30.2 million for the three months ended September 30, 2020. This decrease was attributable to the decrease in interest expense on loans and borrowings of US$6.7 million year-on-year attributable to the prepayment of US$365.0 million principal amount of borrowings under the Amended Senior Credit Facilities, a decrease of US$1.3 million in deferred financing costs associated with the Amended Senior Credit Facilities, a decrease in net foreign exchange losses of US$1.0 million year-on-year and a decrease in interest expense on lease liabilities of US$0.7 million year-on-year. The decrease in net finance costs was partially offset by an increase in redeemable non-controlling interest put option expenses of US$9.6 million year-on-year due to improved financial performance from the Group's subsidiaries with non-controlling interests that are subject to put options.

The following table sets forth a breakdown of total finance costs for the three months ended September 30, 2021 and September 30, 2020.

	Three Months Ended September 30,	
(Expressed in millions of US Dollars)	**2021**	2020
Recognized in profit or loss:		
Interest income	**1.0**	1.1
Total finance income	**1.0**	1.1
Interest expense on loans and borrowings	**(22.4)**	(29.1)
Amortization of deferred financing costs associated with the Amended Senior Credit Facilities	**(1.2)**	(2.5)
Interest expense on lease liabilities	**(5.2)**	(5.9)
Change in fair value of put options	**(3.4)**	6.2
Net foreign exchange gain (loss)	**0.7**	(0.3)
Other finance costs	**0.5**	0.3
Total finance costs	**(31.0)**	(31.3)
Net finance costs recognized in profit or loss	**(30.0)**	(30.2)

Profit (Loss) before Income Tax

The following table presents the reconciliation from the Group's profit (loss) before income tax, as reported, to profit (loss) before income tax, as adjusted, for the three months ended September 30, 2021 and September 30, 2020.

PROFIT (LOSS) BEFORE INCOME TAX

(Expressed in millions of US Dollars)	Three Months Ended September 30, **2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[1]
Profit (loss) before income tax, as reported	**20.7**	(110.7)	*nm*	*nm*
Impairment Charges	**—**	5.6	(100.0)%	(100.0)%
Restructuring Charges	**5.6**	9.0	(37.5)%	(38.8)%
Loss on the sale of Speck	**1.3**	—	n/a	n/a
Profit (loss) before income tax, as adjusted	**27.7**	(96.0)	*nm*	*nm*

Notes

(1) 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.

n/a Not applicable.

nm Not meaningful.

The Group had profit before income tax of US$20.7 million for the three months ended September 30, 2021 compared to a loss before income tax of US$110.7 million for the corresponding period in the previous year. The Group had profit before income tax of US$27.7 million for the three months ended September 30, 2021 when excluding the Restructuring Charges and the loss on the sale of Speck recognized during the three months ended September 30, 2021, compared to a loss before income tax of US$96.0 million for the corresponding period in the previous year when excluding the non-cash 3Q 2020 Impairment Charges and the Restructuring Charges recognized during the three months ended September 30, 2020.

Income Tax Expense

The Group recorded an income tax expense of US$23.2 million for the three months ended September 30, 2021 compared to income tax expense of US$6.8 million for the three months ended September 30, 2020. The income tax expense recorded during the three months ended September 30, 2021 was due mainly to changes in reserves, changes in unrecognized deferred tax assets and changes in the profit mix between high and low tax jurisdictions. The income tax expense recorded during the three months ended September 30, 2020 was due mainly to the changes in reserves and changes in unrecognized deferred tax assets.

The Group's consolidated effective tax rate for operations was 112.1% and (6.2)% for the three months ended September 30, 2021 and September 30, 2020, respectively. The increase in the Group's effective tax rate during the three months ended September 30, 2021 was mainly the result of changes in unrecognized deferred tax assets, changes in reserves and changes in the profit mix between high and low tax jurisdictions.

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 (loss) before income tax for the period adjusted for certain discrete items for the period.

Profit (Loss)

Profit (Loss) for the Period

The following table presents the reconciliation from the Group's loss for the period, as reported, to profit (loss) for the period, as adjusted, for the three months ended September 30, 2021 and September 30, 2020.

PROFIT (LOSS) FOR THE PERIOD

	Three Months Ended September 30,			
(Expressed in millions of US Dollars)	**2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Loss for the period, as reported	**(2.5)**	(117.5)	(97.8)%	(97.5)%
Impairment Charges	**—**	5.6	(100.0)%	(100.0)%
Restructuring Charges	**5.6**	9.0	(37.5)%	(38.8)%
Loss on the sale of Speck	**1.3**	—	n/a	n/a
Tax impact	**(2.5)**	(2.6)	(5.0)%	(3.2)%
Profit (loss) for the period, as adjusted	**2.0**	(105.4)	*nm*	*nm*

Notes
(1) 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.
n/a Not applicable.
nm Not meaningful.

The Group incurred a loss for the three months ended September 30, 2021 of US$2.5 million compared to a loss for the three months ended September 30, 2020 of US$117.5 million. The Group had profit for the period for the three months ended September 30, 2021 of US$2.0 million when excluding the Restructuring Charges and the loss on the sale of Speck recognized during the three months ended September 30, 2021, net of the related tax impact, compared to a loss of US$105.4 million for the corresponding period in the previous year when excluding the non-cash 3Q 2020 Impairment Charges and the Restructuring Charges recognized during the three months ended September 30, 2020, both of which are net of the related tax impact.

Loss Attributable to the Equity Holders

The following table presents the reconciliation from the Group's loss attributable to the equity holders, as reported, to loss attributable to the equity holders, as adjusted, for the three months ended September 30, 2021 and September 30, 2020.

LOSS ATTRIBUTABLE TO THE EQUITY HOLDERS

	Three Months Ended September 30,			
(Expressed in millions of US Dollars)	**2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Loss attributable to the equity holders, as reported	**(5.2)**	(110.7)	(95.3)%	(94.9)%
Impairment Charges	**—**	5.6	(100.0)%	(100.0)%
Restructuring Charges	**5.6**	9.0	(37.5)%	(38.8)%
Loss on the sale of Speck	**1.3**	—	n/a	n/a
Tax impact	**(2.5)**	(2.6)	(5.0)%	(3.2)%
Loss attributable to the equity holders, as adjusted	**(0.7)**	(98.7)	(99.3)%	(98.7)%

Notes
(1) 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.
n/a Not applicable.

The Group incurred a loss attributable to the equity holders of US$5.2 million for the three months ended September 30, 2021 compared to a loss attributable to the equity holders of US$110.7 million for the corresponding period in the previous year. For the three months ended September 30, 2021 the Group incurred a loss attributable to the equity holders of US$0.7 million when excluding the Restructuring Charges and the loss on the sale of Speck recognized during the three months ended September 30, 2021, net of the related tax impact. In comparison, the Group recorded a loss attributable to the equity holders of US$98.7 million for the corresponding period in the previous year when excluding the non-cash 3Q 2020 Impairment Charges and the Restructuring Charges recognized during the three months ended September 30, 2020, both of which are net of the related tax impact.

Basic and Diluted Loss per Share

Basic and diluted loss per share was US$0.004 for the three months ended September 30, 2021, compared to basic and diluted loss per share of US$0.077 for the three months ended September 30, 2020. The weighted average number of shares utilized in the basic loss per share calculation was 1,435,846,257 shares for the three months ended September 30, 2021 compared to 1,433,714,567 shares for the three months ended September 30, 2020. The weighted average number of shares outstanding utilized in the diluted loss per share calculation was 1,435,846,257 shares for the three months ended September 30, 2021 compared to 1,433,714,567 shares for the three months ended September 30, 2020.

Basic and diluted loss per share, as adjusted, was US$0.0005 for the three months ended September 30, 2021 when excluding the Restructuring Charges and the loss on the sale of Speck recognized during the three months ended September 30, 2021, net of the related tax impact, compared to basic and diluted loss per share, as adjusted, of US$0.069 for the three months ended September 30, 2020 when excluding the non-cash 3Q 2020 Impairment Charges and the Restructuring Charges recognized during the three months ended September 30, 2020, both of which are net of the related tax impact. The year-on-year improvement in basic and diluted loss per share, as adjusted, was primarily due to improved net sales and gross profit, along with actions taken by management to reduce the fixed and variable cost structure of the business.

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-IFRS measure, improved by US$122.9 million to earnings of US$72.2 million for the three months ended September 30, 2021 compared to a loss of US$50.7 million for the three months ended September 30, 2020. Adjusted EBITDA margin was 13.0% for the three months ended September 30, 2021 compared to (15.5)% for the three months ended September 30, 2020 due primarily to improved net sales and gross profit, along with actions taken by management to reduce the fixed and variable cost structure of the business. See Management Discussion and Analysis - Impact of COVID-19 for further discussion.

The following table presents the reconciliation from the Group's loss for the period to Adjusted EBITDA for the three months ended September 30, 2021 and September 30, 2020:

	Three Months Ended September 30,			
(Expressed in millions of US Dollars)	**2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[3]
Loss for the period	**(2.5)**	(117.5)	(97.8)%	(97.5)%
Plus (Minus):				
Income tax expense	**23.2**	6.8	240.2 %	238.5 %
Finance costs	**31.0**	31.3	(0.9)%	(1.0)%
Finance income	**(1.0)**	(1.1)	(9.4)%	(10.3)%
Depreciation	**10.6**	15.0	(29.0)%	(29.5)%
Total amortization	**37.4**	42.4	(11.8)%	(12.2)%
EBITDA	**98.7**	(23.1)	*nm*	*nm*
Plus (Minus):				
Share-based compensation expense	**3.8**	1.2	220.1 %	219.9 %
Impairment Charges	**—**	5.6	(100.0)%	(100.0)%
Restructuring Charges	**5.6**	9.0	(37.5)%	(38.8)%
Other adjustments[1]	**(1.1)**	(3.1)	(64.3)%	(61.4)%
Amortization of lease right-of-use assets	**(29.5)**	(34.3)	(14.0)%	(14.5)%
Interest expense on lease liabilities	**(5.2)**	(5.9)	(11.8)%	(11.9)%
Adjusted EBITDA[2]	**72.2**	(50.7)	*nm*	*nm*
Adjusted EBITDA margin	**13.0 %**	(15.5)%		

Notes
(1) Other adjustments primarily comprised 'Other income (expenses)' per the consolidated statements of income (loss).
(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") on January 1, 2019 to account for operational rent expenses.
(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.
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 and with the reconciliation to profit (loss) 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 financial 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 (loss) for the period in the Company's consolidated statements of income (loss). 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.

Adjusted Net Income (Loss)

Adjusted Net Income, a non-IFRS measure, was US$8.7 million for the three months ended September 30, 2021, compared to an Adjusted Net Loss of US$98.7 million for the three months ended September 30, 2020 due primarily to improved net sales and gross profit, along with actions taken by management to reduce the fixed and variable cost structure of the business. See Management Discussion and Analysis - Impact of COVID-19 for further discussion. Adjusted basic and diluted earnings per share, non-IFRS measures, were earnings of US$0.006 per share for the three months ended September 30, 2021, compared to an adjusted basic and diluted loss per share of US$0.069 for the three months ended September 30, 2020. Adjusted basic and diluted earnings (loss) per share are calculated by dividing Adjusted Net Income (Loss) by the weighted average number of shares used in the basic and diluted earnings (loss) per share calculations, respectively.

The following table presents the reconciliation from the Group's loss attributable to the equity holders to Adjusted Net Income (Loss) for the three months ended September 30, 2021 and September 30, 2020:

	Three Months Ended September 30,			
(Expressed in millions of US Dollars)	**2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[3]
Loss attributable to the equity holders	**(5.2)**	(110.7)	(95.3)%	(94.9)%
Plus (Minus):				
Change in fair value of put options included in finance costs	**3.4**	(6.2)	*nm*	*nm*
Amortization of intangible assets	**7.9**	8.1	(2.4)%	(2.6)%
Loss on the sale of Speck	**1.3**	—	n/a	n/a
Impairment Charges	**—**	5.6	(100.0)%	(100.0)%
Restructuring Charges	**5.6**	9.0	(37.5)%	(38.8)%
Tax adjustments[1]	**(4.4)**	(4.6)	(3.9)%	(3.0)%
Adjusted Net Income (Loss)[2]	**8.7**	(98.7)	*nm*	*nm*

Notes
(1) Tax adjustments represent the tax effect of the reconciling line items as included in the consolidated statements of income (loss) based on the applicable tax rate in the jurisdiction where such costs were incurred.
(2) Represents Adjusted Net Income (Loss) 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.
n/a Not applicable.
nm Not meaningful.

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

Adjusted Net Income (Loss) and adjusted basic and diluted earnings (loss) per share are non-IFRS financial measures and as calculated herein may not be comparable to similarly named measures used by other companies and should not be considered comparable to loss attributable to the equity holders or basic and diluted earnings (loss) per share presented in the Company's consolidated statements of income (loss). Adjusted Net Income (Loss) and the related adjusted basic and diluted earnings (loss) 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.

Cash Flows

Cash flows generated from operating activities amounted to US$157.1 million for the three months ended September 30, 2021 compared to cash flows used in operating activities of US$0.8 million for the three months ended September 30, 2020, reflecting improved net sales and gross profit, along with actions taken by management to reduce the fixed and variable cost structure of the business. The increase in cash flows generated from operating activities year-on-year primarily reflects an improvement in Adjusted Net Income of US$107.4 million, a US$40.2 million improvement in changes in working capital and a US$6.9 million reduction in interest paid on borrowings and lease liabilities, both as compared to the three months ended September 30, 2020.

For the three months ended September 30, 2021, net cash flows provided by investing activities were US$33.5 million and were primarily related to net proceeds from the sale of Speck amounting to US$35.3 million, partially offset by US$1.2 million of capital expenditures for property, plant and equipment. For the three months ended September 30, 2020, net cash flows used in investing activities were US$1.3 million, which included capital expenditures of US$0.4 million. During 2020 and 2021, the Group took and continues to take meaningful measures to limit its capital expenditures in response to the impacts on the Group's business from the COVID-19 pandemic.

Net cash flows used in financing activities were US$88.6 million for the three months ended September 30, 2021 and were largely attributable to principal payments on lease liabilities of US$38.0 million and a repayment of US$40.0 million principal under the Amended Revolving Credit Facility, utilizing the proceeds from the sale of Speck. Net cash flows used in financing activities were US$83.5 million for the three months ended September 30, 2020 and were largely attributable to principal payments on lease liabilities of US$65.7 million.

For the Nine Months Ended September 30, 2021 and September 30, 2020

Net Sales

Net sales increased by US$227.7 million, or 20.2% (+17.7% constant currency), during the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020. On July 30, 2021, a wholly owned subsidiary of the Company sold Speck for US$35.3 million. When excluding the net sales of Speck for August and September 2020, consolidated net sales increased by US$252.5 million, or 22.9% (+20.3% constant currency), for the nine months ended September 30, 2021 compared to the same period in the previous year. The Group has experienced improved sales trends due to governments relaxing social-distancing restrictions and markets around the world reopening due to the COVID-19 pandemic moderating.

For the nine months ended September 30, 2021, the Group recorded a net sales decline of 49.3% (-49.5% constant currency) when compared to the nine months ended September 30, 2019. When excluding the net sales of Speck for August and September 2019, consolidated net sales decreased by 48.7% (-48.9% constant currency), for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2019.

The Group experienced sequential quarterly net sales improvement during the first three quarters of 2021 when compared to the corresponding quarters in 2019. During the third quarter of 2021, the Group's net sales decline narrowed to 39.5% (-39.9% constant currency) when compared to the third quarter of 2019; when excluding the net sales of Speck for August and September 2019, consolidated net sales decreased by 37.3% (-37.6% constant currency), for the three months ended September 30, 2021 compared to the three months ended September 30, 2019. This encouraging trend continued from the second quarter of 2021, when the decline in the Group's net sales narrowed to 51.8% (-52.2% constant currency) when compared to the second quarter of 2019, and from the first quarter, when the Group's net sales decreased by 57.4% (-57.3% constant currency) compared to the first quarter of 2019.

The positive trend in the first three quarters of 2021 continued the recovery that began in the second half of 2020. During the fourth quarter of 2020, the Group's net sales decreased by 57.6% (-58.1% constant currency), as more of the Group's markets reopened. The Group's net sales decreased by 64.6% (-64.7% constant currency), year-on-year during the third quarter of 2020, as governments began loosening restrictions and certain of the Group's markets began reopening. During the second quarter of 2020, when most of the Group's markets were significantly affected by the

COVID-19 Impacts, net sales decreased by 78.2% (-77.9% constant currency), year-on-year.

When excluding the net sales of Speck for October 2020, the Group's October 2021 net sales increased by 80.7% (+80.7% constant currency) compared to the month ended October 31, 2020. Including such net sales, net sales for the month ended October 31, 2021 increased by 62.4% (+62.4% constant currency) compared to the month ended October 31, 2020. When excluding the net sales of Speck for October 2019, the Group's October 2021 net sales decreased by 29.1% (-28.9% constant currency) compared to the month ended October 31, 2019. Including such net sales, net sales for the month ended October 31, 2021 decreased by 31.7% (-31.6% constant currency) compared to the month ended October 31, 2019.

The following table sets forth a breakdown of net sales by region for the nine months ended September 30, 2021 and September 30, 2020, both in absolute terms and as a percentage of total net sales.

	Nine months ended September 30,					
	2021		2020		2021 vs 2020	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[4]
Net sales by region[1]:						
North America[2]	**538.7**	**39.7 %**	441.8	39.1 %	21.9 %	21.7 %
Asia	**481.8**	**35.5 %**	405.9	36.0 %	18.7 %	14.2 %
Europe	**270.7**	**20.0 %**	231.7	20.5 %	16.8 %	13.5 %
Latin America	**64.3**	**4.7 %**	47.9	4.2 %	34.4 %	31.6 %
Corporate	**1.1**	**0.1 %**	1.7	0.2 %	(32.5)%	(32.5)%
Net sales[3]	**1,356.6**	**100.0 %**	1,129.0	100.0 %	20.2 %	17.7 %

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 consumers were actually located.
(2) On July 30, 2021, a wholly owned subsidiary of the Company sold Speck. When excluding the net sales of Speck for August and September 2020, net sales in North America increased by US$121.8 million, or 29.2% (+28.9% constant currency), for the nine months ended September 30, 2021 compared to the same period in the previous year.
(3) When excluding the net sales of Speck for August and September 2020, consolidated net sales increased by US$252.5 million, or 22.9% (+20.3% constant currency), for the nine months ended September 30, 2021 compared to the same period in the previous year.
(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.

Brands

The following table sets forth a breakdown of net sales by brand for the nine months ended September 30, 2021 and September 30, 2020, both in absolute terms and as a percentage of total net sales.

	Nine months ended September 30,					
	2021		2020		2021 vs 2020	
	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 brand:						
Samsonite	**615.5**	**45.4 %**	498.7	44.2 %	23.4 %	20.3 %
Tumi	**328.6**	**24.2 %**	225.9	20.0 %	45.5 %	43.2 %
American Tourister	**228.8**	**16.9 %**	183.1	16.2 %	24.9 %	22.3 %
Gregory	**49.3**	**3.6 %**	40.1	3.5 %	23.1 %	22.3 %
Speck[1]	**33.0**	**2.4 %**	67.0	6.0 %	(50.7)%	(50.7)%
High Sierra	**18.7**	**1.4 %**	19.2	1.7 %	(2.7)%	(4.1)%
Other[2]	**82.8**	**6.1 %**	95.0	8.4 %	(12.9)%	(15.3)%
Net sales	**1,356.6**	**100.0 %**	1,129.0	100.0 %	20.2 %	17.7 %

Notes
(1) On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck, including the *Speck* brand, for US$35.3 million.
(2) "Other" includes certain other brands owned by the Group, such as *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.
(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.

Most of the Group's brands recorded year-on-year net sales increases during the nine months ended September 30, 2021 helped by governments relaxing social-distancing restrictions and markets around the world reopening due to the COVID-19 pandemic moderating. Net sales of the *Samsonite* brand during the nine months ended September 30, 2021 increased by US$116.8 million, or 23.4% (+20.3% constant currency), compared to the same period in the previous year. Net sales of the *Samsonite* brand increased in all the Group's regions. Net sales of the *Tumi* brand during the nine months ended September 30, 2021 increased by US$102.7 million, or 45.5% (+43.2% constant currency), year-on-year driven by a US$74.6 million increase in North America, a US$25.0 million increase in Asia, a US$1.3 million increase in Europe and a US$1.8 million increase in Latin America. Net sales of the *American Tourister* brand increased by US$45.6 million, or 24.9% (+22.3% constant currency), for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020. Net sales of the *Gregory* brand increased by US$9.2 million, or 23.1% (+22.3% constant currency), compared to the same period in the previous year.

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 nine months ended September 30, 2021 and September 30, 2020, both in absolute terms and as a percentage of total net sales.

	Nine months ended September 30,				2021 vs 2020	
	2021		2020			
	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 product category:						
Travel	**756.9**	**55.8 %**	575.8	51.0 %	31.4 %	29.1 %
Non-travel(1), (2)	**599.8**	**44.2 %**	553.2	49.0 %	8.4 %	5.8 %
Net sales	**1,356.6**	**100.0 %**	1,129.0	100.0 %	20.2 %	17.7 %

Notes
(1) The non-travel category includes business, casual, accessories and other products.
(2) On July 30, 2021, a wholly owned subsidiary of the Company sold Speck. When excluding the applicable net sales of Speck for August and September 2020, non-travel product category net sales increased by US$71.4 million, or 13.5% (+10.7% constant currency), for the three months ended September 30, 2021 compared to the same period in the previous year.
(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 travel product category during the nine months ended September 30, 2021 increased by US$181.0 million, or 31.4% (+29.1% constant currency), compared to the nine months ended September 30, 2020. Domestic travel and travel within regions continued to rebound, particularly in the United States and in Europe, with continued progress in the vaccination rollout against COVID-19. This has helped to drive the net sales recovery. Total non-travel category net sales, which includes business, casual, accessories and other products, increased by US$46.6 million, or 8.4%, (+5.8% constant currency) for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020. When excluding the applicable net sales of Speck for August and September 2020, non-travel product category net sales increased by US$71.4 million, or 13.5% (+10.7% constant currency), for the nine months ended September 30, 2021 compared to the same period in the previous year.

Net sales of business products increased by US$59.0 million, or 23.4% (+20.4% constant currency), for the nine months ended September 30, 2021 compared to the same period in the previous year. When excluding the applicable net sales of Speck for August and September 2020, business product net sales increased by US$63.3 million, or 25.5% (+22.5% constant currency), for the nine months ended September 30, 2021 compared to the same period in the previous year. Net sales of casual products during the nine months ended September 30, 2021 decreased by US$5.1 million, or 3.2% (-5.7% constant currency), compared to the same period in the previous year. Net sales of accessories during the nine months ended September 30, 2021 decreased by US$11.5 million, or 9.4% (-11.2% constant currency), year-on-year. When excluding the applicable net sales of Speck for August and September 2020, net sales of accessories increased by US$8.9 million, or 8.8% (+6.6% constant currency), for the nine months ended September 30, 2021 compared to the same period in the previous year.

Distribution Channels

The Group sells its products through two primary distribution channels: wholesale and direct-to-consumer ("DTC"). The following table sets forth a breakdown of net sales by distribution channel for the nine months ended September 30, 2021 and September 30, 2020, both in absolute terms and as a percentage of total net sales.

	Nine months ended September 30,				2021 vs 2020	
	2021		2020			
	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	**857.2**	**63.2 %**	721.1	63.9 %	18.9 %	16.1 %
DTC[(1)]	**498.4**	**36.7 %**	406.2	36.0 %	22.7 %	20.6 %
Other[(2)]	**1.1**	**0.1 %**	1.7	0.1 %	(32.5)%	(32.5)%
Net sales	**1,356.6**	**100.0 %**	1,129.0	100.0 %	20.2 %	17.7 %

Notes
(1) DTC, or direct-to-consumer, includes bricks-and-mortar retail and e-commerce sites owned and 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 increased by US$136.1 million, or 18.9% (+16.1% constant currency), during the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020. Net sales to e-retailers, which are included in the Group's wholesale channel, increased by US$43.7 million, or 50.5% (+46.6% constant currency), during the nine months ended September 30, 2021 compared to the same period in the previous year as net sales through the Group's e-retailer customers were impacted less by COVID-19 than net sales through bricks-and-mortar retailers.

Net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, increased by US$92.1 million, or 22.7% (+20.6% constant currency), to US$498.4 million (representing 36.7% of net sales) for the nine months ended September 30, 2021 from US$406.2 million (representing 36.0% of net sales) for the nine months ended September 30, 2020.

Net sales in the DTC retail channel increased by US$89.1 million, or 34.8% (+33.1% constant currency), during the nine months ended September 30, 2021 compared to the same period in the previous year primarily due to the reopening of most of the Group's company-operated stores that had been temporarily closed in the prior year period due to COVID-19. During the nine months ended September 30, 2021, the Group permanently closed 93 company-operated stores. This was partially offset by the addition of 13 stores. This resulted in a net reduction of 80 company-operated stores during the nine months ended September 30, 2021 compared to a net reduction of 95 company-operated stores during the nine months ended September 30, 2020. The total number of company-operated retail stores was 1,016 as of September 30, 2021 compared to 1,199 company-operated retail stores as of September 30, 2020. As a result of the temporary closure of many of the Group's company-operated stores due to the COVID-19 Impacts, the Company believes its year-to-date 2021 comparable store sales metrics are not representative of the underlying trends of its business. The Company has not included these metrics in its discussion and analysis of net sales.

Total DTC e-commerce net sales increased by US$3.0 million, or 2.0%, but decreased by 0.8% on a constant currency basis, to US$153.6 million (representing 11.3% of net sales) for the nine months ended September 30, 2021 from US$150.5 million (representing 13.3% of net sales) for the nine months ended September 30, 2020 due to governments relaxing social-distancing restrictions and markets around the world reopening, which has led many shoppers to begin to shop in person again instead of shopping online.

During the nine months ended September 30, 2021, US$283.8 million of the Group's net sales were through e-commerce channels (comprising US$153.6 million of net sales from the Group's DTC e-commerce website, which are included within the DTC channel, and US$130.2 million of net sales to e-retailers, which are included within the wholesale channel). This represented a year-on-year increase of US$46.8 million, or 19.7% (+16.5% constant currency), compared to the nine months ended September 30, 2020, when e-commerce comprised US$237.1 million of the Group's net sales. During the nine months ended September 30, 2021, the Group's net sales through e-commerce channels represented 20.9% of total net sales compared to 21.0% of total net sales for the nine months ended September 30, 2020.

Regions

North America

The Group's net sales in North America increased by US$96.9 million, or 21.9% (+21.7% constant currency), for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020 due to relaxing social-distancing restrictions, markets reopening and domestic travel continuing to rebound in both the United States and Canada, with continued progress in the vaccination rollout against COVID-19. Excluding the net sales of Speck for August and September 2020, net sales in North America increased by US$121.8 million, or 29.2% (+28.9% constant currency), for the nine months ended September 30, 2021 compared to the same period in the previous year.

For the nine months ended September 30, 2021, the Group recorded a net sales decline of 45.8% (-45.9% constant currency) in North America when compared to the nine months ended September 30, 2019. When excluding the net sales of Speck for August and September 2019, net sales in North America decreased by 43.9% (-44.0% constant currency) for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2019.

The Group experienced quarterly net sales improvement in North America during the first three quarters of 2021 when compared to the corresponding quarters in 2019. During the third quarter of 2021, the Group's net sales decline narrowed to 36.6% (-36.7% constant currency) when compared to the third quarter of 2019; when excluding the net sales of Speck for August and September 2019, consolidated net sales decreased by 29.7% (-29.9% constant currency), for the three months ended September 30, 2021 compared to the three months ended September 30, 2019. This encouraging trend continued from the second quarter of 2021, when the decline in the Group's net sales narrowed to 44.2% (-44.3% constant currency) when compared to the second quarter of 2019, due to continued progress in the vaccination rollout and increased demand for domestic travel, and from the first quarter of 2021, when the decline in the Group's net sales were 57.8% (-57.9% constant currency) compared to the first quarter of 2019, as the net sales recovery was temporarily slowed by a resurgence in COVID-19 cases.

The positive trend in the first three quarters of 2021 continued the recovery that began in the second half of 2020. The Group's net sales in North America decreased by 56.6% (-56.6% constant currency), for the three months ended December 31, 2020 compared to the three months ended December 31, 2019. Net sales decreased by 64.4% (-64.3% constant currency), for the three months ended September 30, 2020 compared to the three months ended September 30, 2019. Net sales for the three months ended June 30, 2020 decreased by 74.0% (-74.0% constant currency), compared to the three months ended June 30, 2019.

When excluding the net sales of Speck in North America for October 2020, the Group's October 2021 net sales increased by 123.0% (+122.3% constant currency) compared to the month ended October 31, 2020. Including such net sales, net sales in North America for the month ended October 31, 2021 increased by 61.3% (+60.8% constant currency) compared to the month ended October 31, 2020. When excluding the net sales of Speck in North America for October 2019, the Group's October 2021 net sales decreased by 28.1% (-28.3% constant currency) compared to the month ended October 31, 2019. Including such net sales, net sales in North America for the month ended October 31, 2021 decreased by 35.1% (-35.3% constant currency) compared to the month ended October 31, 2019.

Net sales of most of the Group's brands recorded year-on-year increases during the nine months ended September 30, 2021. For the nine months ended September 30, 2021, net sales of the *Samsonite* brand in North America increased by US$54.4 million, or 33.4% (+33.1% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand during the nine months ended September 30, 2021 increased by US$74.6 million, or 67.3% (+66.9% constant currency), primarily due to the launches of several successful new product lines. Net sales of the *American Tourister* brand during the nine months ended September 30, 2021 increased by US$17.2 million, or 42.6% (+42.2% constant currency), compared to the nine months ended September 30, 2020. Net sales of the *Gregory* brand increased by US$8.1 million, or 76.4% (+76.4% constant currency), compared to the same period in the previous year. These increases were partially offset by a decrease in net sales of other brands. Net sales of other brands for the nine months ended September 30, 2021 decreased by US$22.6 million, or 66.5% (-66.6% constant currency), compared to the same period in the previous year, due primarily to a discontinuation of sales by ebags of third party brands.

For the nine months ended September 30, 2021, net sales in the United States increased by US$95.5 million, or 22.4%, year-on-year as a result of continued encouraging sales performance trends due to relaxing social-distancing restrictions, markets reopening and domestic travel continuing to rebound with continued progress in the vaccination rollout against COVID-19. When excluding the net sales of Speck for August and September 2020, net sales in the United States increased by US$120.3 million, or 30.0%, for the nine months ended September 30, 2021 compared to the same period in the previous year.

For the nine months ended September 30, 2021, net sales in Canada increased by US$1.4 million, or 9.0% (+1.5% constant currency), year-on-year as restrictions on social distancing eased and markets reopened.

Asia

The Group's net sales in Asia increased by US$75.9 million, or 18.7% (+14.2% constant currency), for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020 due to relaxing social-distancing restrictions, most markets reopening and improved vaccination rates, despite significant travel restrictions between countries continuing in the region. For the nine months ended September 30, 2021 the Group recorded a net sales decline of 50.7% (-51.6% constant currency) in Asia when compared to the nine months ended September 30, 2019.

The Group's net sales performance in Asia improved during the third quarter of 2021 as the net sales decline narrowed to 47.8% (-48.7% constant currency) when compared to the third quarter of 2019. The net sales performance during the second quarter of 2021 temporarily slowed with the decline in net sales of 54.9% (-56.0% constant currency) when compared to the second quarter of 2019, due to resurgences of COVID-19 cases, particularly in India, and the relatively slower vaccination rollout in important markets such as Japan and South Korea. The Group's net sales during the first quarter of 2021 decreased by 49.2% (-49.9% constant currency), when compared to the first quarter of 2019.

The positive trend in the first three quarters of 2021 continued the recovery that began in the second half of 2020. The Group's net sales in Asia decreased by 54.7% (-56.1% constant currency) for the three months ended December 31, 2020 compared to the three months ended December 31, 2019. Net sales decreased by 63.1% (-63.4% constant currency), for the three months ended September 30, 2020 compared to the three months ended September 30, 2019. Net sales for the three months ended June 30, 2020 decreased by 76.2% (-75.6% constant currency), compared to the three months ended June 30, 2019.

Compared to the month ended October 31, 2020, the Group's October 2021 net sales increased by 31.9% (+31.8% constant currency). Compared to the month ended October 31, 2019, the Group's October 2021 net sales decreased by 31.7% (-32.1% constant currency).

For the nine months ended September 30, 2021, net sales of the *Samsonite* brand increased by US$25.3 million, or 14.6% (+8.5% constant currency), compared to the same period in the previous year. Net sales of the *American Tourister* brand during the nine months ended September 30, 2021 increased by US$17.0 million, or 17.0% (+13.6% constant currency), compared to the nine months ended September 30, 2020. Net sales of the *Tumi* brand during the nine months ended September 30, 2021 increased by US$25.0 million, or 28.8% (+24.7% constant currency), year-on-year. Net sales of the *Kamiliant* brand increased by US$8.8 million, or 73.2% (+72.1% constant currency), year-on-year.

Net sales in China increased by US$61.6 million, or 55.8% (+43.9% constant currency), for the nine months ended September 30, 2021 compared to the same period in the previous year. Net sales in India increased by US$43.4 million, or 102.7% (+102.1% constant currency), for the nine months ended September 30, 2021 compared to the same period in the previous year, despite a resurgence of COVID-19 cases in that country during the second quarter of 2021. Total net sales reported for Hong Kong (which comprises net sales made in the domestic Hong Kong market, Macau and to distributors in certain other Asian markets) increased by US$9.9 million, or 32.3% (+32.3% constant currency), year-on-year. These year-on-year net sales increases were partially offset by decreases in Japan and South Korea due to continued restrictions on travel and also due to delayed rollout of vaccines, as well as in Australia due to continued lockdown and country borders largely remaining closed. Net sales in Japan decreased by US$19.1 million, or 21.8% (-20.6% constant currency), year-on-year. Net sales in South Korea decreased by US$5.1 million, or 8.6% (-13.9% constant currency), year-on-year. Net sales in Australia decreased by US$3.4 million, or 20.8% (-29.8% constant currency), compared to the same period in the previous year.

Europe

The Group's net sales in Europe increased by US$39.0 million, or 16.8% (+13.5% constant currency), for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020 due to relaxing social-distancing restrictions, markets reopening and domestic travel rebounding in recent months as progress is made in the vaccination rollout against COVID-19. Overall, for the nine months ended September 30, 2021, the Group recorded a net sales decline of 53.5% (-54.5% constant currency) in Europe, when compared to the nine months ended September 30, 2019.

The Group experienced quarterly net sales improvement in Europe during the first three quarters of 2021 when compared to the corresponding quarters in 2019. During the third quarter of 2021, the Group's net sales decline narrowed quickly to 33.8% (-35.5% constant currency) when compared to the third quarter of 2019. This encouraging trend continued from the second quarter of 2021 when the decline in net sales narrowed to 59.4% (-60.4% constant currency) when compared to the second quarter of 2019, as travel restrictions began to ease in June 2021, and from the first quarter of 2021, when the decline in the Group's net sales was 70.5% (-70.9% constant currency), when compared to the first quarter of 2019, as the net sales recovery was temporarily slowed by a resurgence in COVID-19 cases.

The positive trend in the first three quarters of 2021 continued the recovery that began in the second half of 2020. The Group’s net sales in Europe decreased by 66.3% (-67.1% constant currency), for the three months ended December 31, 2020 compared to the three months ended December 31, 2019 as governments across the region reinstated restrictions due to the resurgence of COVID-19 cases in late 2020. Net sales decreased by 64.8% (-65.7% constant currency), for the three months ended September 30, 2020 compared to the three months ended September 30, 2019. Net sales for the three months ended June 30, 2020 decreased by 86.0% (-85.7% constant currency), compared to the three months ended June 30, 2019.

Compared to the month ended October 31, 2020, the Group's October 2021 net sales increased by 116.1% (+116.1% constant currency). Compared to the month ended October 31, 2019, the Group's October 2021 net sales decreased by 30.5% (-31.6% constant currency).

For the nine months ended September 30, 2021, net sales of the *Samsonite* brand increased by US$29.3 million, or 20.0% (+16.8% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand during the nine months ended September 30, 2021 increased by US$1.3 million, or 4.9% (+1.8% constant currency), year-on-year. Net sales of the *American Tourister* brand during the nine months ended September 30, 2021 increased by US$7.3 million, or 19.2% (+16.2% constant currency), compared to the nine months ended September 30, 2020.

Net sales in Germany increased by US$0.6 million, or 1.8%, but decreased by 2.1% on a constant currency basis for the nine months ended September 30, 2021 compared to the same period in the previous year. Italy's net sales increased by US$2.4 million, or 9.6% (+4.9% constant currency), compared to the nine months ended September 30, 2020. Net sales in France increased by US$2.0 million, or 8.5% (+4.3% constant currency), compared to the same period in the previous year. Net sales in the United Kingdom increased by US$0.8 million, or 5.0%, but decreased by 2.4% on a constant currency basis, year-on-year. Net sales in Russia increased by US$11.5 million, or 63.3% (+68.0% constant currency), year-on-year.

Latin America

The Group’s net sales in Latin America increased by US$16.5 million, or 34.4% (+31.6% constant currency), for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020 due to the relaxation of social-distancing restrictions, markets reopening and significant progress made in the vaccination rollout against COVID-19 in most countries. Overall, for the nine months ended September 30, 2021, the Group recorded a net sales decline of 47.6% (-39.1% constant currency) in Latin America, when compared to the nine months ended September 30, 2019.

The Group experienced quarterly net sales improvement in Latin America during the first three quarters of 2021 when compared to the corresponding quarters in 2019. During the third quarter of 2021, the Group's net sales decline narrowed quickly to 26.1% (-14.6% constant currency) when compared to the third quarter of 2019. This encouraging trend continued from the second quarter of 2021 when the decline in net sales narrowed to 55.5% (-48.9% constant currency) when compared to the second quarter of 2019, as net sales performance began to show some signs of improvement, and from the first quarter of 2021, when the decline in the Group's net sales was 58.8% (-51.1% constant currency), when compared to the first quarter of 2019, as the net sales recovery was temporarily slowed by a resurgence in COVID-19 cases.

The positive trend in the first three quarters of 2021 continued the recovery that began in the second half of 2020. The Group’s net sales in Latin America decreased by 46.9% (-43.2% constant currency), for the three months ended December 31, 2020 compared to the three months ended December 31, 2019. Net sales decreased by 77.8% (-74.2% constant currency), for the three months ended September 30, 2020 compared to the three months ended September 30, 2019. Net sales for the three months ended June 30, 2020 decreased by 95.4% (-94.3% constant currency), compared to the three months ended June 30, 2019.

Compared to the month ended October 31, 2020, the Group's October 2021 net sales increased by 132.2% (+137.2% constant currency). Compared to the month ended October 31, 2019, the Group's October 2021 net sales decreased by 11.3%, but increased on a constant currency basis by 3.8%.

For the nine months ended September 30, 2021, net sales of the *Samsonite* brand in Latin America increased by US$7.7 million, or 49.7% (+51.4% constant currency), compared to the same period in the previous year. Net sales of the *American Tourister* brand during the nine months ended September 30, 2021 increased by US$4.1 million, or 83.8% (+80.3% constant currency), compared to the nine months ended September 30, 2020. For the nine months ended September 30, 2021, net sales of the *Tumi* brand in Latin America increased by US$1.8 million, or 139.9% (+129.9% constant currency), compared to the same period in the previous year. Net sales of the *Xtrem* brand decreased by US$3.6 million, or 22.7% (-24.8% constant currency), compared to the same period in the previous year. Net sales of the *Saxoline* brand increased by US$2.4 million, or 38.5% (+30.1% constant currency), year-on-year. Net sales of the

Secret brand increased by US$4.4 million, or 136.3% (+122.4% constant currency), compared to the corresponding period in 2020.

Net sales in Chile increased by US$6.2 million, or 29.1% (+21.1% constant currency), during the nine months ended September 30, 2021 compared to the same period in the previous year. Net sales in Mexico increased by US$7.0 million, or 65.8% (+51.1% constant currency), year-on-year. Net sales in Brazil increased by US$1.8 million, or 33.3% (+37.2% constant currency), year-on-year.

Cost of Sales and Gross Profit

Cost of sales increased by US$55.9 million, or 9.5%, to US$641.8 million (representing 47.3% of net sales) for the nine months ended September 30, 2021 from US$586.0 million (representing 51.9% of net sales) for the nine months ended September 30, 2020. The Group is being impacted by an increase in global freight and raw material costs. The Group has leveraged its long-standing relationships with suppliers to mitigate the effects of cost increases and has implemented price increases in certain markets to offset the resulting margin pressure.

Gross profit increased by US$171.8 million, or 31.6%, to US$714.8 million for the nine months ended September 30, 2021 from US$543.0 million for the nine months ended September 30, 2020 due to increased sales year over year. Gross profit margin increased to 52.7% for the nine months ended September 30, 2021 from 48.1% for the corresponding period in the previous year. The increase in gross profit margin was attributable to an increase in gross profit as a result of the increase in net sales and lower provisions for inventory reserves year-on-year. The improvement in gross profit margin during the nine months ended September 30, 2021 was partially offset by the non-renewal of GSP in January 2021, which has resulted in increased duty costs on goods imported to the United States from countries that were beneficiaries of GSP. While this has negatively impacted gross profit margin by US$11.5 million, or 90 basis points, for the nine months ended September 30, 2021, the Group has implemented and will continue to implement pricing increases on the Group’s products sold in the United States during the third and fourth quarters of 2021 to moderate the impacts from the expiration of GSP. The devaluation of many currencies to the US Dollar has also had a negative impact on gross profit margin.

The gross profit margin of 48.1% for the nine months ended September 30, 2020 was negatively impacted by increased provisions for inventory reserves, the impact of fixed sourcing and manufacturing expenses on a lower net sales base, and the inclusion of restructuring charges and non-cash impairment charges related to the sourcing and production of the Group’s products.

Distribution Expenses

Distribution expenses decreased by US$65.2 million, or 11.4%, to US$505.4 million (representing 37.3% of net sales) for the nine months ended September 30, 2021 from US$570.6 million (representing 50.5% of net sales) for the nine months ended September 30, 2020. Distribution expenses, and distribution expenses as a percentage of net sales, both decreased primarily due to actions taken by management to reduce the fixed and variable cost structure of the business. See Management Discussion and Analysis - Impact of COVID-19 for further discussion. When compared to the nine months ended September 30, 2019, distribution expenses decreased by 44.1% for the nine months ended September 30, 2021.

Marketing Expenses

The Group spent US$50.2 million on marketing during the nine months ended September 30, 2021 compared to US$55.1 million for the nine months ended September 30, 2020, a decrease of US$4.9 million, or 9.0%. As a percentage of net sales, marketing expenses decreased by 120 basis points to 3.7% for the nine months ended September 30, 2021 from 4.9% for the nine months ended September 30, 2020. When compared to the nine months ended September 30, 2019, marketing expenses decreased by 66.2%, and as a percentage of net sales decreased by 180 basis points from 5.5% for the nine months ended September 30, 2019. The Group has continued to tightly manage its advertising expenses in an effort to help conserve cash and to mitigate the effects of the COVID-19 Impacts on the Group's profitability.

General and Administrative Expenses

General and administrative expenses increased by US$0.5 million, or 0.3%, to US$155.9 million (representing 11.5% of net sales) for the nine months ended September 30, 2021 from US$155.3 million (representing 13.8% of net sales) for the nine months ended September 30, 2020. The decrease in general and administrative expenses as a percentage of net sales reflects actions taken by management to reduce the fixed and variable cost structure of the business, including headcount reductions and other savings initiatives, to help mitigate the negative impacts on the Group's profitability caused by COVID-19. See Management Discussion and Analysis - Impact of COVID-19 for further discussion. Such savings were partially offset by the return of certain expenses that had been temporarily suspended at the onset of the pandemic, including certain employee compensation costs.

Impairment Charges

The following table sets forth a breakdown of the non-cash 2021 Impairment Charges for the nine months ended September 30, 2021 and the non-cash 2020 Impairment Charges for the nine months ended September 30, 2020.

(Expressed in millions of US Dollars)		**Nine Months Ended September 30, 2021**	Nine Months Ended September 30, 2020
Impairment charges recognized on:	Functional Area	**2021 Impairment Charges**	2020 Impairment Charges
Property, plant and equipment	Cost of sales	**—**	1.3
	Impairment charges included in cost of sales	**—**	1.3
Goodwill		**14.4**	496.0
Tradenames and other intangible assets		**10.3**	236.0
Lease right-of-use assets	Distribution	**5.5**	119.5
Property, plant and equipment	Distribution	**—**	29.9
	Impairment charges (exclusive of amounts included in cost of sales)	**30.2**	881.4
Total impairment charges		**30.2**	882.7

In accordance with IAS 36, the Group is required to evaluate its intangible assets with indefinite lives at least annually or when an event has occurred or circumstances change that would more likely than not reduce the recoverable amount of a CGU below its carrying value. The Group 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, the Group must estimate the recoverable amount of the asset or CGU.

2021 Impairment Charges

Based on an evaluation of loss-making stores during the nine months ended September 30, 2021, and also due to reduced traffic and under-performance caused by the COVID-19 pandemic, the Group determined that the carrying amounts of certain retail stores, which represent individual CGUs, exceeded their corresponding recoverable amounts. During the nine months ended September 30, 2021 the Group recognized non-cash impairment charges totaling US$5.5 million on lease right-of-use assets.

Further, in June 2021, the Group classified the assets attributable to Speck to held for sale. Speck was sold on July 30, 2021. The Group recognized non-cash impairment charges during the nine months ended September 30, 2021 totaling US$24.7 million related to impairments of goodwill and other intangible assets associated with the sale of Speck.

2020 Impairment Charges

Due to the negative impacts resulting from the COVID-19 pandemic during the nine months ended September 30, 2020, certain indefinite-lived intangible assets identified by the Group were tested for impairment. Based on valuations performed by a third-party specialist engaged by the Company, management determined that the carrying value of certain intangible assets exceeded their recoverable amounts, resulting in non-cash impairment charges recognized during the nine months ended September 30, 2020 totaling US$732.0 million, comprised of US$496.0 million for goodwill and US$236.0 million for certain tradenames.

Further, based on an evaluation of loss-making stores during the nine months ended September 30, 2020, and also due to reduced traffic and under-performance caused by the COVID-19 pandemic, the Group determined that the carrying amounts of certain retail stores, which represent individual CGUs, exceeded their corresponding recoverable amounts. Based on an evaluation of certain property, plant and equipment used in the production of certain luggage product lines during the nine months ended September 30, 2020, the Group determined that the carrying amounts of certain molds and machinery exceeded their respective recoverable amounts. During the nine months ended September 30, 2020 the Group recognized non-cash impairment charges totaling US$150.7 million, comprised of US$119.5 million for lease right-of-use assets and US$31.2 million for property, plant and equipment, including leasehold improvements attributable to the under-performance of certain retail locations as well as molds and machinery used in the production of certain luggage product lines.

Restructuring Charges

The following table sets forth a breakdown of the restructuring charges for the nine months ended September 30, 2021 and September 30, 2020.

	Nine Months Ended September 30,	
(Expressed in millions of US Dollars)	**2021**	2020
Functional Area		
Restructuring charges included in cost of sales	**0.3**	3.7
Restructuring charges attributable to distribution function	**1.9**	27.7
Restructuring charges attributable to general and administrative function	**9.4**	6.4
Restructuring charges (exclusive of amounts included in cost of sales)	**11.3**	34.1
Total restructuring charges	**11.6**	37.8

During the nine months ended September 30, 2020, the Group aggressively reduced its operating expenses to mitigate the impact of lower sales on profit and cash flow as well as to right-size the business for the future in response to the COVID-19 Impacts. During the nine months ended September 30, 2021, the Group continued to tightly manage the fixed cost structure of the business. In conjunction with these cost saving actions and other initiatives, the Group recognized charges related to these restructuring initiatives (the "Restructuring Charges") during the nine months ended September 30, 2021 and September 30, 2020. The Restructuring Charges during the first nine months of 2020 consisted primarily of severance associated with permanent headcount reductions, store closure costs, and certain other costs incurred to implement profit improvement initiatives. The Restructuring Charges during the first nine months of 2021 consisted primarily of severance associated with permanent headcount reductions, store closure costs, severance costs related to the sale of Speck on July 30, 2021, and certain other costs (described below) incurred to implement profit improvement initiatives. The Group continues to evaluate additional areas to further reduce operating expenses in response to the COVID-19 Impacts.

In June 2021, the Company established a brand development and sourcing hub in Singapore as part of a global restructuring initiative to enhance alignment of the Company's product development, brand management and supply chain operations across Asia. The establishment of this hub will enable the Company to design products closer to market while continuing to lead the industry in product development, innovation and sustainability for several key brands, including *Samsonite* and *American Tourister*. The Company will also leverage this hub to manage sourcing for Asia and the Middle East, while supporting and administering sourcing for North America and Latin America. During the nine months ended September 30, 2021, the Group recognized Restructuring Charges of US$5.0 million associated with the establishment of the brand development and sourcing hub in Singapore.

During the nine months ended September 30, 2021 and September 30, 2020, the Group recognized Restructuring Charges of US$11.6 million and US$37.8 million, respectively.

Other Income

The Group recorded other income of US$2.5 million and US$10.3 million for the nine months ended September 30, 2021 and September 30, 2020, respectively. Other income for the nine months ended September 30, 2021 included gains from the disposal of assets and gains on lease exits/remeasurements of US$4.3 million, partially offset by a loss on the sale of Speck of US$1.3 million and miscellaneous other expense incurred during the period of US$1.4 million. Other income for the nine months ended September 30, 2020 included gains on lease exits/remeasurements of US$12.1 million, including the receipt of key money upon exiting certain retail store locations.

Operating Profit (Loss)

The following table presents the reconciliation from the Group's operating loss, as reported, to operating profit (loss), as adjusted, for the nine months ended September 30, 2021 and September 30, 2020.

OPERATING PROFIT (LOSS)

(Expressed in millions of US Dollars)	**Nine Months Ended September 30,** **2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Operating loss, as reported	**(35.7)**	(1,143.2)	(96.9)%	(97.0)%
Impairment Charges	**30.2**	882.7	(96.6)%	(96.6)%
Restructuring Charges	**11.6**	37.8	(69.3)%	(69.5)%
Loss on the sale of Speck	**1.3**	—	n/a	n/a
Operating profit (loss), as adjusted	**7.5**	(222.8)	*nm*	*nm*

Notes
(1) 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.
n/a Not applicable.
nm Not meaningful.

The Group incurred an operating loss of US$35.7 million for the nine months ended September 30, 2021 compared to an operating loss of US$1,143.2 million for the corresponding period in the previous year. The Group had an operating profit of US$7.5 million for the nine months ended September 30, 2021 when excluding the non-cash 2021 Impairment Charges, Restructuring Charges and the loss on the sale of Speck recognized during the nine months ended September 30, 2021 compared to an operating loss of US$222.8 million for the corresponding period in the previous year when excluding the non-cash 2020 Impairment Charges and the Restructuring Charges recognized during the nine months ended September 30, 2020.

Net Finance Costs

Net finance costs increased by US$55.6 million, or 72.3%, to US$132.5 million for the nine months ended September 30, 2021 from US$76.9 million for the nine months ended September 30, 2020. This increase was attributable to the non-cash charge of US$24.1 million to write-off the deferred financing costs primarily associated with the 2020 Incremental Term Loan B Facility, an increase in interest expense on loans and borrowings of US$8.6 million year-on-year as a result of increased borrowings during 2020 to ensure adequate liquidity as the Group navigated the challenges from COVID-19, an increase in redeemable non-controlling interest put option expenses of US$24.1 million year-on-year due to improved financial performance of the Group's subsidiaries with non-controlling interests that are subject to put options and bank charges of US$7.8 million. The bank charges were comprised of an approximately US$6.0 million call premium paid to the lenders under the 2020 Incremental Term Loan B Facility and US$1.8 million for fees related to the Fifth Amended Credit Agreement (both described in Management Discussion and Analysis - Indebtedness). The increase in net finance costs was partially offset by a decrease in net foreign exchange losses of US$5.5 million year-on-year and a decrease in interest expense on lease liabilities of US$3.0 million year-on-year.

The following table sets forth a breakdown of total finance costs for the nine months ended September 30, 2021 and September 30, 2020.

	Nine months ended September 30,	
(Expressed in millions of US Dollars)	**2021**	2020
Recognized in profit or loss:		
Interest income	**2.7**	2.9
Total finance income	**2.7**	2.9
Interest expense on loans and borrowings	**(77.3)**	(68.8)
Write-off of remaining deferred financing costs associated with the 2020 Incremental Term Loan B Facility	**(24.1)**	—
Amortization of deferred financing costs associated with the Amended Senior Credit Facilities	**(5.5)**	(5.2)
Interest expense on lease liabilities	**(16.5)**	(19.5)
Change in fair value of put options	**(2.4)**	21.7
Net foreign exchange loss	**(1.7)**	(7.3)
Other finance costs[(1)]	**(7.7)**	(0.7)
Total finance costs	**(135.2)**	(79.8)
Net finance costs recognized in profit or loss	**(132.5)**	(76.9)

Note

(1) Other finance costs for the nine months ended September 30, 2021 primarily consisted of an approximately US$6.0 million call premium paid to the lenders under the 2020 Incremental Term Loan B Facility and US$1.8 million for fees related to the Fifth Amended Credit Agreement (both described in Management Discussion and Analysis - Indebtedness).

Loss before Income Tax

The following table presents the reconciliation from the Group's loss before income tax, as reported, to loss before income tax, as adjusted, for the nine months ended September 30, 2021 and September 30, 2020.

LOSS BEFORE INCOME TAX

	Nine months ended September 30,			
(Expressed in millions of US Dollars)	**2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[(2)]
Loss before income tax, as reported	**(168.2)**	(1,220.1)	(86.2)%	(86.4)%
Impairment Charges	**30.2**	882.7	(96.6)%	(96.6)%
Restructuring Charges	**11.6**	37.8	(69.3)%	(69.5)%
Loss on the sale of Speck	**1.3**	—	n/a	n/a
Charges associated with debt borrowings and amendments[(1)]	**31.9**	—	n/a	n/a
Loss before income tax, as adjusted	**(93.2)**	(299.7)	(68.9)%	(69.7)%

Notes

(1) The charges associated with the Fifth Amended Credit Agreement and Sixth Amended Credit Agreement during the nine months ended September 30, 2021 were attributable to the non-cash charge of US$24.1 million to write-off the deferred financing costs primarily associated with the 2020 Incremental Term Loan B Facility, and bank charges recognized on the consolidated statements of income (loss) of US$7.8 million, primarily consisting of an approximately US$6.0 million call premium paid to the lenders under the 2020 Incremental Term Loan B Facility and US$1.8 million for fees related to the Fifth Amended Credit Agreement (both described in Management Discussion and Analysis - Indebtedness).

(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.

n/a Not applicable.

The Group incurred a loss before income tax of US$168.2 million for the nine months ended September 30, 2021 compared to a loss before income tax of US$1,220.1 million for the corresponding period in the previous year. The Group incurred a loss before income tax of US$93.2 million for the nine months ended September 30, 2021 when excluding the non-cash 2021 Impairment Charges, Restructuring Charges, the loss on the sale of Speck and charges associated with debt borrowings and amendments recognized during the nine months ended September 30, 2021, compared to a loss before income tax of US$299.7 million for the corresponding period in the previous year when excluding the non-cash 2020 Impairment Charges and the Restructuring Charges recognized during the nine months ended September 30, 2020.

Income Tax Benefit

The Group recorded an income tax benefit of US$23.4 million for the nine months ended September 30, 2021 compared to an income tax benefit of US$126.9 million for the nine months ended September 30, 2020. The income tax benefit recorded during the nine months ended September 30, 2021 was due mainly to the US$168.2 million reported loss before income tax caused by the COVID-19 Impacts, restructuring activities, changes in reserves, changes in unrecognized deferred tax assets and changes in the profit mix between high and low tax jurisdictions. The income tax benefit recorded during the nine months ended September 30, 2020 was due mainly to the US$1,220.1 million reported loss before income tax, which included the non-cash 2020 Impairment Charges and Restructuring Charges, changes in reserves and changes in unrecognized deferred tax assets caused by the COVID-19 Impacts.

The Group’s consolidated effective tax rate for operations was 13.9% and 10.4% for the nine months ended September 30, 2021 and September 30, 2020, respectively. The increase in the Group's effective tax rate during the nine months ended September 30, 2021 was mainly the result of changes in unrecognized deferred tax assets, changes in reserves, a tax benefit related to restructuring activities and changes in the profit mix between high and low tax jurisdictions. Excluding taxes related to changes in unrecognized deferred tax assets and restructuring activities which generated a tax benefit of US$25.8 million during the nine months ended September 30, 2021, the consolidated effective tax rate for operations would have been 21.7%. Excluding the non-cash impairment charge related to goodwill, which did not provide a tax benefit to the Group, changes in unrecognized deferred tax assets and changes in reserves during the nine months ended September 30, 2020, the consolidated effective tax rate for operations would have been 20.5%.

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 (loss) before income tax for the period adjusted for certain discrete items for the period.

Profit (Loss)

Loss for the Period

The following table presents the reconciliation from the Group’s loss for the period, as reported, to loss for the period, as adjusted, for the nine months ended September 30, 2021 and September 30, 2020.

LOSS FOR THE PERIOD

	Nine months ended September 30,			
(Expressed in millions of US Dollars)	**2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Loss for the period, as reported	**(144.8)**	(1,093.2)	(86.8)%	(87.0)%
Impairment Charges	**30.2**	882.7	(96.6)%	(96.6)%
Restructuring Charges	**11.6**	37.8	(69.3)%	(69.5)%
Tax benefit associated with legal entity reorganization	**(26.0)**	—	n/a	n/a
Loss on the sale of Speck	**1.3**	—	n/a	n/a
Charges associated with debt borrowings and amendments[1]	**31.9**	—	n/a	n/a
Tax impact	**(17.1)**	(104.2)	(83.6)%	(83.7)%
Loss for the period, as adjusted	**(112.9)**	(277.0)	(59.2)%	(59.9)%

Notes
(1) The charges associated with the Fifth Amended Credit Agreement and Sixth Amended Credit Agreement during the nine months ended September 30, 2021 were attributable to the non-cash charge of US$24.1 million to write-off the deferred financing costs primarily associated with the 2020 Incremental Term Loan B Facility, and bank charges recognized on the consolidated statements of income (loss) of US$7.8 million, primarily consisting of an approximately US$6.0 million call premium paid to the lenders under the 2020 Incremental Term Loan B Facility and US$1.8 million for fees related to the Fifth Amended Credit Agreement (both described in Management Discussion and Analysis - Indebtedness).
(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.
n/a Not applicable.

The Group incurred a loss for the nine months ended September 30, 2021 of US$144.8 million compared to a loss for the nine months ended September 30, 2020 of US$1,093.2 million. The Group incurred a loss for the nine months ended September 30, 2021 of US$112.9 million when excluding the non-cash 2021 Impairment Charges, Restructuring Charges, the loss on the sale of Speck and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement during the nine months ended September 30, 2021, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with the intra-group realignment of certain intellectual property rights (the "Intra-Group IP Realignment"), compared to a loss for the nine months ended September 30, 2020 of US$277.0 million when excluding the non-cash 2020 Impairment Charges and the Restructuring Charges recognized during the nine months ended September 30, 2020, both of which are net of the related tax impact.

Loss Attributable to the Equity Holders

The following table presents the reconciliation from the Group's loss attributable to the equity holders, as reported, to loss attributable to the equity holders, as adjusted, for the nine months ended September 30, 2021 and September 30, 2020.

LOSS ATTRIBUTABLE TO THE EQUITY HOLDERS

	Nine months ended September 30,			
(Expressed in millions of US Dollars)	**2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Loss attributable to the equity holders, as reported	**(147.7)**	(1,084.5)	(86.4)%	(86.6)%
Impairment Charges	**30.2**	882.7	(96.6)%	(96.6)%
Restructuring Charges	**11.6**	37.8	(69.3)%	(69.5)%
Tax benefit associated with legal entity reorganization	**(26.0)**	—	n/a	n/a
Loss on the sale of Speck	**1.3**	—	n/a	n/a
Charges associated with debt borrowings and amendments[1]	**31.9**	—	n/a	n/a
Tax impact	**(17.1)**	(104.2)	(83.6)%	(83.7)%
Loss attributable to the equity holders, as adjusted	**(115.8)**	(268.3)	(56.8)%	(57.6)%

Notes

(1) The charges associated with the Fifth Amended Credit Agreement and Sixth Amended Credit Agreement during the nine months ended September 30, 2021 were attributable to the non-cash charge of US$24.1 million to write-off the deferred financing costs primarily associated with the 2020 Incremental Term Loan B Facility, and bank charges recognized on the consolidated statements of income (loss) of US$7.8 million, primarily consisting of an approximately US$6.0 million call premium paid to the lenders under the 2020 Incremental Term Loan B Facility and US$1.8 million for fees related to the Fifth Amended Credit Agreement (both described in Management Discussion and Analysis - Indebtedness).

(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.

n/a Not applicable.

The Group incurred a loss attributable to the equity holders of US$147.7 million for the nine months ended September 30, 2021 compared to a loss attributable to the equity holders of US$1,084.5 million for the corresponding period in the previous year. For the nine months ended September 30, 2021 the Group incurred a loss attributable to the equity holders of US$115.8 million when excluding the non-cash 2021 Impairment Charges, Restructuring Charges, the loss on the sale of Speck and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement during the nine months ended September 30, 2021, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with the Intra-Group IP Realignment. In comparison, the Group recorded a loss attributable to the equity holders for the nine months ended September 30, 2020 of US$268.3 million when excluding the non-cash 2020 Impairment Charges and the Restructuring Charges recognized during the nine months ended September 30, 2020, both of which are net of the related tax impact.

Basic and Diluted Loss per Share

Basic and diluted loss per share was US$0.103 for the nine months ended September 30, 2021, compared to basic and diluted loss per share of US$0.757 for the nine months ended September 30, 2020. The weighted average number of shares utilized in the basic loss per share calculation was 1,435,254,423 shares for the nine months ended September 30, 2021 compared to 1,433,013,053 shares for the nine months ended September 30, 2020. The weighted average number of shares outstanding utilized in the diluted loss per share calculation was 1,435,254,423 shares for the nine months ended September 30, 2021 compared to 1,433,013,053 shares for the nine months ended

September 30, 2020.

Basic and diluted loss per share, as adjusted, was US$0.081 for the nine months ended September 30, 2021 when excluding the non-cash 2021 Impairment Charges, Restructuring Charges, the loss on the sale of Speck and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement during the nine months ended September 30, 2021, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with the Intra-Group IP Realignment, compared to basic and diluted loss per share, as adjusted, of US$0.187 for the nine months ended September 30, 2020 when excluding the non-cash 2020 Impairment Charges and the Restructuring Charges recognized during the nine months ended September 30, 2020, both of which are net of the related tax impact. The year-on-year improvement in basic and diluted loss per share, as adjusted, was primarily due to improved net sales and gross profit, along with actions taken by management to reduce the fixed and variable cost structure of the business.

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-IFRS measure, improved by US$228.9 million to earnings of US$55.3 million for the nine months ended September 30, 2021 compared to a loss of US$173.6 million for the nine months ended September 30, 2020. Adjusted EBITDA margin was 4.1% for the nine months ended September 30, 2021 compared to (15.4%) for the nine months ended September 30, 2020 due primarily to improved net sales and gross profit, along with actions taken by management to reduce the fixed and variable cost structure of the business. See Management Discussion and Analysis - Impact of COVID-19 for further discussion.

The following table presents the reconciliation from the Group's loss for the period to Adjusted EBITDA for the nine months ended September 30, 2021 and September 30, 2020:

	Nine months ended September 30,			
(Expressed in millions of US Dollars)	**2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[3]
Loss for the period	**(144.8)**	(1,093.2)	(86.8)%	(87.0)%
Plus (Minus):				
Income tax benefit	**(23.4)**	(126.9)	(81.6)%	(81.9)%
Finance costs	**135.2**	79.8	69.5 %	68.4 %
Finance income	**(2.7)**	(2.9)	(5.6)%	(6.3)%
Depreciation	**35.8**	50.5	(29.1)%	(31.0)%
Total amortization	**115.0**	147.8	(22.2)%	(23.7)%
EBITDA	**115.1**	(944.9)	*nm*	*nm*
Plus (Minus):				
Share-based compensation expense	**8.0**	4.5	80.8 %	84.1 %
Impairment Charges	**30.2**	882.7	(96.6)%	(96.6)%
Restructuring Charges	**11.6**	37.8	(69.3)%	(69.5)%
Other adjustments[1]	**(2.5)**	(10.3)	(75.8)%	(64.2)%
Amortization of lease right-of-use assets	**(90.7)**	(123.8)	(26.8)%	(28.2)%
Interest expense on lease liabilities	**(16.5)**	(19.5)	(15.5)%	(16.2)%
Adjusted EBITDA[2]	**55.3**	(173.6)	*nm*	*nm*
Adjusted EBITDA margin	**4.1 %**	(15.4)%		

Notes
(1) Other adjustments primarily comprised 'Other income (expenses)' per the consolidated statements of income (loss).
(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 on January 1, 2019 to account for operational rent expenses.
(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.
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 and with the reconciliation to profit (loss) 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 financial 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 (loss) for the period in the Company's consolidated statements of income (loss). 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.

Adjusted Net Loss

Adjusted Net Loss, a non-IFRS measure, was US$95.0 million for the nine months ended September 30, 2021, compared to an Adjusted Net Loss of US$271.8 million for the nine months ended September 30, 2020 due primarily to improved net sales and gross profit, along with actions taken by management to reduce the fixed and variable cost structure of the business. Adjusted basic and diluted loss per share, non-IFRS measures, were a loss of US$0.066 per share for the nine months ended September 30, 2021, compared to an adjusted basic and diluted loss per share of US$0.190 for the nine months ended September 30, 2020. Adjusted basic and diluted loss per share are calculated by dividing Adjusted Net Loss by the weighted average number of shares used in the basic and diluted loss per share calculations, respectively.

The following table presents the reconciliation from the Group's loss attributable to the equity holders to Adjusted Net Loss for the nine months ended September 30, 2021 and September 30, 2020:

(Expressed in millions of US Dollars)	**Nine months ended September 30, 2021**	2020	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(4)
Loss attributable to the equity holders	**(147.7)**	(1,084.5)	(86.4)%	(86.6)%
Plus (Minus):				
Change in fair value of put options included in finance costs	**2.4**	(21.7)	*nm*	*nm*
Amortization of intangible assets	**24.3**	24.0	0.9 %	(0.1)%
Charges associated with debt borrowings and amendments(1)	**31.9**	—	n/a	n/a
Impairment Charges	**30.2**	882.7	(96.6)%	(96.6)%
Restructuring Charges	**11.6**	37.8	(69.3)%	(69.5)%
Loss on the sale of Speck	**1.3**	—	n/a	n/a
Tax benefit associated with legal entity reorganization	**(26.0)**	—	n/a	n/a
Tax adjustments(2)	**(23.0)**	(110.1)	(79.1)%	(79.2)%
Adjusted Net Loss(3)	**(95.0)**	(271.8)	(65.0)%	(65.7)%

Notes

(1) The charges associated with the Fifth Amended Credit Agreement and Sixth Amended Credit Agreement during the nine months ended September 30, 2021 were attributable to the non-cash charge of US$24.1 million to write-off the deferred financing costs primarily associated with the 2020 Incremental Term Loan B Facility, and bank charges recognized on the consolidated statements of income (loss) of US$7.8 million, primarily consisting of an approximately US$6.0 million call premium paid to the lenders under the 2020 Incremental Term Loan B Facility and US$1.8 million for fees related to the Fifth Amended Credit Agreement (both described in Management Discussion and Analysis - Indebtedness).

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

(3) Represents Adjusted Net Loss attributable to the equity holders of the Company.

(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.

n/a Not applicable.

nm Not meaningful.

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

Adjusted Net Loss and adjusted basic and diluted loss per share are non-IFRS financial measures and as calculated herein may not be comparable to similarly named measures used by other companies and should not be considered comparable to loss attributable to the equity holders or basic and diluted loss per share presented in the Company's consolidated statements of income (loss). Adjusted Net Loss and the related adjusted basic and diluted loss 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.

Cash Flows

Cash flows generated from operating activities amounted to US$155.3 million for the nine months ended September 30, 2021 compared to cash flows used in operating activities of US$173.8 million for the nine months ended September 30, 2020, reflecting improved net sales and gross profit, along with actions taken by management to reduce the fixed and variable cost structure of the business. The increase in cash flows generated from operating activities year-on-year primarily reflects an improvement in Adjusted Net Loss of US$176.8 million, a US$156.0 million improvement in changes in working capital and a US$18.2 million reduction in income taxes paid, both as compared to the nine months ended September 30, 2020.

For the nine months ended September 30, 2021, net cash flows provided by investing activities were US$27.5 million and were primarily related to net proceeds from the sale of Speck amounting to US$35.3 million, partially offset by US$5.8 million of capital expenditures for property, plant and equipment. For the nine months ended September 30, 2020, net cash flows used in investing activities were US$22.8 million and were primarily related to US$18.4 million of capital expenditures for property, plant and equipment. During 2020 and continuing into the nine months ended September 30, 2021, the Group took and continues to take meaningful measures to limit its capital expenditures in response to the impacts on the Group's business from the COVID-19 pandemic.

Net cash flows used in financing activities were US$513.9 million for the nine months ended September 30, 2021 and were largely attributable to the prepayment of US$365.0 million principal amount of borrowings under the Amended Senior Credit Facilities, including the repayment of US$40.0 million principal amount utilizing the proceeds from the sale of Speck. The Group prepaid US$125.0 million principal amount of its outstanding borrowings under its Amended Term Loan A Facility (as defined in the Management Discussion and Analysis - Indebtedness) and US$100.0 million principal amount of its outstanding borrowings under its Amended Revolving Credit Facility. The Group prepaid US$100.0 million in principal in conjunction with the borrowing of the 2021 Incremental Term Loan B Facility (as further described in the Management Discussion and Analysis - Indebtedness). Net cash flows used in financing activities also included a repayment of US$40.0 million principal under the Amended Revolving Credit Facility, utilizing the proceeds from the sale of Speck, and US$120.1 million in payments on lease liabilities. Net cash flows provided by financing activities were US$1,239.5 million for the nine months ended September 30, 2020 and were largely attributable to funds received through a borrowing under the 2020 Incremental Term Loan B Facility in an aggregate principal amount of US$600.0 million, as well as from additional borrowings of US$810.3 million (USD equivalent at the applicable exchange rate on the borrowing date) under the Amended Revolving Credit Facility.

The Group had US$1,153.5 million in cash and cash equivalents as of September 30, 2021, compared to US$1,495.0 million as of December 31, 2020. Cash and cash equivalents are generally denominated in the functional currency of the respective Group entity.

Indebtedness

The following table sets forth the carrying amount of the Group's loans and borrowings as of September 30, 2021 and December 31, 2020:

(Expressed in millions of US Dollars)	**September 30, 2021**	December 31, 2020
Amended Term Loan A Facility	**645.0**	785.0
Term Loan B Facility	**543.2**	548.2
2020 Incremental Term Loan B Facility	**—**	597.0
2021 Incremental Term Loan B Facility	**494.3**	—
Amended Revolving Credit Facility	**675.8**	822.2
Total Amended Senior Credit Facilities	**2,358.3**	2,752.4
Senior Notes[1]	**405.4**	427.5
Other borrowings and obligations	**48.5**	50.6
Total loans and borrowings	**2,812.2**	3,230.5
Less deferred financing costs	**(13.8)**	(39.9)
Total loans and borrowings less deferred financing costs	**2,798.5**	3,190.6

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 Group's various debt obligations are described in detail below.

Senior Credit Facilities Agreement

On April 25, 2018 (the "Closing Date"), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amended and restated credit and guaranty agreement (the "Credit Agreement") with certain lenders and financial institutions. The Credit Agreement provided for (1) a US$828.0 million senior secured term loan A facility (the "Term Loan A Facility"), (2) a US$665.0 million senior secured term loan B facility (the "Term Loan B Facility" and, together with the Term Loan A Facility, the "Term Loan Credit Facilities") and (3) a US$650.0 million revolving credit facility (the "Revolving Credit Facility"). The credit facilities provided under the Credit Agreement as it has been amended from time to time since the Closing Date are referred to herein as the "Senior Credit Facilities."

Interest Rate and Fees

Under the terms of the Credit Agreement:

(a) in respect of the Term Loan A Facility and the Revolving Credit Facility, the interest rate payable was 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 and

(b) in respect of the Term Loan B Facility, the interest rate payable was set at LIBOR plus 1.75% per annum with a LIBOR floor of 0.00% (or a base rate plus 0.75% per annum) (subject to the terms of the Third Amended Credit Agreement as described below).

In addition to paying interest on the outstanding principal amount of borrowings under the Senior Credit Facilities, the borrowers paid customary agency fees and a commitment fee in respect of the unutilized commitments under the Revolving Credit Facility. The commitment fee with effect from the Closing Date until the delivery of the consolidated financial statements for the fiscal quarter ended September 30, 2018 was 0.20% per annum. The commitment fee payable thereafter was 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 applicable.

Amortization and Final Maturity

The Term Loan A Facility required scheduled quarterly payments with an annual amortization of 2.5% of the original principal amount of the loans under the Term Loan A Facility made 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 fifth anniversary of the Closing Date.

The Term Loan B Facility requires scheduled quarterly payments equal to 0.25% of the original principal amount of the loans under the Term Loan B Facility, with the balance due and payable on the seventh anniversary of the Closing Date.

There was no scheduled amortization of the principal amounts of the loans outstanding under the Revolving Credit Facility. Any principal amount outstanding under the Revolving Credit Facility was due and payable on the fifth anniversary of the Closing Date.

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 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. Commencing with the fiscal quarter ended September 30, 2018, the Company and its subsidiaries were required to maintain (i) a pro forma total net leverage ratio of not greater than 5.50:1.00, which ratio decreased to 5.25:1.00 for test periods ending in 2020, 5.00:1.00 for test periods ending in 2021 and will decrease to 4.50:1.00 for test periods ending in 2022 and thereafter; provided that such maximum pro forma total net leverage ratio is subject to a step up of 0.50x from the otherwise applicable ratio, up to a pro forma total net leverage ratio not to exceed 6.00:1.00 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 Amended Term Loan A Facility and the lenders under the Amended Revolving Credit Facility. The Company's requirement to comply with the Financial Covenants has been temporarily suspended during the Suspension Period pursuant to the Third Amended Credit Agreement (see below for further discussion). 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).

Second Amended Credit Agreement

On March 16, 2020 ("the Second Amendment Closing Date"), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Credit Agreement (the "Second Amended Credit Agreement"). The Second Amended Credit Agreement provides for (1) an amended US$800.0 million senior secured term loan A facility (the "Amended Term Loan A Facility") and (2) an amended US$850.0 million revolving credit facility (the "Amended Revolving Credit Facility"). Under the Second Amended Credit Agreement, the maturity for both the Amended Term Loan A Facility and the Amended Revolving Credit Facility were extended by approximately two years, with the remaining amounts outstanding under both facilities due to be paid in full on the fifth anniversary of the Second Amendment Closing Date. Interest on the borrowings under the Amended Term Loan A Facility and the Amended Revolving Credit Facility began to accrue on the Second Amendment Closing Date.

On March 20, 2020, the Company borrowed US$810.3 million (US Dollar equivalent at the applicable exchange rate on the borrowing date) under the Amended Revolving Credit Facility to ensure access to the Group's liquidity given the uncertainties and challenges caused by the COVID-19 pandemic. During the nine months ended September 30, 2021 the Group prepaid US$140.0 million principal amount of its outstanding borrowings under its Amended Revolving Credit Facility. As of September 30, 2021, US$169.5 million was available to be borrowed on the Amended Revolving Credit Facility as a result of US$675.8 million of outstanding borrowings and the utilization of US$4.6 million of the facility for outstanding letters of credit extended to certain creditors. As of December 31, 2020, US$23.4 million was available to be borrowed under the US$850.0 million Amended Revolving Credit Facility as a result of US$822.2 million of outstanding borrowings and utilization of US$4.5 million of the facility for outstanding letters of credit extended to certain creditors.

Interest Rate and Fees

Under the terms of the Second Amended Credit Agreement, the interest rate payable on the Amended Term Loan A Facility and the Amended Revolving Credit Facility was reduced with effect from the Second Amendment Closing Date until the delivery of the financial statements for the first full fiscal quarter commencing on or after the Second Amendment Closing Date from an adjusted rate equal to LIBOR plus 1.50% per annum (or a base rate plus 0.50% per annum) to a rate equal to LIBOR plus 1.375% per annum (or a base rate plus 0.375% per annum), and thereafter 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. The interest rate payable on the Amended Term Loan A Facility and the Amended Revolving Credit Facility was subsequently increased on a temporary basis pursuant to the Third Amended Credit Agreement (see below for further discussion).

Amortization and Final Maturity

The Amended Term Loan A Facility requires scheduled quarterly payments with an annual amortization of 2.5% of the original principal amount of the loans under the Amended 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. If, on the date that is 91 days prior to the maturity date of the Term Loan B Facility, more than US$50.0 million of the Term Loan B Facility has not been repaid or refinanced pursuant to the terms provided for in the Second Amended Credit Agreement, then the Amended Term Loan A Facility and the Amended Revolving Credit Facility will mature on the date that is 90 days prior to the maturity date of the Term Loan B Facility.

The Second Amended Credit Agreement did not affect the terms of the Term Loan B Facility.

The borrowers pay customary agency fees and a commitment fee equal to 0.20% per annum in respect of the unutilized commitments under the Amended Revolving Credit Facility, which commitment fee may step up 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 applicable commencing with the first full fiscal quarter ended after the Second Amendment Closing Date. Such commitment fee was temporarily increased pursuant to the Third Amended Credit Agreement (see below for further discussion).

Third Amended Credit Agreement

On April 29, 2020, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Second Amended Credit Agreement (the "Third Amended Credit Agreement"). The terms of the Third Amended Credit Agreement further strengthened the Company's financial flexibility in order to navigate the challenges from COVID-19. Under the terms of the Third Amended Credit Agreement:

(1) The Company's requirement to test the maximum total net leverage ratio and minimum interest coverage ratio under its Financial Covenants was suspended from the beginning of the second quarter of 2020 through the end of the second quarter of 2021 (the "Suspension Period"). Following the Suspension Period, the Company resumed testing compliance with the total net leverage ratio and interest coverage ratio covenants beginning with the end of the third quarter of 2021.

(2) During the Suspension Period, the Company was required to comply with a minimum liquidity covenant of US$500.0 million and the Group was subject to additional restrictions on its ability to incur indebtedness and make restricted payments and investments.

(3) During the Suspension Period, the interest rate applicable to the Amended Term Loan A Facility and the Amended Revolving Credit Facility was equal to LIBOR plus 2.00% per annum with a LIBOR floor of 0.75% and the commitment fee in respect of the unutilized commitments under the Amended Revolving Credit Facility is 0.35% per annum.

(4) The Company could also elect to reinstate the pre-amendment covenants and pricing terms prior to the end of the Suspension Period.

(5) From September 30, 2021 until March 31, 2022, the Company may at its election use Consolidated Adjusted EBITDA (as defined in the Third Amended Credit Agreement) from the first two quarters of 2019 and fourth quarter of 2019 (the "Historical EBITDA") (instead of actual Consolidated Adjusted EBITDA from the fourth quarter of 2020 and the first two quarters of 2021) to calculate compliance with the Financial Covenants under the Third Amended Credit Agreement. So long as the Company elects to use Historical EBITDA to calculate compliance with the Financial Covenants, the minimum liquidity covenant and the Suspension Period pricing terms will remain in effect. The applicable amounts of the Historical EBITDA were further amended by the Fifth Amended Credit Agreement (as described below).

The Company will elect to use Historical EBITDA to calculate compliance with the Financial Covenants for the period ended September 30, 2021 and for the periods ending December 31, 2021 and March 31, 2022.

2020 Incremental Term Loan B Facility

On May 7, 2020 (the “2020 Incremental Term Loan B Facility Closing Date”), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Third Amended Credit Agreement (the "Fourth Amended Credit Agreement"). The Fourth Amended Credit Agreement provided for an additional term loan B facility in an aggregate principal amount of US$600.0 million (the “2020 Incremental Term Loan B Facility”), which was borrowed by certain indirect, wholly-owned subsidiaries of the Company on the 2020 Incremental Term Loan B Facility Closing Date. The 2020 Incremental Term Loan B Facility was issued with original issue discount with an issue price of 97.00%. The proceeds from the borrowing under the 2020 Incremental Term Loan B Facility were used to (i) provide the Group with additional cash resources (which could be used for general corporate purposes and for working capital needs) and (ii) pay certain fees and expenses in connection thereto.

Interest Rate and Fees

Interest on the borrowings under the 2020 Incremental Term Loan B Facility began to accrue on the 2020 Incremental Term Loan B Facility Closing Date. Under the terms of the 2020 Incremental Term Loan B Facility, the interest rate was equal to LIBOR plus 4.50% per annum with a LIBOR floor of 1.00% (or a base rate plus 3.50% per annum).

Amortization and Final Maturity

The 2020 Incremental Term Loan B Facility required scheduled quarterly payments equal to 0.25% of the original principal amount of the loans thereunder beginning with the fiscal quarter ended September 30, 2020, with the balance due and payable on April 25, 2025.

Fifth Amended Credit Agreement

On June 7, 2021, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Fourth Amended Credit Agreement (the "Fifth Amended Credit Agreement"). Under the terms of the Fifth Amended Credit Agreement, if during the period from September 30, 2021 until March 31, 2022 the Company elects to use the Historical EBITDA for the purpose of calculating the maximum total net leverage ratio and minimum interest coverage ratio under the Financial Covenants, the Historical EBITDA for each of the quarters ended December 31, 2020, March 31, 2021 and June 30, 2021 will be increased by an amount equal to US$65.7 million (the “Add-back Amount”).

The Add-back Amount was determined based on the annualized run-rate fixed cost savings from the Company’s comprehensive cost reduction program that was implemented during 2020. The Fifth Amended Credit Agreement further strengthened the Company’s financial flexibility to navigate its business through the challenges from the COVID-19 pandemic.

2021 Incremental Term Loan B Facility

On June 21, 2021 (the “2021 Incremental Term Loan B Facility Closing Date”), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Fifth Amended Credit Agreement with certain lenders and financial institutions (the "Sixth Amended Credit Agreement"). The Sixth Amended Credit Agreement provides for a term loan B facility (the “2021 Incremental Term Loan B Facility”) in the principal amount of US$495.5 million, which was borrowed by certain indirect, wholly-owned subsidiaries of the Company on the 2021 Incremental Term Loan B Facility Closing Date. The 2021 Incremental Term Loan B Facility was issued with original issue discount with an issue price of 99.75%.

The gross proceeds from the borrowing under the 2021 Incremental Term Loan B Facility and existing cash on hand were used to (i) to prepay in full the outstanding principal and interest under the 2020 Incremental Term Loan B Facility and (ii) pay certain commissions, fees and expenses in connection thereto. In connection with the prepayment of the US$595.5 million principal amount of the Group’s outstanding borrowings under the 2020 Incremental Term Loan B Facility, the Group paid the lenders thereunder a fee equal to approximately US$6.0 million, which represented 1.00% of the aggregate principal amount of the 2020 Incremental Term Loan B Facility that was prepaid as required under the terms of the Fourth Amended Credit Agreement.

Interest Rate and Fees

Interest on the borrowings under the 2021 Incremental Term Loan B Facility began to accrue on the 2021 Incremental Term Loan B Facility Closing Date. Under the terms of the 2021 Incremental Term Loan B Facility, the interest rate is equal to LIBOR plus 3.00% per annum with a LIBOR floor of 0.75% (or a base rate plus 2.00% per annum).

Amortization and Final Maturity

The 2021 Incremental Term Loan B Facility requires scheduled quarterly payments equal to 0.25% of the original principal amount of the loans thereunder beginning with the fiscal quarter ending September 30, 2021, with the balance due and payable on April 25, 2025.

Optional Prepayment

If the Group prepays the 2021 Incremental Term Loan B Facility in whole or in part on or before the date which is six months after the 2021 Incremental Term Loan B Facility Closing Date, the Group will be required to pay to the lenders a fee equal to 1.00% of the aggregate principal amount of the 2021 Incremental Term Loan B Facility that is prepaid.

Minimum Liquidity Covenant

The 2021 Incremental Term Loan B Facility requires the Company to comply with a minimum liquidity covenant of US$200.0 million through the third quarter of 2021, stepping down to US$100.0 million thereafter until repayment in full of the 2021 Incremental Term Loan B Facility.

Other Terms

Except as described above, the other terms of the 2021 Incremental Term Loan B Facility are the same as the terms of the Term Loan B Facility.

Seventh Amended Credit Agreement

On October 22, 2021 (the “Seventh Amended Credit Agreement Closing Date”), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Sixth Amended Credit Agreement (the “Seventh Amended Credit Agreement”). Under the terms of the Seventh Amended Credit Agreement, with effect from the Seventh Amended Credit Agreement Closing Date the Euro Interbank Offered Rate ("EURIBOR") replaced LIBOR as the benchmark interest rate for borrowings under the Amended Revolving Credit Facility that are denominated in Euros. The benchmark interest rate for borrowings under the Senior Credit Facilities that are denominated in United States Dollars continues to be LIBOR.

Deferred Financing Costs

In conjunction with the borrowing under the 2021 Incremental Term Loan B Facility, the Group incurred US$3.5 million of deferred financing costs. All such costs 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 the 2021 Incremental Term Loan B Facility. The amortization of deferred financing costs, which is included in interest expense, amounted to US$5.5 million and US$5.2 million for the nine months ended September 30, 2021 and September 30, 2020, respectively.

Upon the closing of the borrowing under the 2021 Incremental Term Loan B Facility, the Group recognized a non-cash charge of US$24.1 million to write-off the remaining balance of the previously existing deferred financing costs related to the 2020 Incremental Term Loan B Facility.

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. As a result of the Group's interest rate swaps, LIBOR has been fixed at approximately 1.208% with respect to an amount equal to approximately 23% of the principal amount of the Amended Senior Credit Facilities at September 30, 2021, which reduces a portion of the Company's exposure to interest rate increases. The interest rate swap agreements have fixed payments due monthly that commenced September 30, 2019. The interest rate swap transactions qualify as cash flow hedges. As of September 30, 2021, the interest rate swaps were marked-to-market, resulting in a net liability position to the Group in the amount of US$10.8 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income (loss). As of December 31, 2020, the interest rate swaps were marked-to-market, resulting in a net liability position to the Group in the amount of US$21.2 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income (loss).

€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”).

Maturity, Interest and Redemption

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.

After May 15, 2021, the Issuer may redeem all, or from time to time a part, of the Senior Notes at the following redemption prices (expressed as a percentage of the principal amount) 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), if redeemed during the twelve-month period commencing on May 15 of the years set forth below:

Year	Redemption Price
2021	101.750 %
2022	100.875 %
2023 and thereafter	100.000 %

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

Guarantee and Security

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 Sixth Amended Credit Agreement on a first-ranking basis.

Certain Covenants and Events of Default

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 the credit lines included in other loans and borrowings are uncommitted facilities. The total aggregate amount of other loans and borrowings was US$48.5 million and US$47.8 million as of September 30, 2021 and December 31, 2020, respectively.

The following represents the contractual maturity dates of the Group's loans and borrowings as of September 30, 2021 and December 31, 2020:

(Expressed in millions of US Dollars)	**September 30, 2021**	December 31, 2020
On demand or within one year	**91.1**	80.6
After one year but within two years	**54.3**	47.8
After two years but within five years	**2,666.8**	2,674.6
More than five years	**—**	427.5
	2,812.2	3,230.5

Cross-currency Swaps

The Group maintains a cross-currency swap which is used to hedge currency risk associated with currency fluctuation between the Euro and US Dollar. In April 2019, the Group entered into a cross-currency swap which has been designated as a net investment hedge. The hedge consists of a US$50.0 million notional loan amount between the Euro and US Dollar. The Group benefits from the interest rate spread between these markets to receive fixed interest income over a five-year contractual period.

As of September 30, 2021, the cross-currency swap qualified as a net investment hedge and the monthly mark-to-market was recorded to other comprehensive income (loss). As of September 30, 2021, the cross-currency swap was marked-to-market, resulting in the notional loan between the Euro and US Dollar to be in a net liability position to the

Group in the amount of US$0.4 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income (loss). As of December 31, 2020, the cross-currency swap was marked-to-market, resulting in the notional loan between the Euro and US Dollar to be in a net liability position to the Group in the amount of US$2.7 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income (loss).

The Group previously maintained a cross-currency swap used to hedge currency risk associated with currency fluctuations between the Japanese Yen and US Dollar. In April 2019, the Group entered into a cross-currency swap which was designated as a net investment hedge. The hedge consisted of a US$25.0 million notional loan amount between the Japanese Yen and US Dollar. In September 2021, the Group terminated such swap. At the time of termination, the cross-currency swap had a fair market value of US$1.2 million. The gain was recorded as a hedging gain in finance costs in the consolidated statements of income (loss). As of December 31, 2020, the cross-currency swap was marked-to-market, resulting in the notional loan between the Japanese Yen and US Dollar to be in a net liability position to the Group in the amount of US$0.5 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income (loss).

Purchases of Property, Plant and Equipment

Purchases of property, plant and equipment amounted to US$5.8 million for the nine months ended September 30, 2021. The Group selectively added new retail locations, remodeled certain existing retail locations and made investments in machinery and equipment. Purchases of property, plant and equipment were US$18.4 million for the nine months ended September 30, 2020. The Group continues to tightly manage capital expenditures in response to the impacts on the Group’s business from the COVID-19 pandemic.

General

This financial and business review as of and for the nine months ended September 30, 2021 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, 2020.

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, November 12, 2021

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 Paul Kenneth Etchells, Jerome Squire Griffith, Keith Hamill, Tom Korbas, Bruce Hardy McLain (Hardy) and Ying Yeh.