SAMSONITE INTERNATIONAL S.A.
新秀麗國際有限公司

13-15 avenue de la Liberté, L-1931 Luxembourg
R.C.S. LUXEMBOURG: B 159.469
(Incorporated in Luxembourg with limited liability)
(Stock code: 1910)

QUARTERLY REPORT FOR THE PERIOD ENDED MARCH 31, 2020

The Board of Directors of Samsonite International S.A. (the “Company”), together with its consolidated subsidiaries (the “Group”), is pleased to present the unaudited consolidated financial and business review of the Group as of March 31, 2020 and for the three month period then ended, together with comparative figures for the three month period ended March 31, 2019. 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

The COVID-19 coronavirus outbreak has caused a global health emergency and significant disruptions to travel, tourism and economies worldwide. The pandemic has had a significant negative impact on the Group’s performance in the first quarter of 2020 and will adversely impact full-year 2020 results. The Company is aggressively implementing cost cutting measures to navigate the current and anticipated impacts and has a strong record of managing through past travel disruptions (see Management Discussion and Analysis - Impact of COVID-19 for further discussion).

The following table sets forth summary financial results for the three months ended March 31, 2020 and March 31, 2019.

	Three months ended March 31,			
(Expressed in millions of US Dollars, except per share data)	**2020**	2019	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[1]
Net sales	**601.2**	832.0	(27.7)%	(26.1)%
Operating profit (loss)[2]	**(842.0)**	56.0	*nm*	*nm*
Profit (loss) for the period[2]	**(785.2)**	26.0	*nm*	*nm*
Profit (loss) attributable to the equity holders[2]	**(787.3)**	22.8	*nm*	*nm*
Adjusted Net Income (Loss)[3]	**(38.6)**	27.3	*nm*	*nm*
Adjusted EBITDA[4]	**4.9**	84.6	(94.2)%	(94.1)%
Adjusted EBITDA Margin[5]	**0.8%**	10.2%		
Basic and diluted earnings (loss) per share[2] *(Expressed in US Dollars per share)*	**(0.550)**	0.016	*nm*	*nm*
Adjusted basic and diluted earnings (loss) per share[6] *(Expressed in US Dollars per share)*	**(0.027)**	0.019	*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 comparable period of the previous year to current period local currency results.
(2) Results for the three months ended March 31, 2020 include US$819.7 million of Impairment Charges, comprised of US$732.0 million related to goodwill and tradename intangible assets and US$87.7 million related to lease right-of-use assets and property, plant and equipment at certain retail locations, as well as Restructuring Charges of US$6.7 million. See "Impairment Charges" and "Restructuring Charges" sub-sections, respectively, in the "Management Discussion and Analysis" section below for further discussion.

(3) 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 profit (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 profit (loss) for the period to Adjusted Net Income (Loss).

(4) 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 profit (loss) for the period to Adjusted EBITDA.

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

(6) 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.

Financial Highlights

- US Dollar reported net sales were US$601.2 million for the three months ended March 31, 2020, reflecting a decrease of US$230.8 million, or 27.7% (-26.1% constant currency), compared to the three months ended March 31, 2019. Net sales for the month ended March 31, 2020 decreased by 55.0% on a constant currency basis compared to the month ended March 31, 2019. The net sales decrease was due to the negative impacts from the COVID-19 pandemic.
- Gross profit margin decreased to 54.8% for the three months ended March 31, 2020 from 56.6% for the same period in the previous year. The decrease in the gross profit margin was primarily related to a US$141.8 million, or 30.1% (-28.6% constant currency), decrease in gross profit as a result of the decrease in net sales year-on-year caused by the negative impacts from the COVID-19 pandemic, as well as due to the continued impact of incremental tariffs imposed by the U.S. on products sourced from China during the second quarter of 2019.
- The Group spent US$34.7 million on marketing during the three months ended March 31, 2020 compared to US$49.5 million for the three months ended March 31, 2019, a decrease of US$14.7 million, or 29.7% (-28.5% constant currency) as the Group began reducing advertising to help offset the negative impact of COVID-19 on the Group's business. As a percentage of net sales, marketing expenses decreased by 10 basis points to 5.8% for the three months ended March 31, 2020 from 5.9% for the three months ended March 31, 2019.
- As a result of overall market conditions caused by the COVID-19 global pandemic, the Group recognized a non-cash impairment charge of US$819.7 million, comprised of US$68.4 million for lease right-of-use assets and US$19.3 million for property, plant and equipment, attributable to the under-performance of certain retail locations, as well as a US$732.0 million non-cash impairment of goodwill and tradenames (together the "Impairment Charges").
- During the three months ended March 31, 2020, the Group incurred restructuring charges of US$6.7 million, which primarily consisted of severance associated with permanent headcount reductions as the Group took meaningful actions to reduce its fixed cost base in response to the impact of COVID-19 on the Group's business (the "Restructuring Charges").
- The Group incurred an operating loss of US$842.0 million for the three months ended March 31, 2020, compared to an operating profit of US$56.0 million for the same period in the previous year. The Group incurred an operating loss of US$15.6 million[(1)] when excluding the non-cash Impairment Charges and Restructuring Charges incurred during the three months ended March 31, 2020 as a result of the decrease in net sales resulting from the negative impacts from the COVID-19 pandemic.
- The Group incurred a loss for the period of US$785.2 million for the three months ended March 31, 2020, compared to a profit for the period of US$26.0 million for the same period in the previous year. The Group incurred a loss for the period of US$40.6 million[(1)] when excluding the non-cash Impairment Charges and Restructuring Charges, both of which are net of the related tax impact, incurred during the three months ended March 31, 2020 as a result of the decrease in net sales.
- The Group incurred a loss attributable to the equity holders of US$787.3 million for the three months ended March 31, 2020, compared to profit attributable to the equity holders of US$22.8 million for the same period in the previous year. The Group incurred a loss attributable to the equity holders of US$42.7 million[(1)] when excluding the non-cash Impairment Charges and Restructuring Charges, both of which are net of the related tax impact, incurred during the three months ended March 31, 2020 as a result of the decrease in net sales.
- The Group used US$57.1 million of cash in operating activities during the three months ended March 31, 2020 compared to US$27.2 million of cash generated from operating activities for the same period in the previous year. As of March 31, 2020, the Group had cash and cash equivalents of US$1,168.1 million and outstanding financial debt of US$2,596.8 million (excluding deferred financing costs of US$14.8 million), putting the Group in a net debt position of US$1,428.7 million compared to US$1,305.3 million as of December 31, 2019.

- On March 16, 2020, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Group's credit agreement with certain lenders and financial institutions (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 and (2) an amended US$850.0 million revolving credit facility. The Second Amended Credit Agreement extended the maturity for the senior secured term loan A facility and the revolving credit facility by approximately two years, reduced the interest rate margin by 12.5 basis points (subject to the terms of the Third Amended Credit Agreement as described below), reset the principal amortization schedule for the term loan A facility and provided additional liquidity through the US$200.0 million increase in the revolving credit facility. The Second Amended Credit Agreement did not affect the terms of the Group's US$665.0 million term loan B facility (see Management Discussion and Analysis - Indebtedness - Second Amended Credit Agreement for further discussion).
- On March 20, 2020, the Company borrowed US$810.3 million under its amended revolving credit facility (see Management Discussion and Analysis - Indebtedness - Second Amended Credit Agreement for further discussion) to ensure access to the Group's liquidity, given the uncertainties in global economies caused by the COVID-19 pandemic.
- On April 29, 2020, the Group and its lenders entered into a further amendment (the "Third Amended Credit Agreement") to the Second Amended Credit Agreement in order to suspend the requirement for the Group to test the Financial Covenants thereunder from the beginning of the second quarter of 2020 through the end of the second quarter of 2021 (see Subsequent Events - Third Amended Credit Agreement for further discussion).
- On May 7, 2020, the Group and its lenders entered into a further amendment to the Third Amended Credit Agreement to provide for an incremental term loan B facility (the "2020 Incremental Term Loan B Facility") having an aggregate principal amount of US$600.0 million. The proceeds from the borrowing under the 2020 Incremental Term Loan B Facility which occurred on May 7, 2020 were used to (i) add cash to the balance sheet (to be used for general corporate purposes and working capital needs) and (ii) pay fees and expenses incurred in connection with the 2020 Incremental Term Loan B Facility (see Subsequent Events - Fourth Amended Credit Agreement for further discussion). These amendments and the borrowings thereunder further strengthened the Company's financial flexibility in order to navigate the challenges from COVID-19.

Note

(1) See reconciliations in the Management Discussion and Analysis section below.

Disclaimer

Non-IFRS Measures

The Company has presented certain non-IFRS[1] measures in the summary financial results and financial highlights above and Management Discussion and Analysis section below 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 Group's current views with respect to future events and performance. These statements may discuss, among other things, the Group's net sales, operating profit, Adjusted Net Income, Adjusted EBITDA[2], Adjusted EBITDA margin, cash flow, liquidity and capital resources, impairments, growth, strategies, plans, achievements, distributions, organizational structure, future store openings, market opportunities and general market and industry conditions. The Group generally identifies forward-looking statements by words such as "expect", "seek", "believe", "plan", "intend", "estimate", "project", "anticipate", "may", "will", "would" and "could" or similar words or statements. Forward-looking statements are based on beliefs and assumptions made by management using currently available information. These statements are only predictions and are not guarantees of future performance, actions or events. Forward-looking statements are subject to risks and uncertainties. If one or more of these risks or uncertainties materialize, or if management's underlying beliefs and assumptions prove to be incorrect, actual results may differ materially from those contemplated by a forward-looking statement. 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 Group 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. 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 Income Statements (Unaudited)

(Expressed in millions of US Dollars, except per share data)	**Three months ended March 31, 2020**	Three months ended March 31, 2019
Net sales	**601.2**	832.0
Cost of sales	**(272.0)**	(361.0)
Gross profit	**329.2**	471.0
Distribution expenses	**(259.8)**	(305.1)
Marketing expenses	**(34.7)**	(49.5)
General and administrative expenses	**(49.2)**	(57.4)
Impairment Charges	**(819.7)**	—
Restructuring Charges	**(6.7)**	—
Other expenses	**(1.1)**	(3.0)
Operating profit (loss)	**(842.0)**	56.0
Finance income	**0.8**	0.3
Finance costs	**(27.6)**	(24.2)
Net finance costs	**(26.8)**	(23.9)
Profit (loss) before income tax	**(868.8)**	32.1
Income tax benefit (expense)	**83.6**	(6.1)
Profit (loss) for the period	**(785.2)**	26.0
Profit (loss) attributable to equity holders	**(787.3)**	22.8
Profit attributable to non-controlling interests	**2.1**	3.2
Profit (loss) for the period	**(785.2)**	26.0
Earnings (loss) per share		
Basic and diluted earnings (loss) per share		
(Expressed in US Dollars per share)	**(0.550)**	0.016

Consolidated Statements of Comprehensive Income (Unaudited)

	Three months ended March 31,	
(Expressed in millions of US Dollars)	**2020**	2019
Profit (loss) for the period	**(785.2)**	26.0
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	**(18.1)**	(5.9)
Foreign currency translation gains (losses) for foreign operations	**(34.2)**	3.8
Other comprehensive loss	**(52.3)**	(2.1)
Total comprehensive income (loss) for the period	**(837.5)**	23.9
Total comprehensive income (loss) attributable to equity holders	**(835.2)**	20.5
Total comprehensive income (loss) attributable to non-controlling interests	**(2.3)**	3.4
Total comprehensive income (loss) for the period	**(837.5)**	23.9

Consolidated Statements of Financial Position

(Expressed in millions of US Dollars)	**(Unaudited) March 31, 2020**	December 31, 2019
Non-Current Assets		
Property, plant and equipment	**238.2**	267.1
Lease right-of-use assets	**531.5**	613.5
Goodwill	**840.1**	1,339.0
Other intangible assets	**1,447.2**	1,691.1
Deferred tax assets	**48.6**	31.7
Derivative financial instruments	**3.9**	10.7
Other assets and receivables	**47.7**	45.0
Total non-current assets	**3,157.2**	3,998.1
Current Assets		
Inventories	**591.5**	587.3
Trade and other receivables	**262.2**	396.0
Prepaid expenses and other assets	**132.4**	97.3
Cash and cash equivalents	**1,168.1**	462.6
Total current assets	**2,154.2**	1,543.2
Total assets	**5,311.4**	5,541.3
Equity and Liabilities		
Equity:		
Share capital	**14.3**	14.3
Reserves	**1,103.8**	1,936.7
Total equity attributable to equity holders	**1,118.1**	1,951.0
Non-controlling interests	**44.7**	50.5
Total equity	**1,162.8**	2,001.5
Non-Current Liabilities		
Loans and borrowings	**2,508.3**	1,693.9
Lease liabilities	**470.5**	475.1
Employee benefits	**25.2**	25.3
Non-controlling interest put options	**60.8**	64.8
Deferred tax liabilities	**143.5**	223.0
Derivative financial instruments	**22.5**	0.3
Other liabilities	**7.1**	7.0
Total non-current liabilities	**3,237.9**	2,489.4
Current Liabilities		
Loans and borrowings	**47.0**	23.6
Current portion of long-term loans and borrowings	**26.7**	37.7
Current portion of lease liabilities	**173.3**	174.9
Employee benefits	**70.9**	84.2
Trade and other payables	**515.2**	675.9
Current tax liabilities	**77.6**	54.1
Total current liabilities	**910.7**	1,050.4
Total liabilities	**4,148.6**	3,539.8
Total equity and liabilities	**5,311.4**	5,541.3
Net current assets	**1,243.5**	492.8
Total assets less current liabilities	**4,400.7**	4,490.9

Consolidated Statements of Changes in Equity (Unaudited)

(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	Total equity attributable to equity holders	Non-controlling interests	Total equity
Three months ended March 31, 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**
Profit (loss) for the period	**—**	**—**	**—**	**—**	**—**	**(787.3)**	**(787.3)**	**2.1**	**(785.2)**
Other comprehensive income (loss):									
Changes in fair value of hedges, net of tax	**—**	**—**	**—**	**—**	**(18.1)**	**—**	**(18.1)**	**0.0**	**(18.1)**
Foreign currency translation losses for foreign operations	**—**	**—**	**—**	**(29.8)**	**—**	**—**	**(29.8)**	**(4.4)**	**(34.2)**
Total comprehensive loss for the period	**—**	**—**	**—**	**(29.8)**	**(18.1)**	**(787.3)**	**(835.2)**	**(2.3)**	**(837.5)**
Transactions with owners recorded directly in equity:									
Change in fair value of put options included in equity	**—**	**—**	**—**	**—**	**—**	**2.1**	**2.1**	**—**	**2.1**
Share-based compensation expense	**—**	**—**	**—**	**—**	**0.2**	**—**	**0.2**	**—**	**0.2**
Dividends paid to non-controlling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(3.5)**	**(3.5)**
Balance, March 31, 2020	**1,432,569,771**	**14.3**	**1,055.2**	**(81.4)**	**63.0**	**67.0**	**1,118.1**	**44.7**	**1,162.8**

(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	Total equity attributable to equity holders	Non-controlling interests	Total equity
Three months ended March 31, 2019									
Balance, January 1, 2019	1,430,940,380	14.3	1,050.2	(51.5)	83.2	851.6	1,947.8	43.3	1,991.1
Profit for the period	—	—	—	—	—	22.8	22.8	3.2	26.0
Other comprehensive income (loss):									
Changes in fair value of hedges, net of tax	—	—	—	—	(5.9)	—	(5.9)	—	(5.9)
Foreign currency translation gains for foreign operations	—	—	—	3.6	—	—	3.6	0.2	3.8
Total comprehensive income (loss) for the period	—	—	—	3.6	(5.9)	22.8	20.5	3.4	23.9
Transactions with owners recorded directly in equity:									
Change in fair value of put options included in equity	—	—	—	—	—	(0.8)	(0.8)	—	(0.8)
Share-based compensation expense	—	—	—	—	5.0	—	5.0	—	5.0
Exercise of share options	20,000	0.0	0.1	—	0.0	—	0.1	—	0.1
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	(1.7)	(1.7)
Balance, March 31, 2019	1,430,960,380	14.3	1,050.3	(47.9)	82.3	873.6	1,972.6	45.0	2,017.6

Consolidated Statements of Cash Flows (Unaudited)

(Expressed in millions of US Dollars)	Three months ended March 31, 2020	2019
Cash flows from operating activities:		
Profit (loss) for the period	**(785.2)**	26.0
Adjustments to reconcile profit (loss) for the period to net cash generated from operating activities:		
Depreciation	**18.5**	20.1
Amortization of intangible assets	**7.9**	8.2
Amortization of lease right-of-use assets	**48.6**	49.9
Impairment Charges	**819.7**	—
Change in fair value of put options included in finance costs	**(1.9)**	(1.6)
Non-cash share-based compensation	**0.2**	5.0
Interest expense on borrowings and lease liabilities	**22.0**	25.0
Income tax (benefit) expense	**(83.6)**	6.1
	46.2	138.7
Changes in operating assets and liabilities:		
Trade and other receivables	**114.3**	43.8
Inventories	**(25.6)**	5.5
Other current assets	**5.5**	(8.4)
Trade and other payables	**(158.9)**	(128.2)
Other assets and liabilities	**(5.8)**	15.4
Cash generated from (used in) operating activities	**(24.3)**	66.8
Interest paid on borrowings and lease liabilities	**(16.6)**	(19.8)
Income tax paid	**(16.2)**	(19.8)
Net cash generated from (used in) operating activities	**(57.1)**	27.2
Cash flows from investing activities:		
Purchases of property, plant and equipment	**(17.9)**	(15.9)
Other intangible asset additions	**(1.3)**	(1.4)
Other proceeds	**0.1**	0.2
Net cash used in investing activities	**(19.1)**	(17.1)
Cash flows from financing activities:		
Proceeds from issuance of Amended Term Loan A Facility	**800.0**	—
Payment and settlement of Term Loan A Facility	**(797.0)**	—
Proceeds (payments) of non-current / long-term loans and borrowings, net	**808.6**	(7.1)
Proceeds from current loans and borrowings, net	**25.2**	8.5
Principal payments on lease liabilities	**(42.4)**	(44.1)
Payment of deferred financing costs	**(2.8)**	—
Dividend payments to non-controlling interests	**(3.5)**	(1.7)
Net cash provided by (used in) financing activities	**788.1**	(44.4)
Net increase (decrease) in cash and cash equivalents	**711.9**	(34.3)
Cash and cash equivalents, at beginning of period	**462.6**	427.7
Effect of exchange rate changes	**(6.4)**	(1.3)
Cash and cash equivalents, at end of period	**1,168.1**	392.1

MANAGEMENT DISCUSSION AND ANALYSIS

For the Three Months Ended March 31, 2020

Impact of COVID-19

In response to the COVID-19 pandemic, governments around the world have adopted various measures to contain the spread of the disease, including restrictions on travel, closure of non-essential businesses and imposition of quarantine and other social distancing measures, which have led to widespread travel disruptions, reduced customer demand and temporary store closures. These measures have impacted businesses worldwide, including the Company. While navigating through the current challenges, 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 continue to have, adverse impacts on the Group's business, financial condition and results of operations. The initial impact on the Group's business in the first quarter of 2020 was in the greater China region, where company-owned stores were temporarily closed and travel restrictions were imposed during the peak Chinese New Year holiday season, disrupting both domestic sales within China and outbound travel by Chinese tourists. As COVID-19 spread globally in the latter part of the quarter, travel disruptions and store closures began to negatively affect the Company's business in its other important markets, including the rest of Asia, Europe, North America and Latin America. While conditions in greater China have improved, the Company's business in that market has not yet fully recovered. The Company's results for the first quarter of 2020 are expected to reflect some of the impacts of COVID-19, and the results for the second quarter and potentially for the balance of 2020 will likely fully reflect such impacts. Therefore, the Group does not expect its results for the first quarter of 2020 to be representative of its results for the second quarter or full-year 2020.

COVID-19 has also impacted the Group's supply chain. Initially, the Group experienced a disruption to its supply chain resulting from a decrease in production capabilities in China following the Chinese New Year. As Chinese factories have since come back on-line, and their production capacity has increased, the reduction in the Group's sales from the global spread of COVID-19 has required the Group to lower production levels, including by canceling orders, to help manage inventory levels in light of reduced sales. As the geographic scope of the COVID-19 pandemic widened, the Group's owned and operated factories in Belgium, Hungary and India were closed beginning in March 2020 and remain closed.

To help navigate through the challenges resulting from COVID-19, the Group's management has been taking steps to enhance the Company's liquidity and further improve its resilience. As the Company previously announced, on March 16, 2020, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into 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 and (2) an amended US$850.0 million revolving credit facility. The Second Amended Credit Agreement extended the maturities for the Group's senior secured term loan A facility and revolving credit facility by approximately two years, reduced the interest rate margin by 12.5 basis points (subject to the terms of the Third Amended Credit Agreement as described below), reset the principal amortization schedule for the term loan A facility and provided additional liquidity through the US$200.0 million increase in the revolving credit facility. The Second Amended Credit Agreement did not affect the terms of the term loan B facility.

On March 20, 2020, the Company borrowed US$810.3 million under its amended revolving credit facility, thereby enhancing the Group's cash position. On April 29, 2020, the Group and its lenders entered into the Third Amended Credit Agreement in order to suspend the requirement for the Group to test the Financial Covenants thereunder from the beginning of the second quarter of 2020 through the end of the second quarter of 2021 (see Subsequent Events - Third Amended Credit Agreement for further discussion).

On May 7, 2020, the Group and its lenders entered into a further amendment to the Third Amended Credit Agreement to provide for the 2020 Incremental Term Loan B Facility having an aggregate principal amount of US$600.0 million. The proceeds from the borrowing under the 2020 Incremental Term Loan B Facility which occurred on May 7, 2020 were used to (i) add cash to the balance sheet (to be used for general corporate purposes and working capital needs) and (ii) pay fees and expenses incurred in connection with the 2020 Incremental Term Loan B Facility (see Subsequent Events - Fourth Amended Credit Agreement for further discussion). These amendments and the borrowings thereunder further strengthened the Company's financial flexibility in order to navigate the challenges from COVID-19.

The Group has also aggressively implemented cost reduction initiatives including headcount reductions, salary reductions and furloughs, store closures, the elimination of discretionary spending and significantly reduced capital expenditures and marketing expenses. In addition, as the Company previously announced, no cash distribution will be paid to the shareholders of the Company in 2020.

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, the Company believes the Group will be able to effectively manage through the current environment, although it expects the recovery to take longer than prior disruptions. The Company believes the Group has sufficient liquidity to provide it with adequate capacity to navigate the current environment as well as a prolonged downturn; however, there can be no assurances that such liquidity will be sufficient or that the Group will not need to access additional financing.

Net Sales

Net sales decreased by US$230.8 million, or 27.7% (-26.1% constant currency), during the three months ended March 31, 2020 compared to the three months ended March 31, 2019 due to the negative impacts from the COVID-19 pandemic. Net sales for the month ended March 31, 2020 decreased by US$159.4 million, or 56.2% (-55.0% constant currency), compared to the month ended March 31, 2019. Net sales for the month ended April 30, 2020 decreased by approximately 80% compared to the month ended April 30, 2019.

Most of the Group's wholesale points-of-sale in certain markets in Asia and throughout Europe, North America and Latin America were temporarily closed due to government lock-down measures resulting from the COVID-19 pandemic. As a result, net sales in the wholesale channel decreased by US$147.4 million, or 27.9% (-26.2% constant currency), during the three months ended March 31, 2020 compared to the three months ended March 31, 2019.

Net sales in the direct-to-consumer ("DTC") channel, which includes company-operated retail stores and DTC e-commerce, decreased by US$83.4 million, or 27.6% (-26.0% constant currency), to US$219.0 million (representing 36.4% of net sales) for the three months ended March 31, 2020 from US$302.5 million (representing 36.4% of net sales) for the three months ended March 31, 2019. The decrease in DTC channel net sales during the three months ended March 31, 2020 was due to the negative impacts resulting from the COVID-19 pandemic.

Net sales in the DTC retail channel decreased by US$64.1 million, or 29.1% (-27.3% constant currency), during the three months ended March 31, 2020 compared to the same period in the previous year due to temporary store closures in certain markets in Asia, and throughout Europe, North America and Latin America, resulting from the COVID-19 pandemic. During the three months ended March 31, 2020, a net of 18 stores were closed compared to nine net new stores opened during the three months ended March 31, 2019. The total number of company-operated retail stores was 1,276 as of March 31, 2020, compared to 1,260 company-operated retail stores as of March 31, 2019. On a same store, constant currency basis, retail net sales decreased by 29.0% for the three months ended March 31, 2020 compared to the three months ended March 31, 2019. This decrease was due to constant currency same store net sales decreases of 28.3%, 39.5%, 25.5% and 11.4% in North America, Asia, Europe and Latin America, respectively, due to the negative impacts resulting from the COVID-19 pandemic. The Group's same store analysis includes existing company-operated retail stores that have been open for at least 12 months before the end of the relevant financial period.

Total DTC e-commerce net sales decreased by US$19.3 million, or 23.6% (-22.6% constant currency), to US$62.6 million (representing 10.4% of net sales) for the three months ended March 31, 2020 from US$81.9 million (representing 9.8% of net sales) for the three months ended March 31, 2019. This net sales decrease in DTC e-commerce was primarily due to the negative impacts resulting from the COVID-19 pandemic.

During the three months ended March 31, 2020, US$97.2 million of the Group's net sales were through e-commerce channels (comprising US$62.6 million of net sales from the Group's DTC e-commerce website, which are included within the DTC channel, and US$34.6 million of net sales to e-retailers, which are included within the wholesale channel). This represented a year-on-year decrease of US$24.6 million, or 20.2% (-19.1% constant currency), compared to the three months ended March 31, 2019, when e-commerce comprised US$121.8 million of the Group's net sales. During the three months ended March 31, 2020, the Group's net sales through e-commerce channels represented 16.2% of total net sales, compared to 14.6% of total net sales for the three months ended March 31, 2019.

Net sales in the travel product category during the three months ended March 31, 2020 decreased by US$137.7 million, or 28.4% (-27.1% constant currency), compared to the three months ended March 31, 2019 due to the negative impacts from the COVID-19 pandemic. Total non-travel category net sales, which includes business, casual, accessories and other products, decreased by US$93.1 million, or 26.8% (-24.7% constant currency), for the three months ended March 31, 2020 compared to the three months ended March 31, 2019 due to the same reasons noted above.

Net Sales by Region

The following table sets forth a breakdown of net sales by region for the three months ended March 31, 2020 and March 31, 2019, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,					
	2020		2019		2020 vs 2019	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Net sales by region[1]:						
North America	**229.5**	**38.2%**	301.8	36.3%	(24.0)%	(24.0)%
Asia	**203.1**	**33.8%**	307.5	37.0%	(34.0)%	(32.7)%
Europe	**130.1**	**21.6%**	174.9	21.0%	(25.6)%	(23.4)%
Latin America	**37.7**	**6.3%**	46.9	5.6%	(19.7)%	(7.5)%
Corporate	**0.9**	**0.1%**	0.9	0.1%	(5.5)%	(5.5)%
Net sales	**601.2**	**100.0%**	832.0	100.0%	(27.7)%	(26.1)%

Notes

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

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

North America

The Group's net sales in North America decreased by US$72.3 million, or 24.0% (-24.0% constant currency), for the three months ended March 31, 2020 compared to the three months ended March 31, 2019. The net sales decrease was due to the negative impacts from the COVID-19 pandemic that began to impact the North America business during the month of March 2020, including the temporary closure of all of the Group's retail stores in North America during the latter half of March 2020, as well as due to reduced Chinese tourist traffic in gateway markets during the first half of the first quarter of 2020.

For the three months ended March 31, 2020, net sales of the *Samsonite* brand in North America decreased by US$20.1 million, or 17.4% (-17.4% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand during the three months ended March 31, 2020 decreased by US$24.6 million, or 25.8% (-25.8% constant currency). Net sales of the *American Tourister* brand during the three months ended March 31, 2020 decreased by US$0.6 million, or 2.7% (-2.7% constant currency), compared to the three months ended March 31, 2019. Net sales of the *Speck* brand for the three months ended March 31, 2020 decreased by US$9.0 million, or 33.3% (-33.3% constant currency), compared to the same period in the previous year. Net sales of the *High Sierra* brand for the three months ended March 31, 2020 decreased by US$4.1 million, or 49.5% (-49.5% constant currency), compared to the same period in the previous year. Net sales of other brands for the three months ended March 31, 2020 decreased by US$12.2 million, or 40.0% (-40.0% constant currency), compared to the same period in the previous year.

For the three months ended March 31, 2020, net sales in the United States decreased by US$67.8 million, or 23.6%, year-on-year and net sales in Canada decreased by US$4.5 million, or 32.3% (-32.1% constant currency), year-on-year due to the negative impacts from the COVID-19 pandemic.

Asia

The Group's net sales in Asia decreased by US$104.5 million, or 34.0% (-32.7% constant currency), for the three months ended March 31, 2020 compared to the three months ended March 31, 2019. The net sales decrease was due to the negative impacts from the COVID-19 pandemic.

For the three months ended March 31, 2020, net sales of the *Samsonite* brand in Asia decreased by US$43.9 million, or 33.3% (-31.8% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand during the three months ended March 31, 2020 decreased by US$24.2 million, or 42.4% (-42.0% constant currency). Net sales of the *American Tourister* brand during the three months ended March 31, 2020 decreased by US$30.8 million, or 34.8% (-33.3% constant currency), compared to the three months ended March 31, 2019. Net sales of the *Kamiliant* brand decreased by US$2.8 million, or 25.7% (-24.2% constant currency), year-on-year. Net sales of the *Gregory* brand increased by US$0.8 million, or 8.2% (+7.3% constant currency), year-on-year.

All of the Group's main markets in Asia experienced year-on-year net sales declines during the first quarter of 2020 due to the negative impacts from the COVID-19 pandemic. Net sales in China decreased by US$29.9 million, or 44.3% (-

42.5% constant currency), for the three months ended March 31, 2020 compared to the same period in the previous year. Net sales in South Korea decreased by US$24.8 million, or 45.8% (-42.5% constant currency), year-on-year. Japan's net sales decreased by US$7.8 million, or 15.2% (-16.5% constant currency), year-on-year. Net sales in India decreased by US$3.0 million, or 8.7% (-6.7% constant currency), for the three months ended March 31, 2020 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) decreased by US$25.4 million, or 65.1% (-65.2% constant currency), year-on-year.

Europe

Net sales in Europe decreased by US$44.8 million, or 25.6% (-23.4% constant currency), for the three months ended March 31, 2020 compared to the three months ended March 31, 2019. The net sales decrease was due to the negative impacts from the COVID-19 pandemic, including the temporary closure of the Group's retail stores throughout Europe during the second half of March 2020.

For the three months ended March 31, 2020, net sales of the *Samsonite* brand in Europe decreased by US$28.8 million, or 26.2% (-24.0% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand during the three months ended March 31, 2020 decreased by US$7.8 million, or 32.3% (-30.2% constant currency), year-on-year. Net sales of the *American Tourister* brand during the three months ended March 31, 2020 decreased by US$4.9 million, or 17.6% (-15.1% constant currency), compared to the three months ended March 31, 2019.

All of the Group’s key markets in Europe recorded year-on-year net sales decreases during the three months ended March 31, 2020 due to the negative impacts from the COVID-19 pandemic including (without limitation): Russia (-12.8%; -13.4% constant currency), Germany (-27.8%; -25.7% constant currency), France (-27.3%; -25.3% constant currency), Italy (-38.8%; -37.0% constant currency) and the United Kingdom (-29.4%; -29.2% constant currency).

Latin America

The Group’s net sales in Latin America decreased by US$9.2 million, or 19.7% (-7.5% constant currency), for the three months ended March 31, 2020 compared to the three months ended March 31, 2019 due to a decrease in consumer traffic in certain Latin American countries caused by the COVID-19 pandemic. Unfavorable foreign currency conversion also had a negative translation impact on reported net sales of approximately US$5.7 million for the three months ended March 31, 2020 compared to the same period in the previous year.

For the three months ended March 31, 2020, net sales of the *Samsonite* brand in Latin America decreased by US$4.4 million, or 28.3% (-18.7% constant currency) compared to the same period in the previous year. Net sales of the *American Tourister* brand during the three months ended March 31, 2020 decreased by US$0.6 million, or 13.2% (-3.9% constant currency), compared to the three months ended March 31, 2019. For the three months ended March 31, 2020, net sales of the *Tumi* brand in Latin America decreased by US$0.4 million, or 29.8% (-27.7% constant currency), year-on-year. Net sales of the *Xtrem* brand decreased by US$1.6 million, or 10.8%, but increased on a constant currency basis by 3.6% compared to the same period in the previous year. Net sales of the *Saxoline* brand decreased by 15.1%, but increased on a constant currency basis by 2.8% year-on-year. Net sales of the *Secret* brand decreased by 36.3% (-23.5% constant currency), year-on-year.

Net sales in Chile decreased by US$4.2 million, or 19.0% (-3.2% constant currency), during the three months ended March 31, 2020 compared to the same period in the previous year. Net sales in Mexico decreased by US$4.0 million, or 35.4% (-34.1% constant currency), year-on-year.

Net Sales by Brand

The following table sets forth a breakdown of net sales by brand for the three months ended March 31, 2020 and March 31, 2019, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,				2020 vs 2019	
	2020		2019			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Net sales by brand:						
Samsonite	**275.7**	**45.9%**	373.0	44.8%	(26.1)%	(24.5)%
Tumi	**120.8**	**20.1%**	177.8	21.4%	(32.1)%	(31.6)%
American Tourister	**104.4**	**17.4%**	141.3	17.0%	(26.1)%	(24.4)%
Speck	**18.0**	**3.0%**	27.0	3.2%	(33.3)%	(33.3)%
Gregory	**16.0**	**2.6%**	17.3	2.1%	(7.4)%	(7.6)%
High Sierra	**6.0**	**1.0%**	11.8	1.4%	(49.4)%	(48.3)%
Other[1]	**60.3**	**10.0%**	83.9	10.1%	(28.1)%	(23.1)%
Net sales	**601.2**	**100.0%**	832.0	100.0%	(27.7)%	(26.1)%

Notes
(1) "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 and the eBags e-commerce website.
(2) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the comparable period of the previous year to current period local currency results.

Net sales of the *Samsonite* brand during the three months ended March 31, 2020 decreased by US$97.2 million, or 26.1% (-24.5% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand during the three months ended March 31, 2020 decreased by US$57.0 million, or 32.1% (-31.6% constant currency), year-on-year.

Net sales of the *American Tourister* brand decreased by US$36.9 million, or 26.1% (-24.4% constant currency), for the three months ended March 31, 2020 compared to the three months ended March 31, 2019.

Net sales of the *Speck* brand decreased by US$9.0 million, or 33.3% (-33.3% constant currency), for the three months ended March 31, 2020 compared to the same period in the previous year. Net sales of the *Gregory* brand decreased by US$1.3 million, or 7.4% (-7.6% constant currency), compared to the previous year. Net sales of the *High Sierra* brand decreased by US$5.8 million, or 49.4% (-48.3% constant currency), compared to the same period in the previous year.

Gross Profit

Gross profit decreased by US$141.8 million, or 30.1%, to US$329.2 million for the three months ended March 31, 2020 from US$471.0 million for the three months ended March 31, 2019 due to the decrease in net sales year-on-year caused by the negative impacts from the COVID-19 pandemic, as well as due to the continued impact of incremental tariffs imposed by the U.S. on products sourced from China during the second quarter of 2019. Gross profit margin decreased to 54.8% for the three months ended March 31, 2020 from 56.6% for the same period in the previous year due to the same factors noted above.

Distribution Expenses

Distribution expenses decreased by US$45.3 million, or 14.9%, to US$259.8 million (representing 43.2% of net sales) for the three months ended March 31, 2020 from US$305.1 million (representing 36.7% of net sales) for the three months ended March 31, 2019. Distribution expenses as a percentage of net sales increased primarily due to the impact of lower net sales.

Marketing Expenses

The Group spent US$34.7 million on marketing during the three months ended March 31, 2020 compared to US$49.5 million for the three months ended March 31, 2019, a decrease of US$14.7 million, or 29.7%. As a percentage of net sales, marketing expenses decreased by 10 basis points to 5.8% for the three months ended March 31, 2020 from 5.9% for the three months ended March 31, 2019. The Group is aggressively reducing advertising spend for the remainder of 2020 to help offset the negative impacts on its profitability caused by the COVID-19 pandemic.

General and Administrative Expenses

General and administrative expenses decreased by US$8.2 million, or 14.3%, to US$49.2 million (representing 8.2% of net sales) for the three months ended March 31, 2020 from US$57.4 million (representing 6.9% of net sales) for the three months ended March 31, 2019. The decrease was driven by immediate actions taken by management to reduce the fixed and variable cost structure of the business, including headcount reductions and other savings initiatives, to help offset the negative impacts on its profitability due to the sales declines caused by COVID-19. General and administrative expenses as a percentage of net sales increased by 130 basis points due to the decrease in net sales year-on-year.

Impairment Charges

In accordance with International Accounting Standards ("IAS") 36, *Impairment of Assets*, the Group is required to evaluate its intangible assets with infinite 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 below its carrying value. The Group is also required to perform a review for impairment indicators at least quarterly 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.

At March 31, 2020, the Group performed an analysis on the recoverability of its goodwill and tradenames balances. As a result of overall market conditions caused by the COVID-19 global pandemic, the Group determined there were indicators of potential impairment on its indefinite lived intangible assets, including goodwill, as of March 31, 2020. Based on the valuation performed, it was determined that the carrying value of goodwill was greater than its recoverable amount, resulting in a non-cash impairment charge of US$496.0 million. The carrying value of certain tradenames was also greater than the related recoverable amounts, resulting in a non-cash impairment charge of US$236.0 million.

Based on an evaluation of loss-making retail stores during the three months ended March 31, 2020, the Group determined that the carrying amounts of lease right-of-use assets and leasehold improvements attributable to certain stores exceeded their respective recoverable amounts. During the three months ended March 31, 2020, the Group recognized a non-cash impairment charge of US$87.7 million, comprised of US$68.4 million for lease right-of-use assets and US$19.3 million for property, plant and equipment, attributable to the under-performance of certain retail locations.

The non-cash impairment charges totaling US$819.7 million for the three months ended March 31, 2020 were recorded in the Group's consolidated income statements in the line item "Impairment Charges".

Restructuring Charges

During the three months ended March 31, 2020, the Group incurred restructuring charges of US$6.7 million, which primarily consisted of severance associated with permanent headcount reductions as the Group took meaningful actions to reduce its fixed cost base in response to the impact of COVID-19 on the Group's business (the "Restructuring Charges"). These charges incurred during the three months ended March 31, 2020 were recorded in the Group's consolidated income statements in the line item "Restructuring Charges". The Group continues to work to identify additional areas of cost savings in response to the impacts on the business from the COVID-19 pandemic.

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 March 31, 2020 and March 31, 2019.

OPERATING PROFIT (LOSS)

	Three months ended March 31,			
(Expressed in millions of US Dollars)	**2020**	2019	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Operating profit (loss), as reported	**(842.0)**	56.0	*nm*	*nm*
Impairment Charges	**819.7**	—	n/a	n/a
Restructuring Charges	**6.7**	—	n/a	n/a
Operating profit (loss), as adjusted	**(15.6)**	56.0	*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 comparable period of the previous year to current period local currency results.

nm Not meaningful.
n/a Not applicable.

The Group incurred an operating loss of US$842.0 million for the three months ended March 31, 2020, compared to an operating profit of US$56.0 million for the same period in the previous year. The Group incurred an operating loss of US$15.6 million when excluding the non-cash Impairment Charges and Restructuring Charges incurred during the three months ended March 31, 2020 as a result of the decrease in net sales resulting from the negative impacts from the COVID-19 pandemic.

Net Finance Costs

Net finance costs increased by US$2.8 million, or 11.9%, to US$26.8 million for the three months ended March 31, 2020 from US$23.9 million for the three months ended March 31, 2019, primarily due to a net foreign exchange loss in the amount of US$7.5 million incurred during the three months ended March 31, 2020 compared to net foreign exchange gain in the amount of US$0.3 million recorded during the three months ended March 31, 2019. Interest expense on loans and borrowings decreased by US$2.5 million, or 15.1%, to US$14.0 million for the three months ended March 31, 2020 from US$16.5 million for the three months ended March 31, 2019.

The following table sets forth a breakdown of total finance costs for the three months ended March 31, 2020 and March 31, 2019.

	Three months ended March 31,	
(Expressed in millions of US Dollars)	**2020**	2019
Recognized in income or loss:		
Interest income	**0.8**	0.3
Total finance income	**0.8**	0.3
Interest expense on loans and borrowings	**(14.0)**	(16.5)
Amortization of deferred financing costs associated with the Senior Credit Facilities	**(0.8)**	(0.8)
Interest expense on lease liabilities	**(7.2)**	(7.7)
Change in fair value of put options	**1.9**	1.6
Net foreign exchange gain (loss)	**(7.5)**	0.3
Other finance costs	**0.0**	(1.1)
Total finance costs	**(27.6)**	(24.2)
Net finance costs recognized in profit or loss	**(26.8)**	(23.9)

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 March 31, 2020 and March 31, 2019.

PROFIT (LOSS) BEFORE INCOME TAX

	Three months ended March 31,			
(Expressed in millions of US Dollars)	**2020**	2019	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[(1)]
Profit (loss) before income tax, as reported	**(868.8)**	32.1	*nm*	*nm*
Impairment Charges	**819.7**	—	n/a	n/a
Restructuring Charges	**6.7**	—	n/a	n/a
Profit (loss) before income tax, as adjusted	**(42.4)**	32.1	*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 comparable period of the previous year to current period local currency results.
nm Not meaningful.
n/a Not applicable.

The Group incurred a loss before income tax of US$868.8 million for the three months ended March 31, 2020, compared to a profit before income tax of US$32.1 million for the same period in the previous year. The Group incurred a loss before income tax of US$42.4 million when excluding the non-cash Impairment Charges and Restructuring Charges incurred during the three months ended March 31, 2020, compared to a profit before income tax of US$32.1 million for the same period in the previous year as a result of the decrease in net sales resulting from the negative impacts from the COVID-19 pandemic.

Income Tax Expense (Benefit)

The Group recorded an income tax benefit of US$83.6 million for the three months ended March 31, 2020 compared to an income tax expense of US$6.1 million for the three months ended March 31, 2019. The income tax benefit recorded during the first quarter of 2020 was due to the US$868.8 million reported loss before income taxes, which included the Impairment Charges.

The Group's consolidated effective tax rate for operations was 9.6% and 19.1% for the three months ended March 31, 2020 and March 31, 2019, respectively. 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 pre-tax income for the period adjusted for certain discrete items for the period. The decrease in the Group's effective tax rate was mainly the result of changes in the profit mix between high and low tax jurisdictions and also the tax impact of the non-cash Impairment Charges.

Profit (Loss)

Profit (loss) for the period

The following table presents the reconciliation from the Group's profit (loss) for the period, as reported, to profit (loss) for the period, as adjusted, for the three months ended March 31, 2020 and March 31, 2019.

PROFIT (LOSS) FOR THE PERIOD

	Three months ended March 31,			
(Expressed in millions of US Dollars)	**2020**	2019	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Profit (loss) for the period, as reported	**(785.2)**	26.0	*nm*	*nm*
Impairment Charges	**819.7**	—	n/a	n/a
Restructuring Charges	**6.7**	—	n/a	n/a
Tax impact	**(81.8)**	—	n/a	n/a
Profit (loss) for the period, as adjusted	**(40.6)**	26.0	*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 comparable period of the previous year to current period local currency results.
nm Not meaningful.
n/a Not applicable.

The Group incurred a loss for the period of US$785.2 million for the three months ended March 31, 2020, compared to a profit for the period of US$26.0 million for the same period in the previous year. The Group incurred a loss for the period of US$40.6 million when excluding the non-cash Impairment Charges and Restructuring Charges, both of which are net of the related tax impact, incurred during the three months ended March 31, 2020 as a result of the decrease in net sales.

Profit (loss) attributable to the equity holders

The following table presents the reconciliation from the Group's profit (loss) attributable to the equity holders, as reported, to profit (loss) attributable to the equity holders, as adjusted, for the three months ended March 31, 2020 and March 31, 2019.

PROFIT (LOSS) ATTRIBUTABLE TO THE EQUITY HOLDERS

(Expressed in millions of US Dollars)	Three months ended March 31, 2020	2019	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[1]
Profit (loss) attributable to the equity holders, as reported	**(787.3)**	22.8	*nm*	*nm*
Impairment Charges	**819.7**	—	n/a	n/a
Restructuring Charges	**6.7**	—	n/a	n/a
Tax impact	**(81.8)**	—	n/a	n/a
Profit (loss) attributable to the equity holders, as adjusted	**(42.7)**	22.8	*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 comparable period of the previous year to current period local currency results.

nm Not meaningful.

n/a Not applicable.

The Group incurred a loss attributable to the equity holders of US$787.3 million for the three months ended March 31, 2020, compared to profit attributable to the equity holders of US$22.8 million for the same period in the previous year. The Group incurred a loss attributable to the equity holders of US$42.7 million when excluding the non-cash Impairment Charges and Restructuring Charges, both of which are net of the related tax impact, incurred during the three months ended March 31, 2020 as a result of the decrease in net sales.

Basic and diluted earnings (loss) per share

Basic and diluted loss per share was US$0.550 for the three months ended March 31, 2020, compared to basic and diluted earnings per share of US$0.016 for the three months ended March 31, 2019. The weighted average number of shares utilized in the Basic EPS calculation was 1,432,569,771 shares for the three months ended March 31, 2020 compared to 1,430,949,805 shares for the three months ended March 31, 2019. The weighted average number of shares outstanding utilized in the Diluted EPS calculation was 1,432,569,771 shares for the three months ended March 31, 2020 compared to 1,434,466,692 shares for the three months ended March 31, 2019.

Basic and diluted loss per share, as adjusted, was US$0.030 when excluding the non-cash Impairment Charges and Restructuring Charges, both of which are net of the related tax impact, incurred during the three months ended March 31, 2020, compared to basic and diluted earnings per share, as adjusted, of US$0.016 for the same period in the previous year. This decrease was caused by the impacts of COVID-19 on the Group's business during the first quarter of 2020.

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-IFRS measure, was US$4.9 million for the three months ended March 31, 2020, compared to US$84.6 million for the three months ended March 31, 2019, a decrease of US$79.8 million, or 94.2% (-94.1% constant currency). Adjusted EBITDA margin was 0.8% for the three months ended March 31, 2020 compared to 10.2% for the three months ended March 31, 2019, due primarily to the negative impacts caused by the COVID-19 pandemic.

The following table presents the reconciliation from the Group's profit (loss) for the period to Adjusted EBITDA for the three months ended March 31, 2020 and March 31, 2019:

	Three months ended March 31,	
(Expressed in millions of US Dollars)	**2020**	2019
Profit (loss) for the period	**(785.2)**	26.0
Plus (Minus):		
Income tax expense (benefit)	**(83.6)**	6.1
Finance costs	**27.6**	24.2
Finance income	**(0.8)**	(0.3)
Depreciation	**18.5**	20.1
Total amortization	**56.5**	58.1
EBITDA	**(767.0)**	134.2
Plus:		
Share-based compensation expense	**0.2**	5.0
Impairment Charges	**819.7**	—
Restructuring Charges	**6.7**	—
Other adjustments[1]	**1.1**	3.0
Amortization of lease right-of-use assets	**(48.6)**	(49.9)
Interest expense on lease liabilities	**(7.2)**	(7.7)
Adjusted EBITDA[2]	**4.9**	84.6
Adjusted EBITDA margin	**0.8 %**	10.2%

Notes
(1) Other adjustments primarily comprised 'Other expenses' per the consolidated income statements.
(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.

The Group 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 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 for the period in the Group's consolidated income statements. 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 Group's results of operations as reported under IFRS.

Adjusted Net Income (Loss)

Adjusted Net Income (Loss), a non-IFRS measure, was a loss of US$38.6 million for the three months ended March 31, 2020, compared to income of US$27.3 million for the three months ended March 31, 2019 due to the negative impacts caused by the COVID-19 pandemic. Adjusted basic and diluted earnings (loss) per share, non-IFRS measures, were a loss of US$0.027 per share for the three months ended March 31, 2020, compared to earnings per share of US$0.019 for the three months ended March 31, 2019. 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 profit (loss) attributable to the equity holders to Adjusted Net Income (Loss) for the three months ended March 31, 2020 and March 31, 2019:

(Expressed in millions of US Dollars)	**Three months ended March 31, 2020**	2019
Profit (loss) attributable to the equity holders	**(787.3)**	22.8
Plus (Minus):		
Change in fair value of put options included in finance costs	**(1.9)**	(1.6)
Amortization of intangible assets	**7.9**	8.2
Impairment Charges	**819.7**	—
Restructuring Charges	**6.7**	—
Tax adjustments(1)	**(83.7)**	(2.1)
Adjusted Net Income (Loss)(2)	**(38.6)**	27.3

Notes
(1) Tax adjustments represent the tax effect of the reconciling line items as included in the consolidated income statements based on the applicable tax rate in the jurisdiction where such costs were incurred.
(2) Represents Adjusted Net Income attributable to the equity holders of the Company.

The Group 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 Group's underlying financial performance. By presenting Adjusted Net Income (Loss) and the related Adjusted basic and diluted earnings (loss) per share calculations, the Group eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact reported profit (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 profit (loss) attributable to the equity holders or basic and diluted earnings (loss) per share presented in the Group's consolidated income statements. 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 Group's results of operations as reported under IFRS.

Purchases of Property, Plant and Equipment

Purchases of property, plant and equipment of US$17.9 million for the three months ended March 31, 2020 were primarily related to a warehouse expansion project in India that began in 2019. Purchases of property, plant and equipment of US$15.9 million for the three months ended March 31, 2019 were primarily related to the addition of new retail locations, remodeling existing retail locations and investments in machinery and equipment. The Group has taken meaningful measures to reduce capital expenditures for the remainder of 2020 in response to the impacts on the Group's business from the COVID-19 pandemic.

Indebtedness

The following table sets forth the carrying amount of the Group's loans and borrowings as of March 31, 2020 and December 31, 2019:

(Expressed in millions of US Dollars)	**March 31, 2020**	December 31, 2019
Term Loan A Facility	**—**	797.0
Term Loan B Facility	**553.2**	554.9
Amended Term Loan A Facility	**800.0**	—
Amended Revolving Credit Facility	**810.3**	—
Total Senior Credit Facilities	**2,163.5**	1,351.8
Senior Notes	**386.1**	392.4
Other obligations	**47.2**	23.7
Total loans and borrowings	**2,596.8**	1,768.0
Less deferred financing costs	**(14.8)**	(12.8)
Total loans and borrowings less deferred financing costs	**2,582.0**	1,755.2

€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.

At any time prior to May 15, 2021, the Issuer may redeem some or all of the Senior Notes at a price equal to 100% of the principal amount of the Senior Notes redeemed plus accrued and unpaid interest to (but excluding) the redemption date at a "make-whole" premium, which is the present value of all remaining scheduled interest payments to the redemption date using the discount rate (as specified in the Indenture) as of the redemption date plus 50 basis points.

On or 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 addition, at any time prior to May 15, 2021, the Issuer may redeem up to 40% of the Senior Notes with the net proceeds of one or more specified equity offerings at a redemption price of 103.500% of the principal amount of the Senior Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. Furthermore, 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 Senior Credit Facilities (as defined below) 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.

Amended and Restated Senior Credit Facilities Agreement

On May 13, 2016, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into a credit and guaranty agreement (the "Original Senior Credit Facilities Agreement") with certain lenders and financial institutions. The Original Senior Credit Facilities Agreement provided for (1) a US$1,250.0 million senior secured term loan A facility (the "Original Term Loan A Facility"), (2) a US$675.0 million senior secured term loan B facility (the "Original Term Loan B Facility" and, together with the Original Term Loan A Facility, the "Original Term Loan Facilities") and (3) a US$500.0 million revolving credit facility (the "Original Revolving Credit Facility," and, together with the Original Term Loan Facilities, the "Original Senior Credit Facilities").

In conjunction with the offering of the Senior Notes, on April 25, 2018, 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,” and, together with the Term Loan Credit Facilities, the “Senior Credit Facilities”).

Interest Rate and Fees

Interest on the borrowings under the Term Loan Credit Facilities and the Revolving Credit Facility began to accrue on April 25, 2018 when the closing on the Senior Credit Facilities occurred (the “Closing Date”). Under the terms of the Senior Credit Facilities:

(a) in respect of the Term Loan A Facility and the Revolving Credit Facility, (i) prior to the Second Amended Credit Agreement, the interest rate payable was set with effect from the Closing Date until the delivery of the consolidated financial statements for the fiscal quarter ended September 30, 2018 at the London Interbank Offered Rate (“LIBOR”) plus 1.50% per annum (or a base rate plus 0.50% 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 and (ii) after the Second Amended Credit Agreement, the interest rate payable was set with effect from the date of the Second Amended Credit Agreement until the delivery of the consolidated financial statements for the fiscal quarter ended June 30, 2020 at 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 (subject to the terms of the Third Amended Credit Agreement as described below); and

(b) in respect of the Term Loan B Facility, the interest rate payable was set with effect from the Closing Date 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 outstanding principal under the Senior Credit Facilities, the borrowers pay customary agency fees and a commitment fee in respect of the unutilized commitments under the Revolving Credit Facility. The commitment fee payable 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 is based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company’s corporate ratings, as applicable. After the Second Amended Credit Agreement, the commitment fee payable with effect from the effective date of the Second Amended Credit Agreement until the delivery of the consolidated financial statements for the fiscal quarter ended June 30, 2020 is 0.20% per annum and the commitment fee payable thereafter 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 (subject to the terms of the Third Amended Credit Agreement as described below).

Amortization and Final Maturity

Prior to the Second Amended Credit Agreement, the Term Loan A Facility required scheduled quarterly payments commencing on the first full fiscal quarter ended after the Closing Date, with an annual amortization of 2.5% of the original principal amount of the loans under the Term Loan A Facility 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 Second Amended Credit Agreement requires scheduled quarterly payments commencing on the first full fiscal quarter ended after the Second Amendment Closing Date (as defined below), with an annual amortization of 2.5% of the original principal amount of the loans under the Amended Term Loan A Facility (as defined below) 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 Second Amendment Closing Date.

The Term Loan B Facility requires scheduled quarterly payments commencing on the quarter ended September 30, 2018, each 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 is no scheduled amortization of the principal amounts of the loans outstanding under the Revolving Credit Facility. Prior to the Second Amended Credit Agreement, any principal amount outstanding under the Revolving Credit Facility were due and payable on the fifth anniversary of the Closing Date. After the Second Amended Credit Agreement, any principal amount outstanding under the Amended Revolving Credit Facility (as defined below) is due and payable on the fifth anniversary of the Second Amendment Closing Date (as defined below).

If, on the date that is 91 days prior to the maturity date of the Term Loan B Facility, more than $50.0 million of the Term Loan B Facility has not been repaid or refinanced pursuant to the terms provided for in the Credit Agreement, then the Amended Term Loan A Facility (as defined below) and Amended Revolving Credit Facility (as defined below) shall mature on the date that is 90 days prior to the maturity date of the Term Loan B Facility.

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, and are required to be guaranteed by certain future direct or indirect wholly-owned material restricted subsidiaries organized in the jurisdictions of Luxembourg, Belgium, Canada, Hong Kong, Hungary, Mexico and the United States (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).

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 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 are required to maintain (i) a pro forma total net leverage ratio of not greater than 5.50:1.00, which ratio will decrease to 5.25:1.00 for test periods ending in 2020, 5.00:1.00 for test periods ending in 2021 and 4.50:1.00 for test periods ending in 2022; 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 Term Loan A Facility and the lenders under the Revolving Credit Facility. The Company's requirement to comply with the Financial Covenants has been temporarily suspended during the Suspension Period (as defined below) pursuant to the Third Amended Credit Agreement (see Subsequent Events - Third Amended Credit Agreement for further discussion). The Group was in compliance with the Financial Covenants as of March 31, 2020. 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 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 remaining balances on 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.

The Amended Term Loan A Facility requires scheduled quarterly payments commencing on the first full fiscal quarter ended after the Second Amendment Closing Date, with an annual amortization of 2.5% of the original principal amount of the loans under the Amended 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 Second Amendment Closing Date. Any principal amount outstanding under the Amended Revolving Credit Facility is due and payable on the fifth anniversary of the Second Amendment Closing Date. If, on the date that is 91 days prior to the maturity date of the Term Loan B Facility, more than $50.0 million of the Term Loan B Facility has not been repaid or refinanced pursuant to the terms provided for in the Credit Agreement, then the Amended Term Loan A Facility and the Amended Revolving Credit Facility shall mature on the date that is 90 days prior to the maturity date of the Term Loan B Facility.

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 based on LIBOR plus 1.50% per annum (or a base rate plus 0.50% per annum) 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 Subsequent Events - Third Amended Credit Agreement for further discussion).

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 Subsequent Events - Third Amended Credit Agreement for further discussion).

Deferred Financing Costs

As part of the Second Amended Credit Agreement, the Group incurred US$2.8 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 Amended Term Loan A Facility and Amended Revolving Credit Facility. The amortization of deferred financing costs, which is included in interest expense, amounted to US$0.8 million and US$0.8 million for the three months ended March 31, 2020 and March 31, 2019, respectively.

Interest Rate Swaps

The Group maintains interest rate swaps to hedge 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 new 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. LIBOR has been fixed at approximately 1.208%. 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 March 31, 2020, the interest rate swaps were marked-to-market, resulting in a net liability position to the Group in the amount of US$22.5 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income. As of December 31, 2019, the interest rate swaps were marked-to-market, resulting in a net asset position to the Group in the amount of US$10.6 million, which was recorded as an asset with the effective portion of the gain (loss) deferred to other comprehensive income.

Cross-currency Swaps

In April 2019, the Group entered into cross-currency swaps which have been designated as net investment hedges. The hedges consist of a US$50.0 million notional loan amount between the Euro and US Dollar and a US$25.0 million notional loan amount between the Japanese Yen and US Dollar. The Group benefits from the interest rate spread between the two markets to receive fixed interest income over the five-year contractual period. As of March 31, 2020, the cross-currency swaps qualified as net investment hedges and the monthly mark-to-market is recorded to other comprehensive income. As of March 31, 2020, the cross-currency swaps were marked-to-market, resulting in the notional loans between the Euro and US Dollar and the Japanese Yen and US Dollar to be in a net asset positions to the Group in the amount of US$3.4 million and US$0.5 million, respectively, both of which were recorded as assets with the effective portion of the gain (loss) deferred to other comprehensive income. As of December 31, 2019, the cross-currency swaps were marked-to-market, resulting in the notional loan between the Euro and US Dollar to be in a net asset position to the Group in the amount of US$0.1 million, which was recorded as an asset with the effective portion of the gain (loss) deferred to other comprehensive income, and 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$0.3 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income.

Amended Revolving Credit Facility

As of March 31, 2020, US$36.7 million was available to be borrowed on the Amended Revolving Credit Facility as a result of US$810.3 million of outstanding borrowings and the utilization of US$3.0 million of the facility for outstanding letters of credit extended to certain creditors. On March 20, 2020, the Company borrowed US$810.3 million under the Amended Revolving Credit Facility to ensure access to the Group's liquidity, given the uncertainties in global economies caused by the COVID-19 pandemic.

As of December 31, 2019, US$647.0 million was available to be borrowed on the US$650.0 million Revolving Credit Facility as a result of no outstanding borrowings and the utilization of US$3.0 million of the facility for outstanding letters of credit extended to certain creditors.

Other Loans and Borrowings

Certain consolidated subsidiaries of the Group 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 the subsidiaries, 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$47.0 million and US$23.6 million as of March 31, 2020 and December 31, 2019, respectively.

The following represents the contractual maturity dates of the Group's loans and borrowings as of March 31, 2020 and December 31, 2019:

(Expressed in millions of US Dollars)	**March 31, 2020**	December 31, 2019
On demand or within one year	**73.7**	61.3
After one year but within two years	**26.8**	48.1
After two years but within five years	**1,590.3**	744.5
More than five years	**906.0**	914.0
	2,596.8	1,768.0

Subsequent Events

Third Amended Credit Agreement

On April 29, 2020, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Third Amended Credit Agreement with certain lenders and financial institutions. The terms of the Third Amended Credit Agreement further strengthen 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 is 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 will resume 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 is required to comply with a minimum liquidity covenant of US$500.0 million and is 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, as defined in the Second Amended Credit Agreement, was increased 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 was increased to 0.35% per annum.

(4) The Company may 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 the Financial Covenants under the Third Amended Credit Agreement. So long as the Company uses Historical EBITDA to calculate the Financial Covenants, the minimum liquidity covenant and the Suspension Period pricing terms will remain in effect.

Fourth Amended Credit Agreement - Incremental US$600.0 Million Term Loan B Facility

On May 7, 2020 (the "2020 Incremental Term Loan B Closing Date"), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into the Fourth Amended Credit Agreement with certain lenders and financial institutions. The Fourth Amended Credit Agreement provides for an incremental 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 May 7, 2020. 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) add cash to the balance sheet (which may 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 Closing Date. Under the terms of the 2020 Incremental Term Loan B Facility, the interest rate payable was set with effect from the 2020 Incremental Term Loan B Closing Date at 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 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, 2020, with the balance due and payable on April 25, 2025.

Optional Prepayment

If the Group prepays the 2020 Incremental Term Loan B Facility in whole or in part on or prior to May 7, 2021, the Group will be required to pay to the lenders a “make-whole” premium on the amount of the 2020 Incremental Term Loan B Facility that is prepaid. If the Group prepays the 2020 Incremental Term Loan B Facility in whole or in part after May 7, 2021 and on or before May 7, 2022, the Group will be required to pay to the lenders a fee equal to 1.00% of the aggregate principal amount of the amount of the 2020 Incremental Term Loan B Facility that is prepaid.

Minimum Liquidity Covenant

The 2020 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 2020 Incremental Term Loan B Facility.

Other Terms

Except as described above, the other terms of the 2020 Incremental Term Loan B Facility are the same as the terms of the Term Loan B Facility.

In conjunction with the issuance of the 2020 Incremental Term Loan B Facility, the Group incurred borrowing fees and expenses that will be deferred and amortized over the term of the 2020 Incremental Term Loan B Facility.

General

This financial and business review as of and for the three months ended March 31, 2020 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 annual report for the year ended December 31, 2019.

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

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

Hong Kong, May 14, 2020

As of the date of this announcement, the Executive Director is Kyle Francis Gendreau, the Non-Executive Directors are Timothy Charles Parker and Tom Korbas and the Independent Non-Executive Directors are Paul Kenneth Etchells, Jerome Squire Griffith, Keith Hamill, Bruce Hardy McLain (Hardy) and Ying Yeh.