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

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R.C.S. LUXEMBOURG: B 159.469
(Incorporated in Luxembourg with limited liability)
(Stock code: 1910)

QUARTERLY REPORT FOR THE PERIOD ENDED MARCH 31, 2022

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, 2022 and for the three month period then ended, together with comparative figures for the three month period ended March 31, 2021. This announcement is made pursuant to the Inside Information Provisions of Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Summary Financial Results and Financial Highlights

Summary Financial Results

During the three months ended March 31, 2022 the Group continued to experience improved constant currency net sales trends despite an increase in COVID-19 cases and the resulting reinstatement of travel restrictions and social distancing measures in certain markets, particularly in Asia, that temporarily slowed the Group's net sales recovery in January 2022. However, net sales performance improved in February and March 2022 as the effects of the COVID-19 pandemic on demand for the Group's products moderated due to the continued rollout and effectiveness of vaccines leading governments in many countries to further loosen social-distancing, travel and other restrictions, which has led to the continuing recovery in travel. The Group continues to manage through inventory replenishment delays, particularly in North America, that slowed the pace of recovery during the first quarter of 2022.

The improved constant currency net sales trends observed during the first quarter of 2022 continued the Group's net sales recovery that began to accelerate during the second half of 2021. During 2020 and through the first half of 2021, certain measures required or recommended by governments (including social-distancing and travel restrictions, quarantines and lockdowns) resulted in temporary closures of certain retail stores in which the Company's products were sold and significant reductions in travel and discretionary spending among consumers led to reduced demand for many of the Group's products (collectively, the "COVID-19 Impacts").

Beginning in 2020 and through the first quarter of 2022, the Group's management took steps to enhance the Company's liquidity and further improve its resilience in response to the COVID-19 Impacts. In addition to strengthening the Company's liquidity, the Group aggressively reduced its operating expenses to mitigate the impact of lower sales on profit and cash flow, as well as to right-size the business for the future. Management continues to tightly manage the Group's operating expenses (see Management Discussion and Analysis - Impact of COVID-19 for further discussion).

In this announcement, certain financial results for the three months ended March 31, 2022 are compared to both the three months ended March 31, 2021 and the three months ended March 31, 2019. Comparisons to the first quarter of 2019 are provided because it is the most recently ended comparable quarter during which the Company's results were not affected by COVID-19.

The following table sets forth summary financial results for the three months ended March 31, 2022 and March 31, 2021.

(Expressed in millions of US Dollars, except per share data)	Three months ended March 31, 2022	2021	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[1]
Net sales	**573.6**	354.7	61.7 %	67.7 %
Operating profit (loss)[2]	**58.1**	(47.0)	*nm*	*nm*
Operating profit (loss) excluding impairment charges and restructuring charges[2], [3]	**59.1**	(43.2)	*nm*	*nm*
Profit (loss) for the period	**21.2**	(71.2)	*nm*	*nm*
Profit (loss) attributable to the equity holders	**16.4**	(72.7)	*nm*	*nm*
Adjusted Net Income (Loss)[4]	**23.3**	(67.4)	*nm*	*nm*
Adjusted EBITDA[5]	**73.2**	(28.5)	*nm*	*nm*
Adjusted EBITDA margin[6]	**12.8 %**	(8.0)%		
Basic and diluted earnings (loss) per share *(Expressed in US Dollars per share)*	**0.011**	(0.051)	*nm*	*nm*
Adjusted basic and diluted earnings (loss) per share[7] *(Expressed in US Dollars per share)*	**0.016**	(0.047)	*nm*	*nm*

Notes

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

(2) Results for the three months ended March 31, 2022 included total Restructuring Charges (as defined in Management Discussion and Analysis - Restructuring Charges) of US$0.2 million and total non-cash impairment charges of US$0.8 million. Results for the three months ended March 31, 2021 included total Restructuring Charges of US$3.8 million. See Impairment Charges and Restructuring Charges, respectively, in Management Discussion and Analysis for further discussion.

(3) Operating profit (loss) excluding total non-cash impairment charges and total restructuring charges is a non-IFRS measure and as calculated herein may not be comparable to similarly named measures used by other companies and should not be considered comparable to operating profit (loss) for the period in the Group's consolidated statements of income (loss).

(4) Adjusted Net Income (Loss), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact the Group's reported profit (loss) attributable to the equity holders, 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) attributable to the equity holders to Adjusted Net Income (Loss).

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

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

(7) Adjusted basic and diluted earnings (loss) per share, both non-IFRS measures, are calculated by dividing Adjusted Net Income (Loss) by the weighted average number of shares used in the basic and diluted earnings (loss) per share calculations, respectively.

nm Not meaningful.

Financial Highlights

- Net sales were US$573.6 million for the three months ended March 31, 2022 compared to US$354.7 million for the three months ended March 31, 2021, an increase of 61.7% (+67.7% constant currency). On July 30, 2021, a wholly-owned subsidiary of the Company sold Speculative Product Design, LLC ("Speck"). When excluding the net sales of Speck for the first quarter of 2021, consolidated net sales increased by US$233.6 million, or 68.7% (+74.9% constant currency), for the three months ended March 31, 2022 compared to the same period in the previous year. The Group continued to experience improved sales trends during the three months ended March 31, 2022.
- For the three months ended March 31, 2022, the Group recorded a net sales decline of 31.1% (-27.6% constant currency) when compared to the three months ended March 31, 2019. When excluding the net sales of Speck for the first quarter of 2019, consolidated net sales decreased by 28.7% (-25.2% constant currency) for the three months ended March 31, 2022 compared to the three months ended March 31, 2019.
- Gross profit margin increased to 54.7% for the three months ended March 31, 2022 from 48.7% for the same period in the previous year. The increase in gross profit margin was attributable to (i) price increases on the Group's products implemented during the latter part of 2021 in order to mitigate increased product, freight and duty costs, (ii) lower promotional discounts and (iii) lower provisions for inventory reserves year-on-year. See Management

Discussion and Analysis - Cost of Sales and Gross Profit for further discussion.

- The Group spent US$24.1 million on marketing during the three months ended March 31, 2022 compared to US$10.7 million for the three months ended March 31, 2021, an increase of US$13.5 million, or 126.1%. As a percentage of net sales, marketing expenses increased by 120 basis points to 4.2% for the three months ended March 31, 2022 from 3.0% for the three months ended March 31, 2021. The Group has selectively increased its advertising in markets where demand in travel is recovering more quickly. The Group plans to increase its investment in marketing during the balance of 2022 to drive net sales growth and capitalize on the continued recovery in travel.
- The Group reported an operating profit of US$58.1 million for the three months ended March 31, 2022 compared to an operating loss of US$47.0 million for the same period in the previous year. The Group had an operating profit of US$59.1 million(1) for the three months ended March 31, 2022 when excluding the non-cash 2022 Impairment Charges (as defined in Management Discussion and Analysis - Impairment Charges) and Restructuring Charges recognized during the three months ended March 31, 2022. In comparison, the Group incurred an operating loss of US$43.2 million(1) for the three months ended March 31, 2021 when excluding the Restructuring Charges recognized during the three months ended March 31, 2021.
- Profit for the three months ended March 31, 2022 was US$21.2 million compared to a loss for the three months ended March 31, 2021 of US$71.2 million. The Group had a profit for the three months ended March 31, 2022 of US$22.0 million(1) when excluding the non-cash 2022 Impairment Charges and Restructuring Charges recognized during the three months ended March 31, 2022, both of which are net of the related tax impact. In comparison, the Group incurred a loss for the three months ended March 31, 2021 of US$69.8 million(1) when excluding the Restructuring Charges recognized during the three months ended March 31, 2021, net of the related tax impact.
- Profit attributable to the equity holders was US$16.4 million for the three months ended March 31, 2022 compared to a loss attributable to the equity holders of US$72.7 million for the same period in the previous year. For the three months ended March 31, 2022 the Group had a profit attributable to the equity holders of US$17.2 million(1) when excluding the non-cash 2022 Impairment Charges and Restructuring Charges recognized during the three months ended March 31, 2022, both of which are net of the related tax impact. In comparison, the Group recorded a loss attributable to the equity holders for the three months ended March 31, 2021 of US$71.3 million(1) when excluding the Restructuring Charges recognized during the three months ended March 31, 2021, net of the related tax impact.
- Adjusted EBITDA, a non-IFRS measure, improved by US$101.7 million to earnings of US$73.2 million for the three months ended March 31, 2022 compared to a loss of US$28.5 million for the three months ended March 31, 2021. Adjusted EBITDA margin was 12.8% for the three months ended March 31, 2022 compared to (8.0%) for the three months ended March 31, 2021 due primarily to improved net sales and gross profit, along with the effects of actions taken by management to reduce the fixed cost structure of the business.
- The Group used US$15.0 million of cash in operating activities during the three months ended March 31, 2022 compared to US$18.2 million of cash used in operating activities for the same period in the previous year. As of March 31, 2022, the Group had cash and cash equivalents of US$1,057.0 million and outstanding financial debt of US$2,581.8 million (excluding deferred financing costs of US$11.1 million), resulting in a net debt position of US$1,524.8 million compared to a net debt position of US$1,477.2 million as of December 31, 2021. Total cash burn(2) was (US$58.5) million during the three months ended March 31, 2022 compared to total cash burn(2) of (US$64.6) million during the three months ended March 31, 2021. The Company remains focused on cash preservation by tightly managing capital expenditures, marketing activities and discretionary spending. Total liquidity(3) as of March 31, 2022 was US$1,386.7 million compared to US$1,501.4 million as of December 31, 2021. During the three months ended March 31, 2022, the Group repaid US$207.9 million of outstanding borrowings under its Amended Senior Credit Facilities (as defined in Management Discussion and Analysis - Indebtedness), consisting of US$200.0 million in voluntary prepayments and US$7.9 million in required quarterly amortization payments.

Notes

(1) See reconciliations in Management Discussion and Analysis.

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

(3) Total liquidity is calculated as the sum of cash and cash equivalents per the consolidated statements of financial position plus available capacity on the Amended Revolving Credit Facility (as defined in Management Discussion and Analysis - Indebtedness).

Disclaimer

Non-IFRS Measures

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

Forward-looking Statements

This document contains forward-looking statements. Forward-looking statements reflect the Company's current views with respect to future events and performance. These statements may discuss, among other things, the Company's net sales, gross margin, operating profit (loss), Adjusted Net Income (Loss), Adjusted EBITDA[2], Adjusted EBITDA margin, cash flow, liquidity and capital resources, potential impairments, growth, strategies, plans, achievements, distributions, organizational structure, future store openings or closings, market opportunities and general market and industry conditions. The Company generally identifies forward-looking statements by words such as "expect", "seek", "believe", "plan", "intend", "estimate", "project", "anticipate", "may", "will", "would" and "could" or similar words or statements. Forward-looking statements are based on beliefs and assumptions made by management using currently available information. These statements are only predictions and are not guarantees of future performance, actions or events. Forward-looking statements are subject to risks and uncertainties. These risks, uncertainties and other factors also include the effects of the COVID-19 pandemic on the Company's future financial and operational results, which could vary significantly depending on the duration and severity of the COVID-19 pandemic worldwide and the pace and extent of recovery following the COVID-19 pandemic.

If one or more of these risks or uncertainties materialize, or if management's underlying beliefs and assumptions prove to be incorrect, actual results may differ materially from those contemplated by a forward-looking statement. Among the factors that could cause actual results to differ materially are: the effect of worldwide economic conditions; the effect of political or social unrest and armed conflict; the length and severity of the COVID-19 pandemic; lower levels of consumer spending resulting from COVID-19; the effects of inflation; a general economic downturn or generally reduced consumer spending, including as a result of COVID-19; the pace and extent of recovery following COVID-19; significant changes in consumer spending patterns or preferences; interruptions or delays in the supply of finished goods or key components; the performance of the Group's products within the prevailing retail environment; financial difficulties encountered by customers and related bankruptcy and collection issues; and risks related to the success of the Group's restructuring programs. Given the inherent uncertainty about the future impacts of COVID-19, it is not possible for the Company to reliably predict the extent to which its business, results of operations, financial condition or liquidity will ultimately be impacted (see Management Discussion and Analysis - Impact of COVID-19 for further discussion).

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

Rounding

Certain amounts presented in this report have been rounded up or down to the nearest million, unless otherwise indicated. There may therefore be discrepancies between the actual totals of the individual amounts in the tables and the totals shown, between the amounts in the tables and the amounts given in the corresponding analyses in the text of this document and between amounts in this document and other publicly available documents. All percentages and key figures were calculated using the underlying data in whole US Dollars.

Notes

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

(2) Earnings before interest, taxes, depreciation and amortization.

Consolidated Statements of Income (Loss)

	Three months ended March 31,	
(Expressed in millions of US Dollars, except per share data)	**2022**	2021
Net sales	**573.6**	354.7
Cost of sales	**(259.9)**	(182.0)
Gross profit	**313.7**	172.7
Distribution expenses	**(182.0)**	(160.2)
Marketing expenses	**(24.1)**	(10.7)
General and administrative expenses	**(47.7)**	(47.2)
Impairment Charges (exclusive of amounts included in cost of sales)	**(0.8)**	—
Restructuring Charges (exclusive of amounts included in cost of sales)	**(0.2)**	(3.8)
Other (expense) income	**(0.8)**	2.2
Operating profit (loss)	**58.1**	(47.0)
Finance income	**1.1**	0.9
Finance costs	**(30.0)**	(35.7)
Net finance costs	**(28.9)**	(34.8)
Profit (loss) before income tax	**29.2**	(81.8)
Income tax (expense) benefit	**(8.0)**	10.6
Profit (loss) for the period	**21.2**	(71.2)
Profit (loss) attributable to equity holders	**16.4**	(72.7)
Profit attributable to non-controlling interests	**4.8**	1.5
Profit (loss) for the period	**21.2**	(71.2)
Earnings (loss) per share:		
Basic and diluted earnings (loss) per share		
(Expressed in US Dollars per share)	**0.011**	(0.051)

Consolidated Statements of Comprehensive Income (Loss)

(Expressed in millions of US Dollars)	Three months ended March 31, 2022	2021
Profit (loss) for the period	**21.2**	(71.2)
Other comprehensive income (loss):		
Items that are or may be reclassified subsequently to profit or loss:		
Changes in fair value of hedges, net of tax	**14.8**	10.7
Foreign currency translation gains for foreign operations	**9.1**	7.1
Other comprehensive income	**23.9**	17.8
Total comprehensive income (loss) for the period	**45.1**	(53.4)
Total comprehensive income (loss) attributable to equity holders	**40.3**	(54.2)
Total comprehensive income attributable to non-controlling interests	**4.8**	0.8
Total comprehensive income (loss) for the period	**45.1**	(53.4)

Consolidated Statements of Financial Position

(Expressed in millions of US Dollars)	**March 31, 2022**	December 31, 2021
Non-Current Assets		
Property, plant and equipment	**148.8**	155.1
Lease right-of-use assets	**335.6**	348.9
Goodwill	**825.9**	828.5
Other intangible assets	**1,387.2**	1,392.3
Deferred tax assets	**123.0**	124.2
Derivative financial instruments	**15.9**	—
Other assets and receivables	**64.0**	65.7
Total non-current assets	**2,900.4**	2,914.7
Current Assets		
Inventories	**406.2**	348.4
Trade and other receivables	**210.4**	206.2
Prepaid expenses and other assets	**66.0**	60.2
Cash and cash equivalents	**1,057.0**	1,324.8
Total current assets	**1,739.6**	1,939.6
Total assets	**4,640.0**	4,854.3
Equity and Liabilities		
Equity:		
Share capital	**14.4**	14.4
Reserves	**715.2**	675.3
Total equity attributable to equity holders	**729.6**	689.7
Non-controlling interests	**40.7**	36.9
Total equity	**770.3**	726.6
Non-Current Liabilities		
Loans and borrowings	**2,457.0**	2,682.0
Lease liabilities	**287.6**	302.8
Employee benefits	**30.5**	28.1
Non-controlling interest put options	**52.1**	47.2
Deferred tax liabilities	**147.0**	140.4
Derivative financial instruments	**—**	3.4
Other liabilities	**5.6**	6.1
Total non-current liabilities	**2,979.8**	3,210.0
Current Liabilities		
Loans and borrowings	**62.0**	60.7
Current portion of long-term loans and borrowings	**51.6**	46.6
Current portion of lease liabilities	**127.2**	131.2
Employee benefits	**72.9**	92.9
Trade and other payables	**525.3**	529.0
Current tax liabilities	**50.9**	57.3
Total current liabilities	**889.9**	917.7
Total liabilities	**3,869.7**	4,127.7
Total equity and liabilities	**4,640.0**	4,854.3
Net current assets	**849.7**	1,021.9
Total assets less current liabilities	**3,750.1**	3,936.6

Consolidated Statements of Changes in Equity

(Expressed in millions of US Dollars, except number of shares)	Number of shares	Share capital	Reserves: Additional paid-in capital	Reserves: Translation reserve	Reserves: Other reserves	Reserves: Retained earnings / (accumulated deficit)	Total equity attributable to equity holders	Non-controlling interests	Total equity
Three months ended March 31, 2022									
Balance, January 1, 2022	**1,436,905,063**	**14.4**	**1,066.3**	**(66.5)**	**78.2**	**(402.7)**	**689.7**	**36.9**	**726.6**
Profit for the period	**—**	**—**	**—**	**—**	**—**	**16.4**	**16.4**	**4.8**	**21.2**
Other comprehensive income (loss):									
Changes in fair value of hedges, net of tax	**—**	**—**	**—**	**—**	**14.9**	**—**	**14.9**	**(0.1)**	**14.8**
Foreign currency translation gains for foreign operations	**—**	**—**	**—**	**9.0**	**—**	**—**	**9.0**	**0.1**	**9.1**
Total comprehensive income for the period	**—**	**—**	**—**	**9.0**	**14.9**	**16.4**	**40.3**	**4.8**	**45.1**
Transactions with owners recorded directly in equity:									
Change in fair value of put options included in equity	**—**	**—**	**—**	**—**	**—**	**(3.3)**	**(3.3)**	**—**	**(3.3)**
Share-based compensation expense	**—**	**—**	**—**	**—**	**2.9**	**—**	**2.9**	**—**	**2.9**
Exercise of share options	**8,094**	**0.0**	**0.0**	**—**	**—**	**—**	**0.0**	**—**	**0.0**
Dividends paid to non-controlling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(1.0)**	**(1.0)**
Balance, March 31, 2022	**1,436,913,157**	**14.4**	**1,066.3**	**(57.5)**	**96.0**	**(389.6)**	**729.6**	**40.7**	**770.3**

Consolidated Statements of Changes in Equity (continued)

(Expressed in millions of US Dollars, except number of shares)	Number of shares	Share capital	Reserves: Additional paid-in capital	Reserves: Translation reserve	Reserves: Other reserves	Retained earnings / (accumulated deficit)	Total equity attributable to equity holders	Non-controlling interests	Total equity
Three months ended March 31, 2021									
Balance, January 1, 2021	1,434,880,447	14.3	1,061.1	(77.2)	48.6	(412.7)	634.1	34.9	669.0
Profit (loss) for the period	—	—	—	—	—	(72.7)	(72.7)	1.5	(71.2)
Other comprehensive income (loss):									
Changes in fair value of hedges, net of tax	—	—	—	—	10.7	—	10.7	0.0	10.7
Foreign currency translation gains (losses) for foreign operations	—	—	—	7.8	—	—	7.8	(0.7)	7.1
Total comprehensive income (loss) for the period	—	—	—	7.8	10.7	(72.7)	(54.2)	0.8	(53.4)
Transactions with owners recorded directly in equity:									
Change in fair value of put options included in equity	—	—	—	—	—	0.3	0.3	—	0.3
Share-based compensation expense	—	—	—	—	1.4	—	1.4	—	1.4
Balance, March 31, 2021	1,434,880,447	14.3	1,061.1	(69.4)	60.7	(485.1)	581.6	35.7	617.3

Consolidated Statements of Cash Flows

(Expressed in millions of US Dollars)	Three months ended March 31, 2022	2021
Cash flows from operating activities:		
Profit (loss) for the period	**21.2**	(71.2)
Adjustments to reconcile profit (loss) for the period to net cash used in operating activities:		
Depreciation	**9.3**	13.0
Amortization of intangible assets	**6.0**	8.2
Amortization of lease right-of-use assets	**30.1**	30.8
Impairment Charges (inclusive of amounts in cost of sales)	**0.8**	—
Change in fair value of put options included in finance costs	**1.6**	(2.3)
Non-cash share-based compensation	**2.9**	1.4
Interest expense on borrowings and lease liabilities	**27.9**	36.2
Income tax expense (benefit)	**8.0**	(10.6)
	107.8	5.5
Changes in operating assets and liabilities:		
Trade and other receivables	**(3.3)**	11.8
Inventories	**(59.3)**	13.1
Other current assets	**(5.4)**	(2.0)
Trade and other payables	**(23.3)**	(11.9)
Other assets and liabilities	**2.7**	7.1
Cash generated from operating activities	**19.2**	23.6
Interest paid on borrowings and lease liabilities	**(22.5)**	(29.4)
Income tax paid	**(11.7)**	(12.4)
Net cash used in operating activities	**(15.0)**	(18.2)
Cash flows from investing activities:		
Purchases of property, plant and equipment	**(4.8)**	(1.9)
Other intangible asset additions	**(1.0)**	(0.2)
Net cash used in investing activities	**(5.8)**	(2.1)
Cash flows from financing activities:		
Payments on term loan facilities	**(57.9)**	(8.2)
Payments on Amended Revolving Credit Facility	**(150.0)**	—
Proceeds from other loans and borrowings	**2.5**	1.9
Principal payments on lease liabilities	**(36.6)**	(44.2)
Proceeds from the exercise of share options	**0.0**	—
Dividend payments to non-controlling interests	**(1.0)**	—
Net cash used in financing activities	**(243.0)**	(50.5)
Net decrease in cash and cash equivalents	**(263.8)**	(70.8)
Cash and cash equivalents, at beginning of period	**1,324.8**	1,495.0
Effect of exchange rate changes	**(4.0)**	(6.3)
Cash and cash equivalents, at end of period	**1,057.0**	1,417.9

Management Discussion and Analysis
For the Three Months Ended March 31, 2022
Impact of COVID-19

In this announcement, certain financial results for the three months ended March 31, 2022 are compared to both the three months ended March 31, 2021 and the three months ended March 31, 2019. Comparisons to the first quarter of March 31, 2019 are provided because it is the most recently ended comparable quarter during which the Company's results were not affected by COVID-19.

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

While navigating through the challenges caused by COVID-19, the health and safety of the Group's employees and their families, as well as its customers and business partners, has been and will continue to be the Group's top priority. While the COVID-19 pandemic has had adverse impacts on the Group's business, financial condition and results of operations, the impacts are subsiding in most countries. The Group's actions to enhance and preserve liquidity and reduce expenses are discussed in greater detail below.

During the first quarter of 2022, the Group's constant currency net sales performance (when compared to the corresponding quarter in 2019 and excluding the net sales of Speck) continued its sequential quarterly improvement. For the three months ended March 31, 2022, the Group recorded a net sales decline of 31.1% (-27.6% constant currency) when compared to the three months ended March 31, 2019. When excluding the net sales of Speck for the first quarter of 2019, consolidated net sales decreased by 28.7% (-25.2% constant currency) for the three months ended March 31, 2022 compared to the three months ended March 31, 2019. The Group continued to experience improved constant currency sales trends during the three months ended March 31, 2022 despite an increase in COVID-19 cases and the resulting reinstatement of travel restrictions and social distancing measures in certain markets, particularly in Asia, that temporarily slowed the Group's net sales recovery in January 2022. However, net sales performance improved in February and March 2022 as the effects of the COVID-19 pandemic on demand for the Group's products moderated due to the continued rollout and effectiveness of vaccines leading governments in many countries to further loosen social-distancing, travel and other restrictions, which has led to the continuing recovery in travel. The Group continues to manage through inventory replenishment delays, particularly in North America, that slowed the pace of recovery during the first quarter of 2022.

The improved constant currency net sales trends observed during the first quarter of 2022 continued the Group's net sales recovery that began to accelerate during the second half of 2021. During 2020 and through the first half of 2021, certain measures required or recommended by governments (including social-distancing and travel restrictions, quarantines and lockdowns) resulted in temporary closures of certain retail stores in which the Company's products were sold and significant reductions in travel and discretionary spending among consumers led to reduced demand for many of the Group's products.

During 2021, the Group's quarterly net sales performance (when compared to the corresponding quarter in 2019) improved each quarter. During the fourth quarter of 2021, the Group's net sales decline narrowed to 30.9% (-30.2% constant currency) when compared to the fourth quarter of 2019; when excluding the net sales of Speck for October through December 2019, consolidated net sales decreased by 28.8% (-28.0% constant currency), for the fourth quarter of 2021 compared to the fourth quarter of 2019. This encouraging trend continued from the third quarter of 2021, when the decline in the Group's net sales narrowed to 37.3% (-37.6% constant currency), when excluding the net sales of Speck for August and September 2019, compared to the third quarter of 2019; from the second quarter of 2021, when the Group's net sales decreased by 51.8% (-52.2% constant currency) compared to the second quarter of 2019; and from the first quarter of 2021, when the Group's net sales decreased by 57.4% (-57.3% constant currency) compared to the first quarter of 2019.

During 2020, in order to strengthen the Company's financial flexibility in response to the COVID-19 Impacts, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into certain amendments to the Group's credit agreement that increased the maximum borrowings under the Group's revolving credit facility by US$200.0 million to US$850.0 million and provided for the 2020 Incremental Term Loan B Facility (as defined in Management Discussion and Analysis - Indebtedness) in the aggregate principal amount of US$600.0 million. The

Group borrowed US$810.3 million (US Dollar equivalent at the applicable exchange rate on the borrowing date) under its Amended Revolving Credit Facility (as defined in Management Discussion and Analysis - Indebtedness) on March 20, 2020 and US$600.0 million under the 2020 Incremental Term Loan B Facility on May 7, 2020. The amendment to the Group's credit agreement entered into on April 29, 2020 suspended the requirement for the Group to test certain financial covenants under its credit agreement from the beginning of the second quarter of 2020 through the end of the second quarter of 2021 and, for each of the three quarters beginning with the third quarter of 2021 and ending with the first quarter of 2022, the Company has elected to use Consolidated Adjusted EBITDA (as defined in Management Discussion and Analysis - Indebtedness) from the first two quarters of 2019 and fourth quarter of 2019 (the "Historical EBITDA") (instead of actual Consolidated Adjusted EBITDA from the fourth quarter of 2020 and the first two quarters of 2021) to calculate compliance with the Financial Covenants (as defined in Management Discussion and Analysis - Indebtedness). During the Suspension Period (as defined in Management Discussion and Analysis - Indebtedness), the Company was required to comply with a minimum liquidity covenant of US$500.0 million and the Group was subject to additional restrictions on its ability to incur indebtedness and make restricted payments (including payments of distributions or dividends to the Company's shareholders) and investments. The minimum liquidity covenant will remain in effect for so long as the Company uses the Historical EBITDA to calculate compliance with the Financial Covenants.

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

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

As of March 31, 2022, the carrying amount of the Group's loans and borrowings was US$2,570.7 million, net of US$11.1 million in deferred financing costs. During the three months ended March 31, 2022, the Group repaid US$207.9 million of outstanding borrowings under its Amended Senior Credit Facilities (as defined in Management Discussion and Analysis - Indebtedness), consisting of US$200.0 million in voluntary prepayments and US$7.9 million in required quarterly amortization payments. The prepayment of US$200.0 million was comprised of a US$150.0 million prepayment of borrowings under the Amended Revolving Credit Facility, a US$25.0 million prepayment of borrowings under the Amended Term Loan A Facility (as defined in Management Discussion and Analysis - Indebtedness) and a US$25.0 million prepayment of borrowings under the 2021 Incremental Term Loan B Facility.

Cash and cash equivalents held by the Group amounted to US$1,057.0 million as of March 31, 2022. Along with US$329.7 million available to be borrowed on the Group's Amended Revolving Credit Facility, the Group had total liquidity of US$1,386.7 million as of March 31, 2022.

During the three months ended March 31, 2022, the Group continued to realize fixed cost savings from actions taken during 2020 and 2021, primarily headcount reductions and savings from closing stores. These fixed cost savings have been reflected as reductions in the Group's cost of sales, distribution expenses and general and administrative expenses reported in the consolidated statements of income (loss).

While the COVID-19 pandemic has had adverse impacts on the Group's business, financial condition and results of operations, the impacts are subsiding in most countries. Given the Group's experience with prior disruptions to travel and actions taken to improve profitability, the Company believes the Group will continue to effectively manage through the current environment, although the recovery has taken longer than prior disruptions. The Company believes that its existing cash and estimated cash flows will be adequate to meet the foreseeable future operating and capital requirements of the Group at least through May 31, 2023. There can be no assurances, however, that the Group's liquidity will be sufficient or that the Group may not need to access additional financing.

Net Sales

Net sales increased by US$218.9 million, or 61.7% (+67.7% constant currency), during the three months ended March 31, 2022 compared to the three months ended March 31, 2021. On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck. When excluding the net sales of Speck for January through March 2021, consolidated net sales increased by US$233.6 million, or 68.7% (+74.9% constant currency), for the three months ended March 31, 2022 compared to the same period in the previous year.

During the first quarter of 2022, the Group's constant currency net sales performance (when compared to the corresponding quarter in 2019 and excluding the net sales of Speck) continued its sequential quarterly improvement. For the three months ended March 31, 2022, the Group recorded a net sales decline of 31.1% (-27.6% constant currency) when compared to the three months ended March 31, 2019. When excluding the net sales of Speck for the first quarter of 2019, consolidated net sales decreased by 28.7% (-25.2% constant currency) for the three months ended March 31, 2022 compared to the three months ended March 31, 2019. The Group continued to experience improved constant currency sales trends during the three months ended March 31, 2022 despite an increase in COVID-19 cases and the resulting reinstatement of travel restrictions and social distancing measures in certain markets, particularly in Asia, that temporarily slowed the Group’s net sales recovery in January 2022. However, net sales performance improved in February and March 2022 as the effects of the COVID-19 pandemic on demand for the Group's products moderated due to the continued rollout and effectiveness of vaccines leading governments in many countries to further loosen social-distancing, travel and other restrictions, which has led to the continuing recovery in travel. The Group continues to manage through inventory replenishment delays, particularly in North America, that slowed the pace of recovery during the first quarter of 2022.

The Company suspended all commercial activities in Russia with effect from March 14, 2022 due to the war in Ukraine. When excluding the net sales of Speck and the net sales in Russia for April 2019, the decline in the Group's net sales for April 2022 compared to April 2019 further moderated versus the 28.7% (-25.2% constant currency) decline in the first quarter of 2022 when compared to the first quarter of 2019. The consolidated net sales results for the month ended April 30, 2022 were also negatively impacted by the ongoing travel restrictions and social distancing measures in certain markets, particularly in China, and also due to some inventory replenishment delays in North America.

During 2021, the Group's quarterly net sales performance (when compared to the corresponding quarter in 2019) improved each quarter. During the fourth quarter of 2021, the Group’s net sales decline narrowed to 30.9% (-30.2% constant currency) when compared to the fourth quarter of 2019; when excluding the net sales of Speck for October through December 2019, consolidated net sales decreased by 28.8% (-28.0% constant currency), for the fourth quarter of 2021 compared to the fourth quarter of 2019. This encouraging trend continued from the third quarter of 2021, when the decline in the Group’s net sales narrowed to 37.3% (-37.6% constant currency), when excluding the net sales of Speck for August and September 2019, compared to the third quarter of 2019; from the second quarter of 2021, when the Group's net sales decreased by 51.8% (-52.2% constant currency) compared to the second quarter of 2019; and from the first quarter of 2021, when the Group's net sales decreased by 57.4% (-57.3% constant currency) compared to the first quarter of 2019.

Net Sales by Region

The following table sets forth a breakdown of net sales by region for the three months ended March 31, 2022 and March 31, 2021, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,					
	2022		2021		2022 vs 2021	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[4]
Net sales by region[1]:						
North America[2]	**215.8**	**37.6 %**	127.2	35.9 %	69.6 %	69.5 %
Asia	**185.7**	**32.4 %**	156.4	44.1 %	18.8 %	22.2 %
Europe	**126.5**	**22.0 %**	51.5	14.5 %	145.5 %	169.7 %
Latin America	**45.3**	**7.9 %**	19.3	5.4 %	134.7 %	151.9 %
Corporate	**0.4**	**0.1 %**	0.3	0.1 %	24.8 %	24.8 %
Net sales[3]	**573.6**	**100.0 %**	354.7	100.0 %	61.7 %	67.7 %

Notes

(1) The geographic location of the Group's net sales generally reflects the country/territory from which its products were sold and does not necessarily indicate the country/territory in which its end consumers were actually located.
(2) On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck. When excluding the net sales of Speck for January through March 2021, net sales in North America increased by US$103.2 million, or 91.7% (+91.6% constant currency), for the three months ended March 31, 2022 compared to the same period in the previous year.
(3) When excluding the net sales of Speck for January through March 2021, consolidated net sales increased by US$233.6 million, or 68.7% (+74.9% constant currency), for the three months ended March 31, 2022 compared to the same period in the previous year.
(4) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

Brands

The following table sets forth a breakdown of net sales by brand for the three months ended March 31, 2022 and March 31, 2021, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,					
	2022		2021		2022 vs 2021	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[3]
Net sales by brand:						
Samsonite	**270.7**	**47.2 %**	149.9	42.3 %	80.6 %	87.9 %
Tumi	**129.0**	**22.5 %**	81.7	23.0 %	57.9 %	61.1 %
American Tourister	**108.3**	**18.9 %**	59.0	16.6 %	83.7 %	89.6 %
Gregory	**15.1**	**2.6 %**	15.8	4.5 %	(4.0)%	0.0 %
Speck[1]	**—**	**— %**	14.7	4.1 %	(100.0)%	(100.0)%
Other[2]	**50.5**	**8.8 %**	33.8	9.5 %	49.5 %	59.7 %
Net sales	**573.6**	**100.0 %**	354.7	100.0 %	61.7 %	67.7 %

Notes
(1) On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck, including the *Speck* brand.
(2) "Other" includes certain other brands owned by the Group, such as *High Sierra*, *Kamiliant*, *ebags*, *Xtrem*, *Lipault*, *Hartmann*, *Saxoline* and *Secret*, as well as third-party brands sold through the Group's Rolling Luggage and Chic Accent retail stores.
(3) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

The Group's core brands all recorded year-on-year net sales increases during the three months ended March 31, 2022. Net sales of the *Samsonite* brand during the three months ended March 31, 2022 increased by US$120.8 million, or 80.6% (+87.9% constant currency), year-on-year, driven by increases in all the Group's regions. Net sales of the *Tumi* brand during the three months ended March 31, 2022 increased by US$47.3 million, or 57.9% (+61.1% constant currency), year-on-year, despite inventory replenishment delays during the quarter. The increase in *Tumi* brand net sales was driven by a US$37.3 million increase in North America, a US$5.6 million increase in Asia, a US$3.9 million increase in Europe and a US$0.6 million increase in Latin America. Net sales of the *American Tourister* brand increased by US$49.3 million, or 83.7% (+89.6% constant currency), for the three months ended March 31, 2022 compared to the three months ended March 31, 2021, with increases in all the Group's regions.

Product Categories

The Group sells products in two principal product categories: travel and non-travel. The following table sets forth a breakdown of net sales by product category for the three months ended March 31, 2022 and March 31, 2021, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,					
	2022		2021		2022 vs 2021	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[3]
Net sales by product category:						
Travel	**350.4**	**61.1 %**	173.8	49.0 %	101.6 %	108.1 %
Non-travel[1], [2]	**223.3**	**38.9 %**	180.9	51.0 %	23.4 %	28.8 %
Net sales	**573.6**	**100.0 %**	354.7	100.0 %	61.7 %	67.7 %

Notes
(1) The non-travel category includes business, casual, accessories and other products.
(2) On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck. When excluding the applicable net sales of Speck for January through March 2021, non-travel product category net sales increased by US$57.0 million, or 34.3% (+40.1% constant currency), for the three months ended March 31, 2022 compared to the same period in the previous year.
(3) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

Net sales in the travel product category during the three months ended March 31, 2022 increased by US$176.6 million, or 101.6% (+108.1% constant currency), compared to the three months ended March 31, 2021. With continued progress in the rollout and effectiveness of vaccines against COVID-19, domestic and regional travel continued to rebound, particularly in North America and Europe, helping to drive the net sales recovery in the travel product category. Total non-travel category net sales, which includes business, casual, accessories and other products, increased by US$42.4 million, or 23.4% (+28.8% constant currency) for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. When excluding the applicable net sales of Speck for January through March 2021, non-travel product category net sales increased by US$57.0 million, or 34.3% (+40.1% constant currency), for the three months ended March 31, 2022 compared to the same period in the previous year.

Net sales of business products increased by US$30.2 million, or 33.5% (+38.4% constant currency), for the three months ended March 31, 2022 compared to the same period in the previous year. When excluding the applicable net sales of Speck for January through March 2021, business product net sales increased by US$35.0 million, or 41.0% (+46.1% constant currency), for the three months ended March 31, 2022 compared to the same period in the previous year. Net sales of casual products during the three months ended March 31, 2022 increased by US$10.8 million, or 20.8% (+27.1% constant currency), year-on-year. Net sales of accessories products during the three months ended March 31, 2022 decreased by US$0.3 million, or 1.0% but increased on a constant currency basis by 3.6% year-on-year. When excluding the applicable net sales of Speck for January through March 2021, net sales of accessories products increased by US$9.6 million, or 41.3% (+47.8% constant currency), for the three months ended March 31, 2022 compared to the same period in the previous year.

Distribution Channels

The Group sells its products through two primary distribution channels: wholesale and direct-to-consumer ("DTC"). The following table sets forth a breakdown of net sales by distribution channel for the three months ended March 31, 2022 and March 31, 2021, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,					
	2022		2021		2022 vs 2021	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[3]
Net sales by distribution channel:						
Wholesale	**375.2**	**65.4 %**	238.1	67.1 %	57.6 %	62.8 %
DTC[1]	**198.0**	**34.5 %**	116.4	32.8 %	70.2 %	77.7 %
Other[2]	**0.4**	**0.1 %**	0.3	0.1 %	24.8 %	24.8 %
Net sales	**573.6**	**100.0 %**	354.7	100.0 %	61.7 %	67.7 %

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

Net sales in the wholesale channel increased by US$137.2 million, or 57.6% (+62.8% constant currency), during the three months ended March 31, 2022 compared to the three months ended March 31, 2021. Net sales to e-retailers, which are included in the Group's wholesale channel, increased by US$18.4 million, or 62.6% (+66.0% constant currency), during the three months ended March 31, 2022 compared to the same period in the previous year.

Net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, increased by US$81.7 million, or 70.2% (+77.7% constant currency), to US$198.0 million (representing 34.5% of net sales) for the three months ended March 31, 2022 from US$116.4 million (representing 32.8% of net sales) for the three months ended March 31, 2021.

Net sales in the DTC retail channel increased by US$68.5 million, or 90.2% (+99.4% constant currency), during the three months ended March 31, 2022 compared to the same period in the previous year primarily due to an increase in consumer demand and the reopening of the Group's company-operated stores, some of which had been temporarily closed during the same period in the previous year due to COVID-19. During the three months ended March 31, 2022, the Group permanently closed 19 company-operated stores. This was partially offset by the addition of 6 new stores. This resulted in a net reduction of 13 company-operated stores during the three months ended March 31, 2022 compared to a net reduction of 55 company-operated stores during the three months ended March 31, 2021. The total number of company-operated retail stores was 992 as of March 31, 2022 compared to 1,041 company-operated retail stores as of March 31, 2021 and 1,260 company-operated retail stores as of March 31, 2019. As a result of the temporary closure during the first quarter of 2021 of many of the Group's company-operated stores due to the COVID-19 Impacts, the Company believes its year-to-date 2022 comparable store sales metrics may not be representative of the underlying trends of its business. The Company has not included these metrics in its discussion and analysis of net sales.

Total DTC e-commerce net sales increased by US$13.2 million, or 32.6% (+37.0% constant currency), to US$53.6 million (representing 9.3% of net sales) for the three months ended March 31, 2022 from US$40.4 million (representing 11.4% of net sales) for the three months ended March 31, 2021.

During the three months ended March 31, 2022, US$101.4 million of the Group’s net sales were through e-commerce channels (comprising US$53.6 million of net sales from the Group’s DTC e-commerce website, which are included within the DTC channel, and US$47.8 million of net sales to e-retailers, which are included within the wholesale channel). This represented a year-on-year increase of US$31.6 million, or 45.3% (+49.2% constant currency), compared to the three months ended March 31, 2021, when e-commerce comprised US$69.8 million of the Group’s net sales. During the three months ended March 31, 2022, the Group's net sales through e-commerce channels represented 17.7% of total net sales compared to 19.7% of total net sales for the three months ended March 31, 2021. The year-on-year decrease in net sales through e-commerce channels as a percentage of total net sales is primarily due to governments relaxing social-distancing restrictions and markets around the world reopening, which has led many customers to shop in person again rather than online.

Regions

North America

The Group's net sales in North America increased by US$88.5 million, or 69.6% (+69.5% constant currency), for the three months ended March 31, 2022 compared to the three months ended March 31, 2021 due to relaxed social-distancing restrictions, markets reopening and domestic travel continuing to rebound in both the United States and Canada; the net sales increase was partially offset by some slower stock replenishment due to shipping delays. On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck. Excluding the net sales of Speck for January through March 2021, net sales in North America increased by US$103.2 million, or 91.7% (+91.6% constant currency), for the three months ended March 31, 2022 compared to the same period in the previous year.

For the three months ended March 31, 2022, the Group recorded a net sales decline of 28.5% (-28.6% constant currency) in North America when compared to the three months ended March 31, 2019. When excluding the net sales of Speck for January through March 2019, net sales in North America decreased by 21.5% (-21.6% constant currency) for the three months ended March 31, 2022 compared to the three months ended March 31, 2019. The impact from continued shipping delays temporarily slowed the net sales recovery.

When excluding the net sales of Speck in North America for April 2019, the decline in the Group's net sales for April 2022 compared to the same period in 2019 further moderated versus the 21.5% (-21.6% constant currency) decline recorded in the first quarter of 2022 compared to the first quarter of 2019, despite some inventory replenishment delays.

During 2021, the Group's quarterly net sales performance in North America (when compared to the corresponding quarter in 2019) experienced sequential improvement. During the fourth quarter of 2021, the Group’s net sales decline, when excluding the net sales of Speck for October through December 2019, narrowed to 21.1% (-21.3% constant currency), for the fourth quarter of 2021 compared to the fourth quarter of 2019. This encouraging trend continued from the third quarter of 2021, when the decline in the Group’s net sales narrowed to 29.7% (-29.9% constant currency), when excluding the net sales of Speck for August and September 2019, compared to the third quarter of 2019, due to continued progress in the vaccination rollout and increased demand for domestic travel; from the second quarter of 2021, when the Group's net sales decreased by 44.2% (-44.3% constant currency) compared to the second quarter of 2019; and from the first quarter of 2021, when the Group's net sales decreased by 57.8% (-57.9% constant currency) compared to the first quarter of 2019, as the net sales recovery was temporarily slowed by a resurgence in COVID-19 cases.

For the three months ended March 31, 2022, net sales of the *Samsonite* brand in North America increased by US$43.9 million, or 86.6% (+86.5% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand during the three months ended March 31, 2022 increased by US$37.3 million, or 98.1% (+98.1% constant currency), primarily due to the strong recovery in the Group's company-operated full price retail stores and DTC e-commerce sales. Net sales of the *American Tourister* brand during the three months ended March 31, 2022 increased by US$20.4 million, or 178.0% (+178.0% constant currency), compared to the three months ended March 31, 2021. Net sales of the *Gregory* brand increased by US$0.3 million, or 4.7% (+4.7% constant currency), compared to the same period in the previous year.

For the three months ended March 31, 2022, net sales in the United States increased by US$82.4 million, or 66.5%, year-on-year. When excluding the net sales of Speck for January through March 2021, net sales in the United States increased by US$97.1 million, or 88.8%, for the three months ended March 31, 2022 compared to the same period in the previous year. For the three months ended March 31, 2022, net sales in Canada increased by US$6.1 million, or 191.0% (+189.4% constant currency), year-on-year as restrictions on social distancing eased and markets reopened.

Compared to the first quarter of 2019, net sales in the United States during the first quarter of 2022 decreased by 28.2% and by 20.8% when excluding the net sales of Speck for January through March 2019. For the three months ended March 31, 2022, net sales in Canada decreased by 34.1% (-37.2% constant currency) compared to the same period in 2019.

Asia

The Group's net sales in Asia increased by US$29.3 million, or 18.8% (+22.2% constant currency), for the three months ended March 31, 2022 compared to the three months ended March 31, 2021.

While the rise in COVID-19 cases and the resulting reinstatement of travel restrictions and social distancing measures in certain markets in Asia temporarily slowed the net sales recovery in the region during January 2022, sales performance improved in February and March 2022. For the three months ended March 31, 2022, the Group recorded a net sales decline of 39.6% (-38.6% constant currency) in Asia when compared to the three months ended March 31, 2019. This represents a slight improvement compared to the constant currency net sales decline between the fourth quarter of 2021 and the fourth quarter of 2019. While most countries/territories within the Asia region have reopened markets and are experiencing increased travel, the Chinese government has reinstated travel restrictions and social distancing measures with lockdowns in adherence with its zero-COVID policy. When excluding the net sales of China for the three months ended March 31, 2022 and March 31, 2019, the Group's net sales in Asia decreased by 41.6% (-39.2% constant currency).

The decline in the Group's net sales in Asia for April 2022 compared to the same period in 2019 increased slightly versus the 39.6% (-38.6% constant currency) decline recorded in the first quarter of 2022 compared to the first quarter of 2019 as renewed lockdowns and travel restrictions temporarily slowed recovery in China. When excluding the net sales of China for April 2022 and April 2019, the Group's net sales in Asia noticeably improved versus the 41.6% (-39.2% constant currency) decline recorded in the first quarter of 2022 when compared to the same period in 2019, as the pace of net sales recovery accelerated as governments relaxed travel and other restrictions.

During 2021, the Group's quarterly net sales performance in Asia (when compared to the corresponding quarter in 2019) experienced improvement. During the fourth quarter of 2021, the Group’s net sales decline narrowed to 38.9% (-39.3% constant currency) when compared to the fourth quarter of 2019. This encouraging trend continued from the third quarter of 2021 when the net sales decline narrowed to 47.8% (-48.7% constant currency) compared to the third quarter of 2019. The net sales performance during the second quarter of 2021 temporarily slowed with the decline in net sales of 54.9% (-56.0% constant currency) when compared to the second quarter of 2019, due to resurgences of COVID-19 cases, particularly in India, and the relatively slower vaccination rollout in important markets such as Japan and South Korea. The Group's net sales during the first quarter of 2021 decreased by 49.2% (-49.9% constant currency) compared to the first quarter of 2019.

For the three months ended March 31, 2022, net sales of the *Samsonite* brand increased by US$13.1 million, or 20.8% (+23.8% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand during the three months ended March 31, 2022 increased by US$5.6 million, or 15.9% (+19.6% constant currency), year-on-year. Net sales of the *American Tourister* brand during the three months ended March 31, 2022 increased by US$9.0 million, or 23.2% (+26.2% constant currency), compared to the three months ended March 31, 2021. Net sales of the *Gregory* brand decreased by US$0.3 million, or 4.8% but increased on a constant currency basis by 2.6% year-on-year.

Net sales in India increased by US$11.0 million, or 33.9% (+37.2% constant currency), for the three months ended March 31, 2022 compared to the same period in the previous year, primarily due to the removal of all travel restrictions and further loosening of other social distancing measures. Net sales in Australia increased by US$5.2 million, or 128.2%

(+140.7% constant currency), compared to the same period in the previous year as the Australian government ended lockdown restrictions and opened the country's borders. Net sales in South Korea increased by US$3.7 million, or 20.6% (+29.9% constant currency), year-on-year. Total net sales reported for Hong Kong (which comprises net sales made in the domestic Hong Kong market, Macau and to distributors in certain other Asian markets) increased by US$3.0 million, or 24.1% (+24.4% constant currency), year-on-year. Net sales in Japan increased by US$3.0 million, or 13.4% (+24.3% constant currency), year-on-year. These year-on-year net sales increases were partially offset by a decrease in China of US$5.2 million, or 10.3% (-12.1% constant currency), year-on-year, due to renewed lockdowns and continued restrictions on travel. When excluding China's net sales for the three months ended March 31, 2022 and March 31, 2021, net sales in Asia increased by US$34.6 million, or 32.8% (+38.7% constant currency), year-on-year.

India reported a net sales increase during the first quarter of 2022 compared to the same period in 2019 (+27.7%; +36.4% constant currency) while the rest of the Group’s main markets in Asia continued to report net sales decreases when comparing these same time periods, including: China (-32.4%; -36.4% constant currency), Japan (-50.0%; -47.3% constant currency), South Korea (-59.8%; -56.9% constant currency) and Hong Kong (-60.1%; -60.1% constant currency).

Europe

The Group's net sales in Europe increased by US$75.0 million, or 145.5% (+169.7% constant currency), for the three months ended March 31, 2022 compared to the three months ended March 31, 2021.

While the rise in COVID-19 cases temporarily slowed the net sales recovery in Europe in January 2022, sales performance improved in February and March 2022. The Company's operations in Russia, including sales to wholesale customers, sales at its company-operated retail stores and DTC e-commerce sales have been suspended with effect from March 14, 2022, due to the Russia-Ukraine war. This suspension did not have a significant impact on net sales in Europe during the first quarter of 2022, and the Group's net sales performance in Europe (when compared to the first quarter in 2019) continued the trend of quarterly improvements. For the three months ended March 31, 2022 the Group recorded a net sales decline of 27.7% (-21.5% constant currency) in Europe when compared to the three months ended March 31, 2019. This represents a continued improvement compared to the net sales decline between the fourth quarter of 2021 and the fourth quarter of 2019.

When excluding the net sales in Russia for April 2019, the decline in the Group's net sales in Europe for April 2022 compared to the same period in 2019 noticeably improved versus the 27.7% (-21.5% constant currency) decline recorded in the first quarter of 2022 compared to the first quarter of 2019.

During 2021, the Group's quarterly net sales performance in Europe (when compared to the corresponding quarter in 2019) experienced sequential improvement. During the fourth quarter of 2021, the Group’s net sales decline narrowed to 29.4% (-28.4% constant currency) when compared to the fourth quarter of 2019. This encouraging trend continued from the third quarter of 2021 when the net sales decline narrowed quickly to 33.8% (-35.5% constant currency) compared to the third quarter of 2019. During the second quarter of 2021, the Group's net sales decline narrowed to 59.4% (-60.4% constant currency) when compared to the second quarter of 2019, as travel restrictions began to ease in June 2021, and from the first quarter of 2021, when the decline in the Group's net sales was 70.5% (-70.9% constant currency), when compared to the first quarter of 2019, as the net sales recovery was temporarily slowed by a resurgence in COVID-19 cases.

For the three months ended March 31, 2022, net sales of the *Samsonite* brand increased by US$53.0 million, or 168.8% (+195.7% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand during the three months ended March 31, 2022 increased by US$3.9 million, or 50.9% (+68.0% constant currency), year-on-year. Net sales of the *American Tourister* brand during the three months ended March 31, 2022 increased by US$15.8 million, or 227.6% (+257.6% constant currency), compared to the three months ended March 31, 2021.

Net sales in the United Kingdom increased by US$9.7 million, or 480.4% (+498.4% constant currency), year-on-year. Net sales in Germany increased by US$9.4 million, or 158.3% (+177.3% constant currency), for the three months ended March 31, 2022 compared to the same period in the previous year. Spain's net sales increased by US$7.8 million, or 223.7% (+247.7% constant currency), year-on-year. Italy's net sales increased by US$7.1 million, or 127.4% (+144.2% constant currency), compared to the three months ended March 31, 2021. Net sales in France increased by US$6.5 million, or 121.9% (+138.4% constant currency), compared to the same period in the previous year.

All of the Group’s key markets in Europe recorded net sales decreases during the first quarter of 2022 compared to the first quarter of 2019 including: Germany (-44.3%; -43.5% constant currency), Italy (-36.9%; -36.0% constant currency), France (-34.4%; -33.5% constant currency), Spain (-23.1%; -22.0% constant currency) and United Kingdom (-30.2%; -31.7% constant currency).

Latin America
The Group’s net sales in Latin America increased by US$26.0 million, or 134.7% (+151.9% constant currency), for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. During the first quarter of 2022, the Group's net sales decreased by 3.4% but increased on a constant currency basis by 28.7% when compared to the first quarter of 2019, which continued the trend of sequential quarterly net sales improvements in the region.

The Group's net sales in Latin America for April 2022 compared to the same period in 2019 noticeably improved versus the 3.4% decline (+28.7% constant currency growth) recorded in the first quarter of 2022 compared to the first quarter of 2019.

During 2021, the Group's quarterly net sales performance (when compared to the corresponding quarter in 2019) in Latin America experienced sequential improvement. During the fourth quarter of 2021, the Group’s net sales decreased by 8.0%, but increased on a constant currency basis by 7.7% when compared to the fourth quarter of 2019. This encouraging trend continued from the third quarter of 2021 when the net sales decline narrowed quickly to 26.1% (-14.6% constant currency) compared to the third quarter of 2019. During the second quarter of 2021, the Group's net sales decline was 55.5% (-48.9% constant currency) when compared to the second quarter of 2019, as net sales performance began to show some signs of improvement, and from the first quarter of 2021, when the decline in the Group's net sales was 58.8% (-51.1% constant currency), when compared to the first quarter of 2019, as the net sales recovery was temporarily slowed by a resurgence in COVID-19 cases.

For the three months ended March 31, 2022, net sales of the *Samsonite* brand in Latin America increased by US$10.8 million, or 227.2% (+241.9% constant currency), compared to the same period in the previous year. For the three months ended March 31, 2022, net sales of the *Tumi* brand in Latin America increased by US$0.6 million, or 71.0% (+69.0% 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, 2022 increased by US$4.1 million, or 232.9% (+246.2% constant currency), compared to the three months ended March 31, 2021. Net sales of the *Saxoline* brand increased by US$0.9 million, or 17.8% (+30.1% constant currency), year-on-year. Net sales of the *Xtrem* brand increased by US$9.4 million, or 194.3% (+226.3% constant currency), compared to the same period in the previous year.

Net sales in Chile increased by US$9.2 million, or 78.7% (+98.7% constant currency), during the three months ended March 31, 2022 compared to the same period in the previous year. Net sales in Mexico increased by US$6.7 million, or 221.3% (+219.5% constant currency), year-on-year. Net sales in Brazil increased by US$2.6 million, or 175.4% (+160.9% constant currency), year-on-year.

All of the Group’s key markets in Latin America recorded net sales decreases during the first quarter of 2022 compared to the first quarter of 2019 including: Chile (-6.2%, but increased by 13.7% on a constant currency basis), Mexico (-14.6%; -9.8% constant currency) and Brazil (-6.2%, but increased by 29.8% on a constant currency basis).

Cost of Sales and Gross Profit
Cost of sales increased by US$78.0 million, or 42.8%, to US$259.9 million (representing 45.3% of net sales) for the three months ended March 31, 2022 from US$182.0 million (representing 51.3% of net sales) for the three months ended March 31, 2021. Although cost of sales was negatively impacted by an increase in global freight and raw material costs, the Group has leveraged its long-standing relationships with suppliers to mitigate the effects of cost increases where possible, and the Group implemented price increases during the latter part of 2021 in most markets to offset the resulting margin pressure.

Gross profit increased by US$141.0 million, or 81.6%, to US$313.7 million for the three months ended March 31, 2022 from US$172.7 million for the three months ended March 31, 2021 due to increased sales year over year. Gross profit margin increased to 54.7% for the three months ended March 31, 2022 from 48.7% for the same period in the previous year. The increase in gross profit margin was attributable to (i) price increases on the Group's products implemented during the latter part of 2021 in order to mitigate increased product, freight and duty costs, (ii) lower promotional discounts and (iii) lower provisions for inventory reserves year-on-year. The improvement in gross profit margin during the three months ended March 31, 2022 was tempered by the non-renewal of the Generalized System of Preferences program in the United States ("GSP") since January 2021, which has resulted in increased duty costs on goods imported to the United States from countries that were beneficiaries of GSP. The negative impact of the expiration of GSP on gross profit margin during the three months ended March 31, 2022 increased compared to the three months ended March 31, 2021 as a majority of the first quarter 2021 net sales in the United States were from goods imported before the expiration of GSP. The Group has implemented price increases in markets around the world to mitigate the pressure on the Group's gross profit margin. The devaluation of many currencies to the US Dollar also had a negative impact on gross profit margin.

Distribution Expenses

Distribution expenses increased by US$21.8 million, or 13.6%, to US$182.0 million (representing 31.7% of net sales) for the three months ended March 31, 2022 from US$160.2 million (representing 45.2% of net sales) for the three months ended March 31, 2021. Distribution expenses for the three months ended March 31, 2022 decreased by 40.4% compared to the three months ended March 31, 2019, and as a percentage of net sales decreased by 500 basis points from 36.7% for the three months ended March 31, 2019. Distribution expenses as a percentage of net sales for the three months ended March 31, 2022 compared to both the three months ended March 31, 2021 and March 31, 2019 decreased primarily due to the increase in net sales and the actions taken by management to reduce the fixed cost structure of the business. See Management Discussion and Analysis - Impact of COVID-19 for further discussion.

Marketing Expenses

The Group spent US$24.1 million on marketing during the three months ended March 31, 2022 compared to US$10.7 million for the three months ended March 31, 2021, an increase of US$13.5 million, or 126.1%. As a percentage of net sales, marketing expenses increased by 120 basis points to 4.2% for the three months ended March 31, 2022 from 3.0% for the three months ended March 31, 2021. Marketing expenses for the three months ended March 31, 2022 decreased by 51.2% compared to the three months ended March 31, 2019, and as a percentage of net sales decreased by 170 basis points from 5.9% for the three months ended March 31, 2019. The Group has selectively increased its advertising in markets where demand in travel is recovering more quickly. The Group plans to increase its investment in marketing during the balance of 2022 to drive net sales growth and capitalize on the continued recovery in travel.

General and Administrative Expenses

General and administrative expenses increased by US$0.5 million, or 1.0%, to US$47.7 million (representing 8.3% of net sales) for the three months ended March 31, 2022 from US$47.2 million (representing 13.3% of net sales) for the three months ended March 31, 2021. The decrease in general and administrative expenses as a percentage of net sales reflects the increase in net sales and the effect of actions taken by management to reduce the fixed cost structure of the business, including headcount reductions and other savings initiatives, to help mitigate the negative impacts on the Group's profitability caused by COVID-19. General and administrative expenses for the three months ended March 31, 2022 decreased by 16.8% compared to the three months ended March 31, 2019. General and administrative expenses as a percentage of net sales increased to 8.3% for the three months ended March 31, 2022 from 6.9% for the three months ended March 31, 2019 due primarily to the lower net sales base during the first quarter of 2022. See Management Discussion and Analysis - Impact of COVID-19 for further discussion.

Impairment Charges

The following table sets forth a breakdown of the non-cash impairment charges (the "2022 Impairment Charges") for the three months ended March 31, 2022 and the non-cash impairment charges (the "2021 Impairment Charges") for the three months ended March 31, 2021.

(Expressed in millions of US Dollars)		**Three Months Ended March 31, 2022**	2021
Impairment charges recognized on:	Functional Area	**2022 Impairment Charges**	2021 Impairment Charges
Lease right-of-use assets	Distribution	**0.8**	—
	Impairment charges (exclusive of amounts included in cost of sales)	**0.8**	—
Total impairment charges		**0.8**	—

In accordance with International Accounting Standards ("IAS") 36, *Impairment of Assets* ("IAS 36"), the Group is required to evaluate its intangible assets with indefinite lives at least annually, or when an event has occurred or circumstances change that would more likely than not reduce the recoverable amount of a cash generating unit ("CGU") below its carrying value (resulting in an impairment charge), or when an event has occurred or circumstances change that would result in the recoverable amount of intangible assets, excluding goodwill, exceeding its net impaired carrying value (resulting in an impairment reversal), where applicable. The Group is also required to perform a review for impairment indicators at the end of each reporting period on its tangible and intangible assets with finite useful lives. If there is any indication that an asset may be impaired or there may be an impairment reversal, the Group must estimate the recoverable amount of the asset or CGU.

2022 Impairment Charges

On March 14, 2022, the Company suspended its operations in Russia. Based on an evaluation of its company-operated retail stores in Russia during the three months ended March 31, 2022, the Group determined that the carrying amounts of certain retail stores, which represent individual CGUs, exceeded their corresponding recoverable amounts, resulting in impairment charges being recorded during the three months ended March 31, 2022. During the three months ended March 31, 2022 the Group recognized non-cash impairment charges totaling US$0.8 million on the lease right-of-use assets related to such stores.

During the three months ended March 31, 2021, the Group determined there were no triggering events that indicated that its indefinite-lived intangible assets or other assets with finite lives were impaired.

Restructuring Charges

The following table sets forth a breakdown of the restructuring charges for the three months ended March 31, 2022 and March 31, 2021.

	Three Months Ended March 31,	
(Expressed in millions of US Dollars)	**2022**	2021
Functional Area		
Restructuring charges attributable to distribution function	**0.1**	0.7
Restructuring charges attributable to general and administrative function	**0.1**	3.1
Total restructuring charges	**0.2**	3.8

During 2020, the Group aggressively reduced its operating expenses to mitigate the impact of lower sales on profit and cash flow as well as to right-size the business for the future in response to the COVID-19 Impacts. In conjunction with these cost saving actions and other initiatives, the Group recognized charges (the "Restructuring Charges"). During the three months ended March 31, 2022 and March 31, 2021, the Group recognized Restructuring Charges of US$0.2 million and US$3.8 million, respectively. The Restructuring Charges consisted primarily of severance associated with permanent headcount reductions, store closure costs, the establishment of the brand development and sourcing hub in Singapore and certain other costs incurred to implement profit improvement initiatives.

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, 2022 and March 31, 2021.

OPERATING PROFIT (LOSS)

	Three Months Ended March 31,			
(Expressed in millions of US Dollars)	**2022**	2021	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Operating profit (loss), as reported	**58.1**	(47.0)	*nm*	*nm*
Impairment Charges	**0.8**	—	n/a	n/a
Restructuring Charges	**0.2**	3.8	(95.9)%	(95.8)%
Operating profit (loss), as adjusted	**59.1**	(43.2)	*nm*	*nm*

Notes

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

n/a Not applicable.

nm Not meaningful.

The Group reported an operating profit of US$58.1 million for the three months ended March 31, 2022 compared to an operating loss of US$47.0 million for the same period in the previous year. The Group had an operating profit of US$59.1 million for the three months ended March 31, 2022 when excluding the non-cash 2022 Impairment Charges and Restructuring Charges recognized during the three months ended March 31, 2022. In comparison, the Group incurred an operating loss of US$43.2 million for the three months ended March 31, 2021 when excluding the Restructuring Charges recognized during the three months ended March 31, 2021.

Net Finance Costs

Net finance costs decreased by US$5.9 million, or 16.9%, to US$28.9 million for the three months ended March 31, 2022 from US$34.8 million for the three months ended March 31, 2021. This decrease was primarily attributable to the US$6.5 million decrease in interest expense on loans and borrowings following the debt repayments over the course of 2021, (including prepayments of US$370.0 million of outstanding borrowings under the Amended Senior Credit Facilities), partially offset by an increase in redeemable non-controlling interest put option expenses of US$3.9 million year-on-year due to improved financial performance of the Group's subsidiaries with non-controlling interests that are subject to put options.

The following table sets forth a breakdown of total finance costs for the three months ended March 31, 2022 and March 31, 2021.

	Three months ended March 31,	
(Expressed in millions of US Dollars)	**2022**	2021
Recognized in profit or loss:		
Interest income	**1.1**	0.9
Total finance income	**1.1**	0.9
Interest expense on loans and borrowings	**(21.5)**	(28.0)
Amortization of deferred financing costs associated with the Amended Senior Credit Facilities	**(1.5)**	(2.5)
Interest expense on lease liabilities	**(4.8)**	(5.7)
Change in fair value of put options	**(1.6)**	2.3
Net foreign exchange gain (loss)	**0.1**	(1.6)
Other finance costs	**(0.7)**	(0.2)
Total finance costs	**(30.0)**	(35.7)
Net finance costs recognized in profit or loss	**(28.9)**	(34.8)

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, 2022 and March 31, 2021.

PROFIT (LOSS) BEFORE INCOME TAX

	Three months ended March 31,			
(Expressed in millions of US Dollars)	**2022**	2021	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[1]
Profit (loss) before income tax, as reported	**29.2**	(81.8)	*nm*	*nm*
Impairment Charges	**0.8**	—	n/a	n/a
Restructuring Charges	**0.2**	3.8	(95.9)%	(95.8)%
Profit (loss) before income tax, as adjusted	**30.2**	(78.0)	*nm*	*nm*

Notes
(1) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.
n/a Not applicable.
nm Not meaningful.

The Group recorded a profit before income tax of US$29.2 million for the three months ended March 31, 2022 compared to a loss before income tax of US$81.8 million for the same period in the previous year. The Group recorded a profit before income tax of US$30.2 million for the three months ended March 31, 2022 when excluding the non-cash 2022 Impairment Charges and Restructuring Charges recognized during the three months ended March 31, 2022, compared to a loss before income tax of US$78.0 million for the previous year when excluding the Restructuring Charges recognized during the three months ended March 31, 2021.

Income Tax (Expense) Benefit

The Group recorded an income tax expense of US$8.0 million for the three months ended March 31, 2022 compared to an income tax benefit of US$10.6 million for the three months ended March 31, 2021. The income tax expense recorded during the three months ended March 31, 2022 was due mainly to the US$29.2 million reported profit before income tax, changes in unrecognized deferred tax assets and changes in the profit mix between high and low tax jurisdictions. The income tax benefit recorded during the three months ended March 31, 2021 was due mainly to the US$81.8 million reported loss before income tax caused by the COVID-19 Impacts, changes in reserves and changes in unrecognized deferred tax assets.

The Group's consolidated effective tax rate for operations was 27.2% and 12.9% for the three months ended March 31, 2022 and March 31, 2021, 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 profit (loss) before income tax for the period adjusted for certain discrete items for the period. The increase in the Group's effective tax rate was mainly the result of changes in unrecognized deferred tax assets and changes in the profit mix between high and low tax jurisdictions.

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, 2022 and March 31, 2021.

PROFIT (LOSS) FOR THE PERIOD

	Three months ended March 31,			
(Expressed in millions of US Dollars)	**2022**	2021	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[(1)]
Profit (loss) for the period, as reported	**21.2**	(71.2)	*nm*	*nm*
Impairment Charges	**0.8**	—	n/a	n/a
Restructuring Charges	**0.2**	3.8	(95.9)%	(95.8)%
Tax impact	**(0.2)**	(2.4)	(91.0)%	(89.3)%
Profit (loss) for the period, as adjusted	**22.0**	(69.8)	*nm*	*nm*

Notes

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

n/a Not applicable.

nm Not meaningful.

Profit for the three months ended March 31, 2022 was US$21.2 million compared to a loss for the three months ended March 31, 2021 of US$71.2 million. The Group had a profit for the three months ended March 31, 2022 of US$22.0 million when excluding the non-cash 2022 Impairment Charges and Restructuring Charges recognized during the three months ended March 31, 2022, both of which are net of the related tax impact. In comparison, the Group incurred a loss for the three months ended March 31, 2021 of US$69.8 million when excluding the Restructuring Charges recognized during the three months ended March 31, 2021, net of the related tax impact.

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, 2022 and March 31, 2021.

PROFIT (LOSS) ATTRIBUTABLE TO THE EQUITY HOLDERS

	Three months ended March 31,			
(Expressed in millions of US Dollars)	**2022**	2021	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[1]
Profit (loss) attributable to the equity holders, as reported	**16.4**	(72.7)	*nm*	*nm*
Impairment Charges	**0.8**	—	n/a	n/a
Restructuring Charges	**0.2**	3.8	(95.9)%	(95.8)%
Tax impact	**(0.2)**	(2.4)	(91.0)%	(89.3)%
Profit (loss) attributable to the equity holders, as adjusted	**17.2**	(71.3)	*nm*	*nm*

Notes

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

n/a Not applicable.

nm Not meaningful.

Profit attributable to the equity holders was US$16.4 million for the three months ended March 31, 2022 compared to a loss attributable to the equity holders of US$72.7 million for the same period in the previous year. For the three months ended March 31, 2022 the Group had a profit attributable to the equity holders of US$17.2 million when excluding the non-cash 2022 Impairment Charges and Restructuring Charges recognized during the three months ended March 31, 2022, both of which are net of the related tax impact. In comparison, the Group recorded a loss attributable to the equity holders for the three months ended March 31, 2021 of US$71.3 million when excluding the Restructuring Charges recognized during the three months ended March 31, 2021, net of the related tax impact.

Basic and Diluted Earnings (Loss) per Share

Basic and diluted earnings per share was US$0.011 for the three months ended March 31, 2022 compared to basic and diluted loss per share of US$0.051 for the three months ended March 31, 2021. The weighted average number of shares utilized in the basic earnings per share calculation was 1,436,906,305 shares for the three months ended March 31, 2022 compared to 1,434,880,447 shares utilized in the basic loss per share calculation for the three months ended March 31, 2021. The weighted average number of shares outstanding utilized in the diluted earnings per share calculation was 1,438,666,801 shares for the three months ended March 31, 2022 compared to 1,434,880,447 shares utilized in the diluted loss per share calculation for the three months ended March 31, 2021.

Basic and diluted earnings per share, as adjusted, was US$0.012 for the three months ended March 31, 2022 when excluding the non-cash 2022 Impairment Charges and Restructuring Charges recognized during the three months ended March 31, 2022, both of which are net of the related tax impact. In comparison, basic and diluted loss per share, as adjusted, was US$0.050 for the three months ended March 31, 2021 when excluding the Restructuring Charges recognized during the three months ended March 31, 2021, net of the related tax impact. The year-on-year improvement in basic and diluted earnings per share, as adjusted, was primarily due to improved net sales and gross profit, along with the effects of actions taken by management to reduce the fixed cost structure of the business.

Adjusted EBITDA

Adjusted EBITDA, a non-IFRS measure, improved by US$101.7 million to earnings of US$73.2 million for the three months ended March 31, 2022 compared to a loss of US$28.5 million for the three months ended March 31, 2021. Adjusted EBITDA margin was 12.8% for the three months ended March 31, 2022 compared to (8.0%) for the three months ended March 31, 2021 due primarily to continued sales improvement, along with actions taken by management to reduce the fixed cost structure of the business. See Management Discussion and Analysis - Impact of COVID-19 for further discussion.

The following table presents the reconciliation from the Group's profit (loss) for the period to Adjusted EBITDA for the three months ended March 31, 2022 and March 31, 2021:

	Three months ended March 31,			
(Expressed in millions of US Dollars)	**2022**	2021	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[4]
Profit (loss) for the period	**21.2**	(71.2)	*nm*	*nm*
Plus (minus):				
Income tax expense (benefit)	**8.0**	(10.6)	*nm*	*nm*
Finance costs	**30.0**	35.7	(16.0)%	(14.6)%
Finance income	**(1.1)**	(0.9)	17.8 %	21.7 %
Depreciation	**9.3**	13.0	(28.2)%	(25.5)%
Total amortization	**36.1**	39.0	(7.6)%	(4.8)%
EBITDA	**103.4**	5.0	*nm*	*nm*
Plus (minus):				
Share-based compensation expense	**2.9**	1.4	103.1 %	103.7 %
Impairment Charges	**0.8**	—	n/a	n/a
Restructuring Charges	**0.2**	3.8	(95.9)%	(95.8)%
Amortization of lease right-of-use assets	**(30.1)**	(30.8)	(2.4)%	0.9 %
Interest expense on lease liabilities	**(4.8)**	(5.7)	(14.9)%	(11.1)%
Other adjustments[1]	**0.8**	(2.2)	*nm*	*nm*
Adjusted EBITDA[2]	**73.2**	(28.5)	*nm*	*nm*
Adjusted EBITDA margin[3]	**12.8 %**	(8.0)%		

Notes
(1) Other adjustments primarily comprised 'Other income (expenses)' per the consolidated statements of income (loss).
(2) Adjusted EBITDA, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. Adjusted EBITDA includes the lease interest and amortization expense as a result of the Group's adoption of IFRS 16, *Leases* ("IFRS 16") to account for operational rent expenses.
(3) Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.
(4) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.
n/a Not applicable.
nm Not meaningful.

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

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS financial measures and as calculated herein may not be comparable to similarly named measures used by other companies and should not be considered comparable to profit (loss) for the period in the Company's consolidated statements of income (loss). These measures have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Company's results of operations as reported under IFRS.

Adjusted Net Income (Loss)

Adjusted Net Income, a non-IFRS measure, was US$23.3 million for the three months ended March 31, 2022, compared to an Adjusted Net Loss of US$67.4 million for the three months ended March 31, 2021. The improvement in Adjusted Net Income was due primarily to improved net sales and gross profit, along with the effects of actions taken by management to reduce the fixed cost structure of the business. Adjusted basic and diluted earnings per share, non-IFRS measures, were US$0.016 per share for the three months ended March 31, 2022, compared to an adjusted basic and diluted loss per share of US$0.047 for the three months ended March 31, 2021. 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, 2022 and March 31, 2021:

	Three months ended March 31,			
(Expressed in millions of US Dollars)	**2022**	2021	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(3)
Profit (loss) attributable to the equity holders	**16.4**	(72.7)	*nm*	*nm*
Plus (minus):				
Change in fair value of put options included in finance costs	**1.6**	(2.3)	*nm*	*nm*
Amortization of intangible assets	**6.0**	8.2	(27.6)%	(26.1)%
Impairment Charges	**0.8**	—	n/a	n/a
Restructuring Charges	**0.2**	3.8	(95.9)%	(95.8)%
Tax adjustments(1)	**(1.7)**	(4.4)	(61.4)%	(59.8)%
Adjusted Net Income (Loss)(2)	**23.3**	(67.4)	*nm*	*nm*

Notes

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

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

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

n/a Not applicable.

nm Not meaningful.

The Company has presented Adjusted Net Income (Loss) and adjusted basic and diluted earnings (loss) per share because it believes these measures help to give securities analysts, investors and other interested parties a better understanding of the Company's underlying financial performance. By presenting Adjusted Net Income (Loss) and the related adjusted basic and diluted earnings (loss) per share calculations, the Company eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact reported 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 Company's consolidated statements of income (loss). Adjusted Net Income (Loss) and the related adjusted basic and diluted earnings (loss) per share calculations have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Company's results of operations as reported under IFRS.

Purchases of Property, Plant and Equipment

Purchases of property, plant and equipment amounted to US$4.8 million for the three months ended March 31, 2022. The Group selectively added new retail locations, remodeled certain existing retail locations and made investments in machinery and equipment. Purchases of property, plant and equipment were US$1.9 million for the three months ended March 31, 2021 and were primarily related to required renovations and improvements of certain existing retail locations. The Group continues to tightly manage capital expenditures 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, 2022 and December 31, 2021:

(Expressed in millions of US Dollars)	**March 31, 2022**	December 31, 2021
Amended Term Loan A Facility	**610.0**	640.0
Term Loan B Facility	**539.9**	541.6
2021 Incremental Term Loan B Facility	**466.8**	493.0
Amended Revolving Credit Facility	**515.7**	668.7
Total Amended Senior Credit Facilities	**2,132.4**	2,343.3
Senior Notes[(1)]	**387.3**	398.0
Other borrowings and obligations	**62.1**	60.8
Total loans and borrowings	**2,581.8**	2,802.0
Less deferred financing costs	**(11.1)**	(12.6)
Total loans and borrowings less deferred financing costs	**2,570.7**	2,789.4

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

During the three months ended March 31, 2022, the Group repaid US$207.9 million of outstanding borrowings under its Amended Senior Credit Facilities (as defined below), consisting of US$200.0 million in voluntary prepayments and US$7.9 million in required quarterly amortization payments. The prepayment of US$200.0 million was comprised of a US$150.0 million prepayment of borrowings under the Amended Revolving Credit Facility, (as defined below) a US$25.0 million prepayment of borrowings under the Amended Term Loan A Facility (as defined below) and a US$25.0 million prepayment of borrowings under the 2021 Incremental Term Loan B Facility (as defined below). During the three months ended March 31, 2021, the Group had US$8.2 million in required quarterly amortization payments.

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

Senior Credit Facilities Agreement

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

Interest Rate and Fees

Under the terms of the Credit Agreement:

(a) in respect of the Term Loan A Facility and the Revolving Credit Facility, prior to the Second Amendment Closing Date (as defined below) the interest rate payable was based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings, and

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

In addition to paying interest on the outstanding principal amount of borrowings under the Senior Credit Facilities, the borrowers pay customary agency fees and a commitment fee in respect of the unutilized commitments under the Revolving Credit Facility. The commitment fee paid 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.

Amortization and Final Maturity
Prior to the Second Amendment Closing Date, the Term Loan A Facility required scheduled quarterly payments with an annual amortization of 2.5% of the original principal amount of the loans under the Term Loan A Facility made during each of the first and second years, with a step-up to 5.0% annual amortization during each of the third and fourth years and 7.5% annual amortization during the fifth year, with the balance due and payable on the fifth anniversary of the Closing Date.

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

There is no scheduled amortization of the principal amounts of the loans outstanding under the Revolving Credit 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 organized in Luxembourg, Belgium, Canada, Hong Kong, Hungary, Mexico, the United States and Singapore, and are required to be guaranteed by certain future direct or indirect wholly-owned material restricted subsidiaries organized in such jurisdictions (except Singapore) (the "Credit Facility Guarantors"). All obligations under the Senior Credit Facilities, and the guarantees of those obligations, are secured, subject to certain exceptions, by substantially all of the assets of the borrowers and the Credit Facility Guarantors (including the Shared Collateral (as defined below)).

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

In addition, the Credit Agreement requires the Company and its subsidiaries to meet certain quarterly financial covenants. Commencing with the fiscal quarter ended September 30, 2018, the Company and its subsidiaries were required to maintain (i) a pro forma total net leverage ratio of not greater than 5.50:1.00, which ratio decreased to 5.25:1.00 for test periods ending in 2020, 5.00:1.00 for test periods ending in 2021, and 4.50:1.00 for test periods ending in 2022 and thereafter; provided that such maximum pro forma total net leverage ratio is subject to a step up of 0.50x from the otherwise applicable ratio, up to a pro forma total net leverage ratio not to exceed 6.00:1.00 for the six fiscal quarter period following the fiscal quarter in which a permitted acquisition has been consummated, and (ii) a pro forma consolidated cash interest coverage ratio of not less than 3.00:1.00 (collectively, the "Financial Covenants"). The Financial Covenants only apply for the benefit of the lenders under the Amended Term Loan A Facility (as defined below) and the lenders under the Amended Revolving Credit Facility (as defined below). The Company's requirement to comply with the Financial Covenants was temporarily suspended during the Suspension Period pursuant to the Third Amended Credit Agreement (see below for further discussion). The Credit Agreement also contains certain customary representations and warranties, affirmative covenants and provisions relating to events of default (including upon a change of control).

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

On March 20, 2020, the Company borrowed US$810.3 million (US Dollar equivalent at the applicable exchange rate on the borrowing date) under the Amended Revolving Credit Facility to ensure access to the Group's liquidity given the uncertainties and challenges caused by the COVID-19 pandemic. During the three months ended March 31, 2022 the Group repaid US$150.0 million principal amount of its outstanding borrowings under its Amended Revolving Credit Facility. As of March 31, 2022, US$329.7 million was available to be borrowed on the Amended Revolving Credit Facility as a result of US$515.7 million of outstanding borrowings and the utilization of US$4.6 million of the facility for outstanding letters of credit extended to certain creditors. As of December 31, 2021, US$176.7 million was available to be borrowed under the US$850.0 million Amended Revolving Credit Facility as a result of US$668.7 million of outstanding borrowings and the utilization of US$4.6 million of the facility for outstanding letters of credit extended to certain creditors.

Interest Rate and Fees

Under the terms of the Second Amended Credit Agreement, the interest rate payable on the Amended Term Loan A Facility and the Amended Revolving Credit Facility was reduced with effect from the Second Amendment Closing Date until the delivery of the financial statements for the first full fiscal quarter commencing on or after the Second Amendment Closing Date from an adjusted rate equal to LIBOR plus 1.50% per annum (or a base rate plus 0.50% per annum) to a rate equal to LIBOR plus 1.375% per annum (or a base rate plus 0.375% per annum), and thereafter is based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings. The interest rate payable on the Amended Term Loan A Facility and the Amended Revolving Credit Facility was subsequently increased on a temporary basis pursuant to the Third Amended Credit Agreement (see below for further discussion).

Amortization and Final Maturity

The Amended Term Loan A Facility requires scheduled quarterly payments with an annual amortization of 2.5% of the original principal amount of the loans under the Amended Term Loan A Facility during each of the first and second years, with a step-up to 5.0% annual amortization during each of the third and fourth years and 7.5% annual amortization during the fifth year. If, on the date that is 91 days prior to the maturity date of the Term Loan B Facility, more than US$50.0 million of the Term Loan B Facility has not been repaid or refinanced pursuant to the terms provided for in the Second Amended Credit Agreement, then the Amended Term Loan A Facility and the Amended Revolving Credit Facility will mature on the date that is 90 days prior to the maturity date of the Term Loan B Facility.

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

The borrowers pay customary agency fees and a commitment fee equal to 0.20% per annum in respect of the unutilized commitments under the Amended Revolving Credit Facility, which commitment fee may step up based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings, as applicable commencing with the first full fiscal quarter ended after the Second Amendment Closing Date. Such commitment fee was temporarily increased pursuant to the Third Amended Credit Agreement (see below for further discussion).

Third Amended Credit Agreement

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

(1) The Company's requirement to test the maximum total net leverage ratio and minimum interest coverage ratio under its Financial Covenants was suspended from the beginning of the second quarter of 2020 through the date on which the compliance certificate with respect to the test period ended on September 30, 2021 was delivered to the lenders under the Amended Term Loan A Facility and the Amended Revolving Credit Facility (the "Suspension Period"). Following the Suspension Period, the Company resumed testing compliance with the total net leverage ratio and interest coverage ratio covenants following the end of the third quarter of 2021.

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

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

(4) From September 30, 2021 until March 31, 2022, the Company may at its election use Consolidated Adjusted EBITDA (as defined in the Third Amended Credit Agreement) from the first two quarters of 2019 and fourth quarter of 2019 (the "Historical EBITDA") (instead of actual Consolidated Adjusted EBITDA from the fourth quarter of 2020 and the first two quarters of 2021) to calculate compliance with the Financial Covenants under the Third Amended Credit Agreement. So long as the Company elects to use Historical EBITDA to calculate compliance with the Financial Covenants, the minimum liquidity covenant and the Suspension Period pricing

terms will remain in effect. The applicable amounts of the Historical EBITDA were further amended by the Fifth Amended Credit Agreement (as described below).

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

2020 Incremental Term Loan B Facility

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

Interest Rate and Fees

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

Amortization and Final Maturity

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

Fifth Amended Credit Agreement

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

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

2021 Incremental Term Loan B Facility

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

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

Interest Rate and Fees

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

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

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

Under the Financial Covenants, beginning with the test period ending on March 31, 2022, and for each test period ending thereafter, the Company's total net leverage ratio as of the last day of such test period must not exceed 4.50:1.00. For the test period ending on June 30, 2022 and for each test period ending thereafter, the Company's actual Consolidated Adjusted EBITDA for each fiscal quarter included in the applicable test period must be used to determine compliance with the total net leverage ratio and the interest coverage ratio. Until March 31, 2022 the Company was required to comply with a minimum liquidity covenant of US$500.0 million. Thereafter, under the terms of the 2021 Incremental Term Loan B Facility, the Company is required to comply with a minimum liquidity covenant of US$100.0 million until repayment in full of the 2021 Incremental Term Loan B Facility. The Company was in compliance with the Financial Covenants and the minimum liquidity covenant as of March 31, 2022 and remains in compliance with such covenants as of the date hereof.

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

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

Other Information
Deferred financing costs incurred in conjunction with the borrowings and amendments have been deferred and are being offset against loans and borrowings. The deferred financing costs are being amortized using the effective interest method over the life of the Amended Senior Credit Facilities. The amortization of deferred financing costs, which is included in interest expense, amounted to US$1.5 million and US$2.5 million for the three months ended March 31, 2022 and March 31, 2021, respectively.

Interest Rate Swaps
The Group maintains interest rate swaps to hedge a portion of its interest rate exposure under the floating-rate Amended Senior Credit Facilities by swapping certain US Dollar floating-rate bank borrowings with fixed-rate agreements. On September 4, 2019, the Group entered into interest rate swap agreements that became effective on September 6, 2019 and will terminate on August 31, 2024. The notional amounts of the interest rate swap agreements decrease over time. As a result of the Group's interest rate swaps, LIBOR has been fixed at approximately 1.208% with respect to an amount equal to approximately 26% of the principal amount of the Amended Senior Credit Facilities at March 31, 2022, which reduces a portion of the Company's exposure to interest rate increases. The interest rate swap agreements have fixed payments due monthly that commenced September 30, 2019. The interest rate swap transactions qualify as cash flow hedges. As of March 31, 2022, the interest rate swaps were marked-to-market, resulting in a net asset position to the Group in the amount of US$15.6 million which was recorded as an asset with the effective portion of the gain (loss) deferred to other comprehensive income (loss). As of December 31, 2021, the interest rate swaps were marked-to-market, resulting in a net liability position to the Group in the amount of US$3.4 million which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income (loss).

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

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

After May 15, 2021, the Issuer may redeem all, or from time to time a part, of the Senior Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts, if any, to the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period commencing on May 15 of the years set forth below:

Year	Redemption Price
2022	100.875 %
2023 and thereafter	100.000 %

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

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

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

Other Loans and Borrowings
Certain consolidated subsidiaries of the Company maintain credit lines and other loans with various third-party lenders in the regions in which they operate. Other loans and borrowings are generally variable rate instruments denominated in the functional currency of the borrowing Group entity. These credit lines provide short-term financing and working capital for the day-to-day business operations of certain Group entities, including overdraft, bank guarantees, and trade finance facilities. The majority of such credit lines are uncommitted facilities. The total aggregate amount of other loans and borrowings was US$62.0 million and US$60.7 million as of March 31, 2022 and December 31, 2021, respectively.

The following represents the contractual maturity dates of the Group's loans and borrowings as of March 31, 2022 and December 31, 2021:

(Expressed in millions of US Dollars)	**March 31, 2022**	December 31, 2021
On demand or within one year	**113.6**	107.3
After one year but within two years	**51.6**	53.3
After two years but within five years	**2,416.5**	2,641.4
More than five years	**—**	—
	2,581.8	2,802.0

General
This financial and business review as of and for the three months ended March 31, 2022 is being published to provide shareholders, potential investors, lenders, bondholders and other interested parties with an update of the performance of the Group.

The Company’s shareholders, potential investors, lenders, bondholders and other interested parties should note that all figures contained in this announcement are based on the Group’s management accounts which have not been audited or reviewed by the Company's auditors. The accounting policies applied in the preparation of the Group’s management accounts are consistent with those used in the preparation of the Company’s audited financial statements for the year ended December 31, 2021.

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 12, 2022

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