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, 2023

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, 2023, and for the three month period then ended, together with comparative figures for the three month period ended March 31, 2022. 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

The pace of recovery of the Group's business continued to accelerate during the first quarter of 2023, which saw consolidated net sales and Adjusted EBITDA margin (as defined below) exceed first quarter of 2019 pre-pandemic levels with a fundamentally enhanced profit profile compared to 2019.

In this announcement, certain financial results for the three months ended March 31, 2023, are compared to both the three months ended March 31, 2022, and the three months ended March 31, 2019. Comparisons to the three months ended March 31, 2019, are provided because it is the most recent comparable quarter during which the Company's results were not affected by COVID-19.

When evaluating the results for the three months ended March 31, 2023, certain factors impact comparability to prior periods, mainly the suspension and subsequent disposition of operations in Russia and the sale of Speculative Product Design, LLC ("Speck"). On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine, and the Group subsequently completed the disposition of its Russian operations on July 1, 2022. On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck, a designer and distributor of slim protective cases for personal electronic devices that were marketed under the *Speck*® brand.

For the Three Months Ended March 31, 2023, and March 31, 2022

The following table sets forth a summary of consolidated financial results for the three months ended March 31, 2023, and March 31, 2022.

	Three months ended March 31,			
(Expressed in millions of US Dollars, except per share data)	**2023**	2022	Percentage increase	Percentage increase excl. foreign currency effects(1)
Net sales	**852.1**	573.6	48.5 %	55.3 %
Operating profit	**144.7**	58.1	149.1 %	160.3 %
Profit for the period	**83.9**	21.2	295.3 %	316.9 %
Profit attributable to the equity holders	**73.8**	16.4	348.4 %	376.1 %
Adjusted Net Income(2)	**81.2**	23.3	249.0 %	268.9 %
Adjusted EBITDA(3)	**156.4**	73.2	113.6 %	126.6 %
Adjusted EBITDA margin(4)	**18.4 %**	12.8 %		
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	**0.051**	0.011	346.5 %	374.1 %
Adjusted basic and diluted earnings per share(5) *(Expressed in US Dollars per share)*	**0.056**	0.016	246.3 %	266.0 %

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) Adjusted Net Income, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact the Group's reported profit attributable to the equity holders, which the Group believes helps to give securities analysts, investors and other interested parties a more complete understanding of the Group's underlying financial performance. See Management Discussion and Analysis - Adjusted Net Income for a reconciliation from the Group's profit attributable to the equity holders to Adjusted Net Income.

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

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

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

Financial Highlights

- Net sales were US$852.1 million for the three months ended March 31, 2023, compared to US$573.6 million for the three months ended March 31, 2022, an increase of 48.5% (+55.3% constant currency). When excluding the Russia Net Sales (as defined in Management Discussion and Analysis - Net Sales), consolidated net sales increased by US$286.2 million, or 50.6% (+57.4% constant currency), for the three months ended March 31, 2023, compared to the three months ended March 31, 2022. There was a noticeable acceleration in the Group's net sales recovery in all regions during the three months ended March 31, 2023, particularly in Asia, where most of the region was still in heavy lockdowns in the first quarter of 2022 and restrictions have now been lifted.
- The Group's consolidated net sales as reported increased by 2.4% (+12.8% constant currency) during the three months ended March 31, 2023, compared to the three months ended March 31, 2019. When excluding the Russia and Speck Net Sales (as defined in Management Discussion and Analysis - Net Sales) in 2019, consolidated net sales increased by 7.1% (+18.0% constant currency) for the three months ended March 31, 2023, compared to the three months ended March 31, 2019.
- Gross profit margin was 58.0% for the three months ended March 31, 2023, compared to 54.7% for the same period in 2022. The increase in gross profit margin was driven mainly by Asia, the region with the highest gross profit margin, increasing its share of net sales, as well as changes in brand and channel net sales mix. See Management Discussion and Analysis - Cost of Sales and Gross Profit for further discussion.
- The Group spent US$50.0 million on marketing during the three months ended March 31, 2023, compared to US$24.1 million for the three months ended March 31, 2022, an increase of US$25.9 million, or 107.1%. As a percentage of net sales, marketing expenses increased by 170 basis points to 5.9% for the three months ended March 31, 2023, from 4.2% for the three months ended March 31, 2022. The Group will continue to increase its investment in marketing during the rest of 2023 to capitalize on the continued recovery in leisure and business travel and drive net sales growth.
- The Group reported an operating profit of US$144.7 million for the three months ended March 31, 2023, compared to US$58.1 million for the same period in 2022, an improvement of US$86.6 million, or 149.1%.
- Profit for the three months ended March 31, 2023, was US$83.9 million compared to US$21.2 million for the three months ended March 31, 2022, an improvement of US$62.7 million, or 295.3%.
- Profit attributable to the equity holders was US$73.8 million for the three months ended March 31, 2023, compared to US$16.4 million for the same period in 2022, an improvement of US$57.3 million, or 348.4%.
- Adjusted EBITDA, a non-IFRS measure, improved by US$83.2 million to US$156.4 million for the three months ended March 31, 2023, compared to US$73.2 million for the three months ended March 31, 2022. Adjusted EBITDA margin was 18.4% for the three months ended March 31, 2023, compared to 12.8% for the three months ended March 31, 2022. The improvement in Adjusted EBITDA margin was primarily due to continued net sales improvement and strong gross profit margin increase, as well as disciplined expense management.
- As of March 31, 2023, the Group had cash and cash equivalents of US$571.1 million and outstanding financial debt of US$2,010.7 million (excluding deferred financing costs of US$6.7 million), resulting in a net debt position of US$1,439.6 million compared to a net debt position of US$1,383.7 million as of December 31, 2022, and US$1,305.3 million as of December 31, 2019.
- Total liquidity[(1)] as of March 31, 2023, was US$1,416.5 million compared to US$1,481.3 million as of December 31, 2022. During the three months ended March 31, 2023, the Group repaid US$12.9 million of outstanding borrowings under the Group's Senior Credit Facilities (as defined in Management Discussion and Analysis - Indebtedness), consisting of scheduled quarterly payments.
- The Company historically paid cash distributions to its shareholders every year following its listing on the Hong Kong Stock Exchange, from 2012 through 2019. The Company discontinued distributions from 2020 through 2023 as it navigated the pandemic. The Company’s intent is to resume annual cash distributions in 2024, subject to its Dividend and Distribution Policy.

Note

(1) Total liquidity is calculated as the sum of cash and cash equivalents per the consolidated statements of financial position plus available capacity under the Revolving Credit Facility (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 for securities analysts, investors and other interested parties to gain a more complete understanding of the Group's operational performance and of the trends impacting its business. These non-IFRS 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 profit margin, operating profit, Adjusted Net Income, 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.

If one or more of these risks or uncertainties materialize, or if management's underlying beliefs and assumptions prove to be incorrect, actual results may differ materially from those contemplated by a forward-looking statement. Among the factors that could cause actual results to differ materially are: the effect of worldwide economic conditions; the effect of political or social unrest and armed conflict; the effects of inflation; a general economic downturn or generally reduced consumer spending; 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.

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 of intangible assets.

Consolidated Statements of Income

(Expressed in millions of US Dollars, except per share data)	Three months ended March 31, 2023	2022
Net sales	**852.1**	573.6
Cost of sales	**(357.6)**	(259.9)
Gross profit	**494.5**	313.7
Distribution expenses	**(234.7)**	(182.0)
Marketing expenses	**(50.0)**	(24.1)
General and administrative expenses	**(64.1)**	(47.7)
Impairment charges	**—**	(0.8)
Restructuring charges	**—**	(0.2)
Other expense	**(1.0)**	(0.8)
Operating profit	**144.7**	58.1
Finance income	**2.8**	1.1
Finance costs	**(41.1)**	(30.0)
Net finance costs	**(38.3)**	(28.9)
Profit before income tax	**106.4**	29.2
Income tax expense	**(22.5)**	(8.0)
Profit for the period	**83.9**	21.2
Profit attributable to the equity holders	**73.8**	16.4
Profit attributable to non-controlling interests	**10.1**	4.8
Profit for the period	**83.9**	21.2
Earnings per share:		
Basic and diluted earnings per share	**0.051**	0.011

Consolidated Statements of Comprehensive Income

	Three months ended March 31,	
(Expressed in millions of US Dollars)	**2023**	2022
Profit for the period	**83.9**	21.2
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	**(5.3)**	14.8
Foreign currency translation gains for foreign operations	**2.6**	9.1
Other comprehensive income (loss)	**(2.7)**	23.9
Total comprehensive income for the period	**81.2**	45.1
Total comprehensive income attributable to the equity holders	**70.0**	40.3
Total comprehensive income attributable to non-controlling interests	**11.2**	4.8
Total comprehensive income for the period	**81.2**	45.1

Consolidated Statements of Financial Position

(Expressed in millions of US Dollars)	**March 31, 2023**	December 31, 2022
Non-current Assets		
Property, plant and equipment	**162.2**	161.5
Lease right-of-use assets	**363.5**	314.1
Goodwill	**825.1**	824.2
Other intangible assets	**1,456.6**	1,458.8
Deferred tax assets	**175.7**	173.6
Derivative financial instruments	**25.0**	30.5
Other assets and receivables	**63.8**	63.8
Total non-current assets	**3,071.9**	3,026.5
Current Assets		
Inventories	**700.8**	687.6
Trade and other receivables	**306.7**	290.9
Prepaid expenses and other assets	**83.3**	80.2
Cash and cash equivalents	**571.1**	635.9
Total current assets	**1,661.9**	1,694.6
Total assets	**4,733.8**	4,721.1
Equity and Liabilities		
Equity:		
Share capital	**14.4**	14.4
Reserves	**1,094.0**	1,017.4
Total equity attributable to the equity holders	**1,108.4**	1,031.8
Non-controlling interests	**57.8**	47.8
Total equity	**1,166.2**	1,079.6
Non-current Liabilities		
Loans and borrowings	**1,886.3**	1,893.3
Lease liabilities	**294.3**	256.7
Employee benefits	**28.5**	26.6
Non-controlling interest put options	**94.9**	85.0
Deferred tax liabilities	**164.9**	161.7
Other liabilities	**5.1**	5.0
Total non-current liabilities	**2,474.0**	2,428.3
Current Liabilities		
Loans and borrowings	**66.2**	67.0
Current portion of long-term loans and borrowings	**51.6**	51.6
Current portion of lease liabilities	**128.0**	118.9
Employee benefits	**93.9**	120.1
Trade and other payables	**665.4**	778.5
Current tax liabilities	**88.5**	77.1
Total current liabilities	**1,093.6**	1,213.2
Total liabilities	**3,567.6**	3,641.5
Total equity and liabilities	**4,733.8**	4,721.1
Net current assets	**568.3**	481.4
Total assets less current liabilities	**3,640.2**	3,507.9

Consolidated Statements of Changes in Equity

(Expressed in millions of US Dollars, except number of shares)	Number of shares	Share capital	Reserves: Additional paid-in capital	Reserves: Translation reserve	Reserves: Other reserves	Retained earnings / (accumulated deficit)	Total equity attributable to the equity holders	Non-controlling interests	Total equity
Three months ended March 31, 2023									
Balance, January 1, 2023	**1,438,900,432**	**14.4**	**1,071.4**	**(59.2)**	**115.0**	**(109.8)**	**1,031.8**	**47.8**	**1,079.6**
Profit for the period	**—**	**—**	**—**	**—**	**—**	**73.8**	**73.8**	**10.1**	**83.9**
Other comprehensive income (loss):									
Changes in fair value of hedges, net of tax	**—**	**—**	**—**	**—**	**(5.2)**	**—**	**(5.2)**	**(0.1)**	**(5.3)**
Foreign currency translation gains for foreign operations	**—**	**—**	**—**	**1.4**	**—**	**—**	**1.4**	**1.2**	**2.6**
Total comprehensive income (loss) for the period	**—**	**—**	**—**	**1.4**	**(5.2)**	**73.8**	**70.0**	**11.2**	**81.2**
Transactions with owners recorded directly in equity:									
Change in fair value of put options included in equity	**—**	**—**	**—**	**—**	**—**	**(5.9)**	**(5.9)**	**—**	**(5.9)**
Share-based compensation expense	**—**	**—**	**—**	**—**	**3.4**	**—**	**3.4**	**—**	**3.4**
Exercise of share options	**4,226,423**	**0.0**	**12.3**	**—**	**(3.2)**	**—**	**9.1**	**—**	**9.1**
Dividends paid to non-controlling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(1.2)**	**(1.2)**
Balance, March 31, 2023	**1,443,126,855**	**14.4**	**1,083.7**	**(57.8)**	**110.0**	**(41.9)**	**1,108.4**	**57.8**	**1,166.2**

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	Reserves: Retained earnings / (accumulated deficit)	Total equity attributable to the 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 Cash Flows

	Three months ended March 31,	
(Expressed in millions of US Dollars)	**2023**	2022
Cash flows from operating activities:		
Profit for the period	**83.9**	21.2
Adjustments to reconcile profit for the period to net cash used in operating activities:		
Depreciation	**8.9**	9.3
Amortization of intangible assets	**4.6**	6.0
Amortization of lease right-of-use assets	**31.6**	30.1
Impairment charges	**—**	0.8
Change in fair value of put options included in finance costs	**4.0**	1.6
Non-cash share-based compensation	**3.4**	2.9
Interest expense on borrowings and lease liabilities	**32.8**	27.9
Income tax expense	**22.5**	8.0
	191.7	107.8
Changes in operating assets and liabilities:		
Trade and other receivables	**(15.3)**	(3.3)
Inventories	**(8.7)**	(59.3)
Other current assets	**3.3**	(5.4)
Trade and other payables	**(147.7)**	(23.3)
Other assets and liabilities	**0.9**	2.7
Cash generated from operating activities	**24.2**	19.2
Interest paid on borrowings and lease liabilities	**(28.2)**	(22.5)
Income tax paid	**(14.2)**	(11.7)
Net cash used in operating activities	**(18.2)**	(15.0)
Cash flows from investing activities:		
Purchases of property, plant and equipment	**(7.4)**	(4.8)
Other intangible asset additions	**(2.3)**	(1.0)
Net cash used in investing activities	**(9.7)**	(5.8)
Cash flows from financing activities:		
Payments on term loan credit facilities	**(12.9)**	(57.9)
Payments on revolving credit facility	**—**	(150.0)
(Payments on) proceeds from other loans and borrowings	**(0.8)**	2.5
Principal payments on lease liabilities	**(33.5)**	(36.6)
Proceeds from the exercise of share options	**9.1**	0.0
Dividend payments to non-controlling interests	**(1.2)**	(1.0)
Net cash used in financing activities	**(39.3)**	(243.0)
Net decrease in cash and cash equivalents	**(67.2)**	(263.8)
Cash and cash equivalents, at beginning of period	**635.9**	1,324.8
Effect of exchange rate changes	**2.4**	(4.0)
Cash and cash equivalents, at end of period	**571.1**	1,057.0

Management Discussion and Analysis

For the Three Months Ended March 31, 2023, and March 31, 2022

Net Sales

The Group's net sales increased by US$278.5 million, or 48.5% (+55.3% constant currency), during the three months ended March 31, 2023, compared to the three months ended March 31, 2022. The Group's net sales continued to improve as the effects of the COVID-19 pandemic further receded, which led to a robust recovery in leisure and business travel and increased demand for the Group's products. There was a noticeable acceleration in the Group's net sales recovery in all regions during the three months ended March 31, 2023, particularly in Asia, where most of the region was still in heavy lockdowns in the first quarter of 2022 and restrictions have now been lifted.

When evaluating the results for the three months ended March 31, 2023, certain factors impact comparability to prior year periods, mainly the suspension and subsequent disposition of operations in Russia and the sale of Speck. On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine, and the Group subsequently completed the disposition of its Russian operations on July 1, 2022. On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck, a designer and distributor of slim protective cases for personal electronic devices that were marketed under the *Speck®* brand.

In the discussions that follow, where noted, net sales results exclude (i) the net sales of the Group's former Russian operations for the first quarter of 2022 and 2019 (the "Russia Net Sales") and (ii) the net sales of Speck for the first quarter of 2019 (the "Speck Net Sales" and together with the Russia Net Sales, the "Russia and Speck Net Sales").

When excluding the Russia Net Sales, consolidated net sales increased by US$286.2 million, or 50.6% (+57.4% constant currency), for the three months ended March 31, 2023, compared to the three months ended March 31, 2022.

The Group's consolidated net sales as reported increased by 2.4% (+12.8% constant currency) during the three months ended March 31, 2023, compared to the three months ended March 31, 2019. When excluding the Russia and Speck Net Sales in 2019, consolidated net sales increased by 7.1% (+18.0% constant currency) for the three months ended March 31, 2023, compared to the three months ended March 31, 2019.

The Group's net sales performance continued to improve during April 2023. Net sales for April 2023 increased by 41.4% and by 2.0% (+45.1% and +10.4% constant currency) compared to April 2022 and April 2019, respectively. When excluding the Russia Net Sales for April 2022 and the Russia and Speck Net Sales for April 2019, consolidated net sales increased by 41.6% and by 7.2% (+45.4% and +15.9% constant currency) for April 2023 compared to April 2022 and April 2019, respectively.

Net Sales by Region

The following table sets forth a breakdown of net sales by region for the three months ended March 31, 2023, and March 31, 2022, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,				2023 vs 2022	
	2023		2022			
	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]:						
Asia	**329.1**	**38.6 %**	185.7	32.4 %	77.2 %	89.4 %
North America	**284.3**	**33.4 %**	215.8	37.6 %	31.8 %	32.3 %
Europe[2]	**179.9**	**21.1 %**	126.5	22.0 %	42.2 %	52.1 %
Latin America	**58.4**	**6.9 %**	45.3	7.9 %	29.0 %	33.9 %
Corporate	**0.3**	**0.0 %**	0.4	0.1 %	(9.3)%	(9.3)%
Net sales[3]	**852.1**	**100.0 %**	573.6	100.0 %	48.5 %	55.3 %

Notes

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

(2) On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine, and the Group subsequently completed the disposition of its Russian operations on July 1, 2022. When excluding the Russia Net Sales for the first quarter of 2022, net

sales in Europe increased by US$61.1 million, or 51.4% (+62.0% constant currency), for the three months ended March 31, 2023, compared to the same period in 2022.

(3) When excluding the Russia Net Sales, consolidated net sales increased by US$286.2 million, or 50.6% (+57.4% constant currency), for the three months ended March 31, 2023, compared to the same period in 2022.

(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, 2023, and March 31, 2022, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,				2023 vs 2022	
	2023		2022			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase	Percentage increase excl. foreign currency effects(2)
Net sales by brand:						
Samsonite	**424.2**	**49.8 %**	270.7	47.2 %	56.7 %	64.3 %
Tumi	**194.5**	**22.8 %**	129.0	22.5 %	50.7 %	55.0 %
American Tourister	**151.2**	**17.7 %**	108.3	18.9 %	39.6 %	47.2 %
Gregory	**19.3**	**2.3 %**	15.1	2.6 %	27.7 %	34.9 %
Other(1)	**62.9**	**7.4 %**	50.5	8.8 %	24.7 %	30.7 %
Net sales	**852.1**	**100.0 %**	573.6	100.0 %	48.5 %	55.3 %

Notes

(1) "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.

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

The Group's core brands all recorded strong year-on-year net sales increases during the three months ended March 31, 2023, compared to the three months ended March 31, 2022. Net sales of the *Samsonite* brand increased by US$153.5 million, or 56.7% (+64.3% constant currency), year-on-year. Net sales of the *Tumi* brand increased by US$65.4 million, or 50.7% (+55.0% constant currency), year-on-year. Net sales of the *American Tourister* brand increased by US$42.9 million, or 39.6% (+47.2% constant currency), for the three months ended March 31, 2023, compared to the three months ended March 31, 2022.

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, 2023, and March 31, 2022, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,				2023 vs 2022	
	2023		2022			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase	Percentage increase excl. foreign currency effects(2)
Net sales by product category:						
Travel	**555.7**	**65.2 %**	350.4	61.1 %	58.6 %	65.6 %
Non-travel(1)	**296.5**	**34.8 %**	223.3	38.9 %	32.8 %	39.0 %
Net sales	**852.1**	**100.0 %**	573.6	100.0 %	48.5 %	55.3 %

Notes

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

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

Net sales in the travel product category during the three months ended March 31, 2023, increased by US$205.3 million, or 58.6% (+65.6% constant currency), compared to the three months ended March 31, 2022. The Group's net sales in the travel product category continued to improve as the effects of the COVID-19 pandemic further receded, which led to a robust recovery in leisure and business travel and increased demand for the Group's products. Total non-travel product category net sales, which comprises business, casual, accessories and other products, increased by US$73.2 million, or 32.8% (+39.0% constant currency), for the three months ended March 31, 2023, compared to the three months ended March 31, 2022.

Net sales of business products increased by US$40.9 million, or 34.0% (+40.2% constant currency), for the three months ended March 31, 2023, compared to the same period in 2022. Net sales of casual products increased by US$18.6 million, or 29.6% (+36.0% constant currency), year-on-year. Net sales of accessories products increased by US$9.6 million, or 29.5% (+33.2% constant currency), year-on-year.

Distribution Channels

The Group sells its products through two primary distribution channels: wholesale and direct-to-consumer. The following table sets forth a breakdown of net sales by distribution channel for the three months ended March 31, 2023, and March 31, 2022, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,					
	2023		2022		2023 vs 2022	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase	Percentage increase excl. foreign currency effects[3]
Net sales by distribution channel:						
Wholesale	**543.9**	**63.8 %**	375.2	65.4 %	44.9 %	51.7 %
DTC[1]	**307.9**	**36.1 %**	198.0	34.5 %	55.5 %	62.1 %
Other[2]	**0.4**	**0.1 %**	0.4	0.1 %	5.5 %	5.5 %
Net sales	**852.1**	**100.0 %**	573.6	100.0 %	48.5 %	55.3 %

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$168.6 million, or 44.9% (+51.7% constant currency), during the three months ended March 31, 2023, compared to the three months ended March 31, 2022. Net sales to e-retailers, which are included in the Group's wholesale channel, increased by US$19.7 million, or 41.3% (+46.2% constant currency), during the three months ended March 31, 2023, compared to the same period in 2022.

Net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, increased by US$109.8 million, or 55.5% (+62.1% constant currency), to US$307.9 million (representing 36.1% of net sales) for the three months ended March 31, 2023, from US$198.0 million (representing 34.5% of net sales) for the three months ended March 31, 2022.

Net sales in the DTC retail channel increased by US$82.2 million, or 56.9% (+63.7% constant currency), during the three months ended March 31, 2023, compared to the same period in 2022 primarily due to an increase in consumer demand. During the three months ended March 31, 2023, the Group added 11 company-operated retail stores. This was partially offset by the permanent closure of 7 company-operated retail stores. This resulted in a net addition of 4 company-operated retail stores during the three months ended March 31, 2023, compared to a net reduction of 13 company-operated retail stores during the three months ended March 31, 2022. The total number of company-operated retail stores was 989 as of March 31, 2023, compared to 992 as of March 31, 2022, and 1,260 as of March 31, 2019. On a same store, constant currency basis, retail net sales grew by 62.6% for the three months ended March 31, 2023, compared to the three months ended March 31, 2022. This was due to constant currency same store net sales increases of 107.3%, 43.3%, 76.2% and 30.6% in Asia, North America, Europe and Latin America, respectively. The Group’s same store analysis includes existing company operated retail stores which have been open for at least 12 months before the end of the relevant financial period.

Total DTC e-commerce net sales increased by US$27.6 million, or 51.5% (+57.8% constant currency), to US$81.2 million (representing 9.5% of net sales) for the three months ended March 31, 2023, from US$53.6 million (representing 9.3% of net sales) for the three months ended March 31, 2022.

During the three months ended March 31, 2023, US$148.7 million of the Group's net sales were through e-commerce channels (comprising US$81.2 million of net sales from the Group's DTC e-commerce website, which are included within the DTC channel, and US$67.5 million of net sales to e-retailers, which are included within the wholesale channel). This represented a year-on-year increase of US$47.3 million, or 46.7% (+52.3% constant currency), compared to the three months ended March 31, 2022, when e-commerce comprised US$101.4 million of the Group's net sales. During the three months ended March 31, 2023, the Group's net sales through e-commerce channels represented 17.5% of total net sales compared to 17.7% of total net sales for the three months ended March 31, 2022.

Regions

Asia

Q1 2023 vs. Q1 2022

The Group's net sales in Asia increased by US$143.4 million, or 77.2% (+89.4% constant currency), for the three months ended March 31, 2023, compared to the three months ended March 31, 2022. There was a noticeable acceleration in the Group's net sales recovery in Asia during the three months ended March 31, 2023, where most of the region was still in heavy lockdowns during the first quarter of 2022 and restrictions have now been lifted.

Net sales in South Korea increased by US$18.1 million, or 83.5% (+95.1% constant currency), for the three months ended March 31, 2023, compared to the same period in 2022. Net sales in Japan increased by US$18.0 million, or 70.7% (+94.9% constant currency), year-on-year. Net sales in India increased by US$17.0 million, or 39.3% (+52.7% constant currency), for the three months ended March 31, 2023, compared to the same period in 2022. 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$14.3 million, or 91.7% (+91.9% constant currency), year-on-year. Net sales in China increased by US$13.0 million, or 28.5% (+39.1% constant currency), year-on-year, due to the lifting of travel restrictions and the relaxing of social distancing measures. Net sales in Australia increased by US$8.5 million, or 91.6% (+103.5% constant currency), compared to the same period in 2022.

Q1 2023 vs. Q1 2019

The Group's net sales improved by 7.0% (+16.5% constant currency) in Asia during the three months ended March 31, 2023, compared to the three months ended March 31, 2019. Compared to the first quarter of 2019, most markets in Asia continued to see strong net sales recovery in the first quarter of 2023, with increases in India of 78.0% (+108.1% constant currency), the Middle East of 96.6% (+96.6% constant currency), Indonesia of 70.8% (+83.5% constant currency), Singapore of 58.3% (+56.0% constant currency), Thailand of 50.6% (+62.7% constant currency) and Australia of 8.6% (+13.6% constant currency). While net sales in China were still down 13.1% (-11.4% constant currency) compared to the first quarter of 2019, the rebound in net sales in China accelerated each month during the first quarter of 2023 as restrictions were lifted. The net sales recovery in South Korea (-26.2%; -15.9% constant currency) is expected to improve as Chinese group travel increases.

April 2023 vs. April 2022 and April 2019

The Group's net sales performance in Asia continued to improve during April 2023. Net sales for April 2023 increased by 96.1% and by 12.9% (+106.3% and +23.5% constant currency) compared to April 2022 and April 2019, respectively. Net sales in China for April 2023 increased by 393.5% and by 7.1% (+425.5% and +9.7% constant currency) compared to April 2022 and April 2019, respectively.

Brands

For the three months ended March 31, 2023, net sales of the *Samsonite* brand in Asia increased by US$67.0 million, or 88.0% (+100.8% constant currency), compared to the same period in 2022. Net sales of the *Tumi* brand in Asia increased by US$23.8 million, or 58.2% (+67.6% constant currency), year-on-year. Net sales of the *American Tourister* brand in Asia increased by US$44.2 million, or 92.5% (+105.9% constant currency), compared to the three months ended March 31, 2022.

North America

Q1 2023 vs. Q1 2022

The Group's net sales in North America increased by US$68.6 million, or 31.8% (+32.3% constant currency), for the three months ended March 31, 2023, compared to the three months ended March 31, 2022, as travel continued to rebound in both the United States and Canada.

For the three months ended March 31, 2023, net sales in the United States increased by US$63.1 million, or 30.6%, year-on-year. For the three months ended March 31, 2023, net sales in Canada increased by US$5.5 million, or 59.0% (+69.8% constant currency), year-on-year.

Q1 2023 vs. Q1 2019
When excluding the Speck Net Sales for the first quarter of 2019, net sales in North America increased by 3.5% (+3.6% constant currency) for the three months ended March 31, 2023, compared to the three months ended March 31, 2019. Further adjusting for the discontinuation of third-party brand sales on the ebags e-commerce platform in 2020, net sales in North America for the first quarter of 2023 increased by 10.0% (+10.1% constant currency) compared to the same period in 2019. When compared to the three months ended March 31, 2019, the Group's net sales, as reported, declined by 5.8% (-5.7% constant currency) in North America during the three months ended March 31, 2023.

When excluding the Speck Net Sales for the first quarter of 2019, net sales in the United States increased by 3.4% for the three months ended March 31, 2023, compared to the three months ended March 31, 2019. Further adjusting for the discontinuation of third-party brand sales on the ebags e-commerce platform in 2020, net sales in the United States increased by 10.3% for the first quarter of 2023 compared to the same period in 2019. Net sales in Canada increased by 4.8% (+6.8% constant currency) during the three months ended March 31, 2023, compared to the three months ended March 31, 2019.

April 2023 vs. April 2022 and April 2019
When compared to April 2022, the Group's net sales, as reported, increased by 25.8% (+26.3% constant currency) in North America in April 2023. When excluding the Speck Net Sales for April 2019, net sales in North America increased by 6.4% (+6.4% constant currency) for April 2023 compared to April 2019. Further adjusting for the discontinuation of third-party brand sales on the ebags e-commerce platform in 2020, net sales in North America in April 2023 increased by 13.0% (+13.1% constant currency) compared to the same period in 2019. When compared to April 2019, the Group's net sales, as reported, decreased by 2.5% (-2.4% constant currency) in North America in April 2023.

Brands
For the three months ended March 31, 2023, net sales of the *Samsonite* brand in North America increased by US$47.3 million, or 50.1% (+50.7% constant currency), compared to the same period in 2022. Net sales of the *Tumi* brand in North America increased by US$31.2 million, or 41.5% (+42.0% constant currency), driven by strong performance in the Group's company-operated retail stores and DTC e-commerce sales. Net sales of the *American Tourister* brand in North America decreased by US$10.2 million, or 32.1% (-32.0% constant currency), due to a shift in timing of shipments to certain wholesale customers during the first quarter of 2022. Net sales of the *Gregory* brand were relatively consistent year-on-year.

Europe
Q1 2023 vs. Q1 2022
The Group's net sales in Europe increased by US$53.4 million, or 42.2% (+52.1% constant currency), for the three months ended March 31, 2023, compared to the three months ended March 31, 2022. On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine, and the Group subsequently completed the disposition of its Russian operations on July 1, 2022. When excluding the Russia Net Sales for both the first quarter of 2023 and 2022, the Group's net sales in Europe increased by US$61.1 million, or 51.4% (+62.0% constant currency), year-on-year.

Net sales in Germany increased by US$9.7 million, or 63.1% (+70.4% constant currency), for the three months ended March 31, 2023, compared to the three months ended March 31, 2022. Net sales in Italy increased by US$7.5 million, or 59.4% (+66.6% constant currency), compared to the same period in 2022. Net sales in France increased by US$5.6 million, or 47.1% (+53.8% constant currency), compared to the three months ended March 31, 2022. Net sales in the United Kingdom (net sales reported for the United Kingdom include net sales made in Ireland) increased by US$4.6 million, or 39.0% (+52.7% constant currency). Net sales in Spain increased by US$3.9 million, or 34.4% (+40.5% constant currency), year-on-year.

Q1 2023 vs. Q1 2019
When compared to the three months ended March 31, 2019, the Group's net sales improved by 2.9% (+22.3% constant currency) in Europe during the three months ended March 31, 2023. When excluding the Russia Net Sales for both the first quarter of 2023 and 2019, the Group's net sales in Europe increased by 8.8% (+29.4% constant currency) during the three months ended March 31, 2023, when compared to the three months ended March 31, 2019. When excluding the net sales in Turkey, which experienced higher inflation and currency depreciation since 2019, the Group's net sales in Europe for the three months ended March 31, 2023, increased by 6.3% (+13.5% constant currency), compared to the three months ended March 31, 2019.

Most of the Group's key markets in Europe recorded net sales increases on a constant currency basis when comparing the three months ended March 31, 2023, to the three months ended March 31, 2019, including: Spain (+3.4%, +9.7% constant currency), Italy (+0.6%, +6.6% constant currency), the United Kingdom (-3.0%, +4.2% constant currency) and France (-3.5%, +2.3% constant currency). These constant currency net sales increases were partially offset by a constant currency net sales decrease in Germany (-9.1%, -3.7% constant currency) when comparing the three months ended March 31, 2023, to the three months ended March 31, 2019.

April 2023 vs. April 2022 and April 2019

The Group's net sales in Europe for April 2023 increased by 5.7% (+7.3% constant currency) compared to April 2022, and decreased by 14.5% (-1.2% constant currency) compared to April 2019. When excluding the Russia Net Sales, net sales in Europe for April 2023 increased by 6.4% (+8.0% constant currency) compared to April 2022, and decreased by 7.3% (but increased by 7.1% on a constant currency basis) compared to April 2019.

Brands

For the three months ended March 31, 2023, net sales of the *Samsonite* brand in Europe increased by US$35.6 million, or 42.2% (+52.9% constant currency), compared to the same period in 2022. Net sales of the *Tumi* brand in Europe increased by US$9.7 million, or 85.0% (+97.6% constant currency), year-on-year. Net sales of the *American Tourister* brand in Europe increased by US$7.3 million, or 32.1% (+39.1% constant currency), compared to the three months ended March 31, 2022.

Latin America

Q1 2023 vs. Q1 2022

The Group's net sales in Latin America increased by US$13.1 million, or 29.0% (+33.9% constant currency), for the three months ended March 31, 2023, compared to the three months ended March 31, 2022.

Net sales in Chile increased by US$5.2 million, or 25.1% (+26.0% constant currency), during the three months ended March 31, 2023, compared to the same period in 2022. Net sales in Mexico increased by US$4.4 million, or 45.0% (+32.0% constant currency), year-on-year. Net sales in Brazil increased by US$1.9 million, or 46.0% (+45.2% constant currency), year-on-year.

Q1 2023 vs. Q1 2019

The Group's net sales in Latin America increased by 24.6% (+73.9% constant currency) during the three months ended March 31, 2023, compared to the three months ended March 31, 2019. When excluding the net sales in Argentina, which experienced higher inflation and currency depreciation since 2019, the Group's net sales in Latin America for the three months ended March 31, 2023, increased by 21.7% (+42.6% constant currency), compared to the three months ended March 31, 2019.

When compared to the three months ended March 31, 2019, all of the Group's key markets in Latin America recorded net sales increases for the three months ended March 31, 2023, including: Chile (+17.4%, +43.4% constant currency), Mexico (+23.8%, +19.2% constant currency) and Brazil (+36.9%, +87.5% constant currency).

April 2023 vs. April 2022 and April 2019

The Group's net sales performance in Latin America continued to improve during April 2023. Net sales for April 2023 increased by 10.0% and by 32.1% (+12.9% and +75.8% constant currency) compared to April 2022 and April 2019, respectively.

Brands

For the three months ended March 31, 2023, net sales of the *Samsonite* brand in Latin America increased by US$3.6 million, or 22.8% (+30.8% constant currency), compared to the same period in 2022. Net sales of the *Tumi* brand in Latin America increased by US$0.6 million, or 46.2% (+38.2% constant currency), year-on-year. Net sales of the *American Tourister* brand in Latin America increased by US$1.6 million, or 26.8% (+29.3% constant currency). Net sales of the *Saxoline* brand increased by US$2.5 million, or 43.8% (+45.2% constant currency), year-on-year. Net sales of the *Xtrem* brand increased by US$4.3 million, or 30.4% (+36.8% constant currency), compared to the same period in 2022.

Cost of Sales and Gross Profit

Cost of sales increased by US$97.7 million, or 37.6%, to US$357.6 million (representing 42.0% of net sales) for the three months ended March 31, 2023, from US$259.9 million (representing 45.3% of net sales) for the three months ended March 31, 2022.

Gross profit increased by US$180.8 million, or 57.6%, to US$494.5 million for the three months ended March 31, 2023, from US$313.7 million for the three months ended March 31, 2022, due to increased net sales year-on-year. The gross profit margin was 58.0% for the three months ended March 31, 2023, compared to 54.7% for the same period in 2022. The 330 basis points increase in gross profit margin was driven mainly by Asia, the region with the highest gross profit margin, increasing its share of net sales, as well as changes in brand and channel net sales mix.

Distribution Expenses

Distribution expenses increased by US$52.7 million, or 29.0%, to US$234.7 million (representing 27.5% of net sales) for the three months ended March 31, 2023, from US$182.0 million (representing 31.7% of net sales) for the three months ended March 31, 2022. Distribution expenses as a percentage of net sales decreased primarily due to improved net sales as well as disciplined expense management.

Marketing Expenses

The Group spent US$50.0 million on marketing during the three months ended March 31, 2023, compared to US$24.1 million for the three months ended March 31, 2022, an increase of US$25.9 million, or 107.1%. As a percentage of net sales, marketing expenses increased by 170 basis points to 5.9% for the three months ended March 31, 2023, from 4.2% for the three months ended March 31, 2022. The Group will continue to increase its investment in marketing during the rest of 2023 to capitalize on the continued recovery in leisure and business travel and drive net sales growth.

General and Administrative Expenses

General and administrative expenses increased by US$16.4 million, or 34.4%, to US$64.1 million (representing 7.5% of net sales) for the three months ended March 31, 2023, from US$47.7 million (representing 8.3% of net sales) for the three months ended March 31, 2022. The decrease in general and administrative expenses as a percentage of net sales reflects the increase in net sales year-on-year.

Impairment Charges

The following table sets forth a breakdown of the non-cash impairment charges for the three months ended March 31, 2022 (the "2022 Impairment Charges"). There were no impairment charges or reversals for the three months ended March 31, 2023.

(Expressed in millions of US Dollars)		**Three months ended March 31,**	
Impairment charges recognized on:	Functional Area	**2023**	2022 Impairment Charges
Lease right-of-use assets	Distribution	—	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. The Group reviews the carrying amounts of its intangible assets with indefinite lives to determine whether there is any indication of impairment 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). 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.

During the three months ended March 31, 2023, the Group determined there were no triggering events that indicated that its indefinite-lived intangible assets or other assets with finite lives were impaired or required review for potential reversal of previous impairments.

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, the Group recognized non-cash impairment charges totaling US$0.8 million on the lease right-of-use assets related to such stores.

Restructuring Charges

The following table sets forth a breakdown of restructuring charges for the three months ended March 31, 2022 (the "2022 Restructuring Charges"). There were no restructuring charges or reversals for the three months ended March 31, 2023.

(Expressed in millions of US Dollars)	**Three months ended March 31,**	
Functional Area	**2023**	2022 Restructuring Charges
Restructuring charges attributable to distribution function	—	0.1
Restructuring charges attributable to general and administrative function	—	0.1
Total restructuring charges	—	0.2

In conjunction with the suspension of operations in Russia, the Group recognized 2022 Restructuring Charges of US$0.2 million during the three months ended March 31, 2022.

Operating Profit

The following table presents the reconciliation from the Group's operating profit, as reported, to operating profit, as adjusted, for the three months ended March 31, 2023, and March 31, 2022.

OPERATING PROFIT

	Three months ended March 31,			
(Expressed in millions of US Dollars)	**2023**	2022	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Operating profit, as reported	**144.7**	58.1	149.1 %	160.3 %
Impairment Charges	—	0.8	(100.0)%	(100.0)%
Restructuring Charges	—	0.2	(100.0)%	(100.0)%
Operating profit, as adjusted	**144.7**	59.1	144.9 %	156.0 %

Note
(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.

The Group reported an operating profit of US$144.7 million for the three months ended March 31, 2023, compared to US$58.1 million for the same period in 2022, an improvement of US$86.6 million, or 149.1%.

Net Finance Costs

Net finance costs increased by US$9.4 million, or 32.5%, to US$38.3 million for the three months ended March 31, 2023, from US$28.9 million for the three months ended March 31, 2022. This increase was primarily attributable to the US$4.0 million increase in interest expense on loans and borrowings, an increase in foreign exchange losses of US$3.6 million and an increase in redeemable non-controlling interest put option expenses of US$2.4 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, 2023, and March 31, 2022.

	Three months ended March 31,	
(Expressed in millions of US Dollars)	**2023**	2022
Recognized in profit or loss:		
Interest income	**2.8**	1.1
Total finance income	**2.8**	1.1
Interest expense on loans and borrowings	**(25.5)**	(21.5)
Amortization of deferred financing costs associated with the Senior Credit Facilities	**(1.1)**	(1.5)
Interest expense on lease liabilities	**(6.2)**	(4.8)
Change in fair value of put options	**(4.0)**	(1.6)
Net foreign exchange gain (loss)	**(3.5)**	0.1
Other finance costs	**(0.8)**	(0.7)
Total finance costs	**(41.1)**	(30.0)
Net finance costs recognized in profit or loss	**(38.3)**	(28.9)

Profit before Income Tax

The following table presents the reconciliation from the Group's profit before income tax, as reported, to profit before income tax, as adjusted, for the three months ended March 31, 2023, and March 31, 2022.

PROFIT BEFORE INCOME TAX

	Three months ended March 31,			
(Expressed in millions of US Dollars)	**2023**	2022	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Profit before income tax, as reported	**106.4**	29.2	264.5 %	284.8 %
Impairment Charges	**—**	0.8	(100.0)%	(100.0)%
Restructuring Charges	**—**	0.2	(100.0)%	(100.0)%
Profit before income tax, as adjusted	**106.4**	30.2	252.7 %	272.4 %

Note
(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.

The Group recorded a profit before income tax of US$106.4 million for the three months ended March 31, 2023, compared to a profit before income tax of US$29.2 million for the same period in 2022, an improvement of US$77.2 million, or 264.5%.

Income Tax Expense

The Group recorded income tax expense of US$22.5 million for the three months ended March 31, 2023, compared to income tax expense of US$8.0 million for the three months ended March 31, 2022. The income tax expense recorded during the three months ended March 31, 2023, was due mainly to the US$106.4 million reported profit before income tax, combined with the profit mix between high and low tax jurisdictions. 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 the profit mix between high and low tax jurisdictions.

The Group's consolidated effective tax rate for operations was 21.1% and 27.2% for the three months ended March 31, 2023, and March 31, 2022, respectively. The decrease in the Group's effective tax rate during the three months ended March 31, 2023, was mainly the result of (i) an increase in the deferred tax asset related to outstanding share options due to the increase in the Company's share price and (ii) changes in the profit mix between high and low tax jurisdictions. The reported effective tax rate was calculated using a weighted average income tax rate from those jurisdictions in which the Group is subject to tax, adjusted for permanent book/tax differences, tax incentives, changes in tax reserves and changes in unrecognized deferred tax assets. The effective tax rate for each period was recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the profit before income tax for the period adjusted for certain discrete items for the period.

Profit

Profit for the Period

The following table presents the reconciliation from the Group's profit for the period, as reported, to profit for the period, as adjusted, for the three months ended March 31, 2023, and March 31, 2022.

PROFIT FOR THE PERIOD

	Three months ended March 31,			
(Expressed in millions of US Dollars)	**2023**	2022	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Profit for the period, as reported	**83.9**	21.2	295.3 %	316.9 %
Impairment Charges	—	0.8	(100.0)%	(100.0)%
Restructuring Charges	—	0.2	(100.0)%	(100.0)%
Tax impact	—	(0.2)	100.0 %	100.0 %
Profit for the period, as adjusted	**83.9**	22.0	281.6 %	302.5 %

Note
(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.

Profit for the three months ended March 31, 2023, was US$83.9 million compared to US$21.2 million for the three months ended March 31, 2022, an improvement of US$62.7 million, or 295.3%.

Profit Attributable to the Equity Holders

The following table presents the reconciliation from the Group's profit attributable to the equity holders, as reported, to profit attributable to the equity holders, as adjusted, for the three months ended March 31, 2023, and March 31, 2022.

PROFIT ATTRIBUTABLE TO THE EQUITY HOLDERS

	Three months ended March 31,			
(Expressed in millions of US Dollars)	**2023**	2022	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Profit attributable to the equity holders, as reported	**73.8**	16.4	348.4 %	376.1 %
Impairment Charges	—	0.8	(100.0)%	(100.0)%
Restructuring Charges	—	0.2	(100.0)%	(100.0)%
Tax impact	—	(0.2)	100.0 %	100.0 %
Profit attributable to the equity holders, as adjusted	**73.8**	17.2	328.6 %	355.1 %

Note
(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.

Profit attributable to the equity holders was US$73.8 million for the three months ended March 31, 2023, compared to US$16.4 million for the same period in 2022, an improvement of US$57.3 million, or 348.4%.

Basic and Diluted Earnings per Share

Basic and diluted earnings per share were US$0.051 for the three months ended March 31, 2023, compared to US$0.011 for the three months ended March 31, 2022. The weighted average number of shares used in the basic earnings per share calculation was 1,442,774,129 shares for the three months ended March 31, 2023, compared to 1,436,906,305 shares for the three months ended March 31, 2022. The weighted average number of shares outstanding used in the diluted earnings per share calculation was 1,449,865,968 shares for the three months ended March 31, 2023, compared to 1,438,666,801 shares for the three months ended March 31, 2022.

Adjusted EBITDA

Adjusted EBITDA, a non-IFRS measure, improved by US$83.2 million to US$156.4 million for the three months ended March 31, 2023, compared to US$73.2 million for the three months ended March 31, 2022. Adjusted EBITDA margin was 18.4% for the three months ended March 31, 2023, compared to 12.8% for the three months ended March 31, 2022, due to improved net sales and gross profit as well as disciplined expense management.

Adjusted EBITDA for the first quarter of 2023 was US$71.7 million higher than the comparable period in 2019 on reported net sales that were only US$20.1 million higher. The 820 basis points improvement in Adjusted EBITDA margin from 2019 represents a fundamentally enhanced profit profile for the Group following the restructuring actions taken during 2020 and 2021 combined with strong net sales recovery.

The following table presents the reconciliation from the Group's profit for the period to Adjusted EBITDA for the three months ended March 31, 2023, and March 31, 2022:

	Three months ended March 31,			
(Expressed in millions of US Dollars)	**2023**	2022	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[4]
Profit for the period	**83.9**	21.2	295.3 %	316.9 %
Plus (minus):				
Income tax expense	**22.5**	8.0	182.3 %	199.1 %
Finance costs	**41.1**	30.0	37.0 %	40.6 %
Finance income	**(2.8)**	(1.1)	157.0 %	201.3 %
Depreciation	**8.9**	9.3	(4.9)%	(0.5)%
Total amortization	**36.2**	36.1	0.3 %	4.0 %
EBITDA	**189.8**	103.4	83.5 %	91.4 %
Plus (minus):				
Share-based compensation expense	**3.4**	2.9	18.0 %	19.5 %
Impairment Charges	**—**	0.8	(100.0)%	(100.0)%
Restructuring Charges	**—**	0.2	(100.0)%	(100.0)%
Amortization of lease right-of-use assets	**(31.6)**	(30.1)	5.1 %	9.0 %
Interest expense on lease liabilities	**(6.2)**	(4.8)	28.2 %	33.3 %
Other adjustments[1]	**1.0**	0.8	21.8 %	355.1 %
Adjusted EBITDA[2]	**156.4**	73.2	113.6 %	126.6 %
Adjusted EBITDA margin[3]	**18.4 %**	12.8 %		

Notes
(1) Other adjustments primarily comprised 'Other income (expenses)' per the consolidated statements of income.
(2) Adjusted EBITDA, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. Adjusted EBITDA includes the lease interest and amortization expense as a result of the Group's adoption of IFRS 16, *Leases* ("IFRS 16") to account for operational rent expenses.
(3) Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.
(4) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

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 for the period, these measures provide additional information that is useful in gaining a more complete understanding of its operational performance and of the trends impacting its business. EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are important metrics the Group uses to evaluate its operating performance and cash generation.

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

Adjusted Net Income

Adjusted Net Income, a non-IFRS measure, was US$81.2 million for the three months ended March 31, 2023, compared to US$23.3 million for the three months ended March 31, 2022. The US$58.0 million improvement in Adjusted Net Income was primarily due to improved net sales and gross profit as well as disciplined expense management. Adjusted basic and diluted earnings per share, which are non-IFRS measures, were US$0.056 per share for the three months ended March 31, 2023, compared to US$0.016 for the three months ended March 31, 2022. Adjusted basic and diluted earnings per share are calculated by dividing Adjusted Net Income by the weighted average number of shares used in the basic and diluted earnings per share calculations, respectively.

The following table presents the reconciliation from the Group's profit attributable to the equity holders to Adjusted Net Income for the three months ended March 31, 2023, and March 31, 2022:

	Three months ended March 31,			
(Expressed in millions of US Dollars)	**2023**	2022	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[3]
Profit attributable to the equity holders	**73.8**	16.4	348.4 %	376.1 %
Plus (minus):				
Change in fair value of put options included in finance costs	**4.0**	1.6	152.9 %	152.9 %
Amortization of intangible assets	**4.6**	6.0	(22.9)%	(21.3)%
Impairment Charges	**—**	0.8	(100.0)%	(100.0)%
Restructuring Charges	**—**	0.2	(100.0)%	(100.0)%
Tax adjustments[1]	**(1.1)**	(1.7)	(32.0)%	(30.5)%
Adjusted Net Income[2]	**81.2**	23.3	249.0 %	268.9 %

Notes
(1) Tax adjustments represent the tax effect of the reconciling line items as included in the consolidated statements of income based on the applicable tax rate in the jurisdiction where such costs were incurred.
(2) Represents Adjusted Net Income attributable to the equity holders of the Company.
(3) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

The Company has presented Adjusted Net Income and adjusted basic and diluted earnings per share because it believes these measures help to give securities analysts, investors and other interested parties a more complete understanding of the Company's underlying financial performance. By presenting Adjusted Net Income and the related adjusted basic and diluted earnings per share calculations, the Company eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact reported profit attributable to the equity holders.

Adjusted Net Income and adjusted basic and diluted earnings per share are non-IFRS 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 attributable to the equity holders or basic and diluted earnings per share presented in the Company's consolidated statements of income. Adjusted Net Income and the related adjusted basic and diluted earnings per share calculations have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Company's results of operations as reported under IFRS.

Cash Flows

Cash flows used in operating activities amounted to US$18.2 million for the three months ended March 31, 2023, compared to US$15.0 million for the three months ended March 31, 2022. The US$3.2 million increase in cash flows used in operating activities year-on-year primarily relates to an increased investment in working capital of US$277.8 million to support net sales growth, partially offset by an improvement in Adjusted Net Income as compared to the three months ended March 31, 2022.

For the three months ended March 31, 2023, net cash flows used in investing activities were US$9.7 million and were primarily related to US$7.4 million of capital expenditures for property, plant and equipment. The Group selectively added new retail locations, remodeled certain existing retail locations and made investments in machinery and equipment to support new product innovation. For the three months ended March 31, 2022, net cash flows used in investing activities were US$5.8 million and were primarily related to US$4.8 million of capital expenditures for property, plant and equipment. The Group intends to continue to increase spending on capital expenditures and software during the rest of 2023 to upgrade and expand its retail store fleet as well as investing in core strategic functions to support continued sales growth.

Net cash flows used in financing activities were US$39.3 million for the three months ended March 31, 2023, and were largely attributable to US$33.5 million in payments on lease liabilities and repayments on the Group's Senior Credit Facilities (as defined in Management Discussion and Analysis - Indebtedness) of US$12.9 million. Net cash flows used in financing activities were US$243.0 million for the three months ended March 31, 2022. During the first quarter of 2022, the Group repaid US$207.9 million of outstanding borrowings under its Senior Credit Facilities. Net cash flows used in financing activities for the three months ended March 31, 2022, also included US$36.6 million in payments on lease liabilities.

The Group had US$571.1 million in cash and cash equivalents as of March 31, 2023, compared to US$635.9 million as of December 31, 2022. Cash and cash equivalents are generally denominated in the functional currency of the applicable Group entity.

Indebtedness

The following table sets forth the carrying amount of the Group's loans and borrowings as of March 31, 2023, and December 31, 2022:

(Expressed in millions of US Dollars)	**March 31, 2023**	December 31, 2022
Term Loan A Facility	**570.0**	580.0
Term Loan B Facility	**533.3**	534.9
2021 Incremental Term Loan B Facility	**461.8**	463.1
Revolving Credit Facility	**—**	—
Total Senior Credit Facilities	**1,565.1**	1,578.0
Senior Notes(1)	**379.4**	374.6
Other borrowings and obligations	**66.2**	67.0
Total loans and borrowings	**2,010.7**	2,019.6
Less deferred financing costs	**(6.7)**	(7.8)
Total loans and borrowings less deferred financing costs	**2,004.0**	2,011.8

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

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

Senior Credit Facilities

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 (as amended from time to time since the Closing Date, the "Credit Agreement") with certain lenders and financial institutions. The Credit Agreement provides for (1) a US$800.0 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"), (3) a US$495.5 million term loan B facility (the "2021 Incremental Term Loan B Facility" and, together with the Term Loan A Facility and the Term Loan B Facility, the "Term Loan Credit Facilities") and (4) a US$850.0 million revolving credit facility (the "Revolving Credit Facility"). The credit facilities provided under the Credit Agreement are referred to herein as the "Senior Credit Facilities."

As of March 31, 2023, and December 31, 2022, there were no outstanding borrowings under the Revolving Credit Facility. As of March 31, 2023, US$845.4 million was available to be borrowed under the Revolving Credit Facility as a result of the utilization of US$4.6 million of the facility for outstanding letters of credit extended to certain creditors.

Interest Rate and Fees

Interest accrues and is payable on the borrowings under the Credit Agreement:

(a) in respect of the Term Loan A Facility and the Revolving Credit Facility, at an interest rate equal to the applicable benchmark rate (the London Interbank Offered Rate ("LIBOR") for borrowings denominated in US Dollars and the Euro Interbank Offered Rate ("EURIBOR") for borrowings under the Revolving Credit Facility denominated in Euros) plus a margin between 1.125% and 1.875% per annum (or a base rate plus a margin between 0.125% and 0.875% per annum), with the applicable margin 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, at an interest rate equal to LIBOR plus a margin of 1.75% per annum with a LIBOR floor of 0.00% (or a base rate plus a margin of 0.75% per annum), and

(c) in respect of the 2021 Incremental Term Loan B Facility, at an interest rate equal to LIBOR plus a margin of 3.00% per annum with a LIBOR floor of 0.75% (or a base rate plus a margin of 2.00% per annum).

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 equal to 0.20% per annum in respect of the unutilized commitments under the 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.

Amortization and Final Maturity

The Term Loan A Facility requires scheduled quarterly payments with an annual amortization of 5.0% of the original principal amount of the loans under the Term Loan A Facility with respect to amortization payments due during 2023, with a step-up to annual amortization of 7.5% of the original principal amount of the loans under the Term Loan A Facility with respect to amortization payments due during 2024. There is no scheduled amortization of any principal amounts outstanding under the Revolving Credit Facility. The balance then outstanding under the Term Loan A Facility and the Revolving Credit Facility will be due and payable on March 16, 2025.

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 April 25, 2025.

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 ended September 30, 2021, with the balance due and payable on April 25, 2025.

If, on the date that is 91 days prior to the maturity date of the Term Loan B Facility or the 2021 Incremental Term Loan B Facility, more than US$50.0 million of the Term Loan B Facility or the 2021 Incremental Term Loan B Facility has not been repaid or refinanced pursuant to the terms provided for in the Credit Agreement, then the Term Loan A Facility and the Revolving Credit Facility will mature on the date that is 90 days prior to the maturity date of the Term Loan B Facility or the 2021 Incremental Term Loan B Facility, as applicable.

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. For test periods ending in 2023 and thereafter, the Company and its subsidiaries are required to maintain (i) a pro forma total net leverage ratio of not greater than 4.50:1.00; provided that such maximum pro forma total net leverage ratio is subject to a step up of 0.50x from the otherwise applicable ratio, up to a pro forma total net leverage ratio not to exceed 6.00:1.00 for the six fiscal quarter period following the fiscal quarter in which a permitted acquisition has been consummated, and (ii) a pro forma consolidated cash interest coverage ratio of not less than 3.00:1.00 (collectively, the "Financial Covenants"). The Financial Covenants only apply for the benefit of the lenders under the Term Loan A Facility and the lenders under the Revolving Credit Facility. The Company was in compliance with the Financial Covenants for the test period ended on March 31, 2023. 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).

Minimum Liquidity Covenant
The 2021 Incremental Term Loan B Facility requires the Company 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 minimum liquidity covenant as of March 31, 2023, and it remains in compliance with such covenant as of the date hereof.

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 Senior Credit Facilities. The amortization of deferred financing costs, which is included in interest expense, amounted to US$1.1 million and US$1.5 million for the three months ended March 31, 2023, and March 31, 2022, respectively.

Interest Rate Swaps
The Group maintains interest rate swaps to hedge a portion of its interest rate exposure under the floating-rate Senior Credit Facilities by swapping certain US Dollar floating-rate bank borrowings with fixed-rate agreements. On September 4, 2019, the Group entered into interest rate swap agreements that became effective on September 6, 2019, and will terminate on August 31, 2024. The notional amounts of the interest rate swap agreements decrease over time. 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 35% of the principal amount of the Senior Credit Facilities at March 31, 2023, 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, 2023, the interest rate swaps were marked-to-market, resulting in a net asset position to the Group in the amount of US$25.0 million which was recorded as an asset with the effective portion of the gain (loss) deferred to other comprehensive income. As of December 31, 2022, the interest rate swaps were marked-to-market, resulting in a net asset position to the Group in the amount of US$30.5 million which was recorded as an asset with the effective portion of the gain (loss) deferred to other comprehensive income.

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

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
2023 and thereafter	100.000 %

Upon 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 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$66.2 million and US$67.0 million as of March 31, 2023, and December 31, 2022, respectively.

The following represents the contractual maturity dates of the Group’s loans and borrowings as of March 31, 2023, and December 31, 2022:

(Expressed in millions of US Dollars)	**March 31, 2023**	December 31, 2022
On demand or within one year	**117.8**	118.6
After one year but within two years	**541.6**	66.6
After two years but within five years	**1,351.3**	1,834.4
	2,010.7	2,019.6

General

This financial and business review as of and for the three months ended March 31, 2023, 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, 2022.

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 11, 2023

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