SAMSONITE INTERNATIONAL S.A.

新秀麗國際有限公司

13-15 avenue de la Liberté, L-1931 Luxembourg
R.C.S. LUXEMBOURG: B 159.469

(Incorporated in Luxembourg with limited liability)

(Stock code: 1910)

Interim Results Announcement for the Six Months Ended June 30, 2022

Disclaimer

Non-IFRS Measures

The Company has presented certain non-IFRS[1] measures in the Summary Financial Results and Financial Highlights, Chairman's Statement, Chief Executive Officer's Statement and Management Discussion and Analysis because each of these measures provides additional information that management believes is useful for securities analysts, investors and other interested parties to gain a more complete understanding of the Group’s operational performance and of the trends impacting its business. These non-IFRS 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 from the effects of 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.

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.

Summary Financial Results and Financial Highlights

The Board of Directors of Samsonite International S.A. (the "Company"), together with its consolidated subsidiaries (the "Group"), is pleased to announce the consolidated interim results of the Group for the six months ended June 30, 2022 together with comparative figures for the six months ended June 30, 2021. The following financial information, including comparative figures, has been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

Summary Financial Results

During the six months ended June 30, 2022, the Group continued to experience improved net sales trends. Despite the reinstatement of travel restrictions and social distancing measures in certain markets, the Group's net sales performance continued to improve during the first half of 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 improved net sales trends during the first half of 2022 continued the Group's net sales recovery that began to accelerate during the second half of 2021.

While the COVID-19 pandemic has had adverse impacts on the Group's business, financial condition and results of operations, the impacts have lessened in most countries. The Group's actions to enhance and preserve liquidity and reduce expenses are discussed in greater detail below. 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.

In this interim results announcement, certain financial results for the six months ended June 30, 2022 are compared to both the six months ended June 30, 2021 and the six months ended June 30, 2019. Comparisons to the first half of 2019 are provided because it is the most recently ended comparable period during which the Company's results were not affected by COVID-19.

The following table sets forth summary financial results for the six months ended June 30, 2022 and June 30, 2021.

(Expressed in millions of US Dollars, except per share data)	Six months ended June 30, **2022**	2021	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[1]
Net sales	**1,270.2**	799.5	58.9 %	66.9 %
Operating profit (loss)[2]	**159.9**	(86.4)	*nm*	*nm*
Operating profit (loss) excluding impairment charges and restructuring charges[2], [3]	**173.2**	(50.2)	*nm*	*nm*
Profit (loss) for the period	**68.5**	(142.2)	*nm*	*nm*
Profit (loss) attributable to the equity holders	**56.3**	(142.5)	*nm*	*nm*
Adjusted Net Income (Loss)[4]	**83.3**	(103.7)	*nm*	*nm*
Adjusted EBITDA[5]	**195.6**	(17.0)	*nm*	*nm*
Adjusted EBITDA margin[6]	**15.4 %**	(2.1)%		
Basic and diluted earnings (loss) per share *(Expressed in US Dollars per share)*	**0.039**	(0.099)	*nm*	*nm*
Adjusted basic and diluted earnings (loss) per share[7] *(Expressed in US Dollars per share)*	**0.058**	(0.072)	*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 six months ended June 30, 2022 included total Restructuring Charges (as defined in Management Discussion and Analysis - Restructuring Charges) of US$1.4 million and total non-cash impairment charges of US$11.9 million. Results for the six months ended June 30, 2021 included total Restructuring Charges of US$6.0 million and total non-cash impairment charges of US$30.2 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$1,270.2 million for the six months ended June 30, 2022 compared to US$799.5 million for the six months ended June 30, 2021, an increase of 58.9% (+66.9% constant currency). When excluding the Russia and Speck Net Sales (as defined in Management Discussion and Analysis - Net Sales), consolidated net sales increased by US$507.7 million, or 66.8% (+75.3% constant currency), for the six months ended June 30, 2022 compared to the six months ended June 30, 2021. Further excluding the net sales of China for the second quarters of 2022 and 2021, consolidated net sales for the six months ended June 30, 2022 increased by US$537.6 million, or 76.7% (+85.8% constant currency) compared to the same period in the previous year. The Group continued to experience improved sales trends during the six months ended June 30, 2022.

- When compared to the six months ended June 30, 2019, the Group's net sales decreased by 27.7% (-23.5% constant currency) during the six months ended June 30, 2022. When excluding the Russia and Speck Net Sales, consolidated net sales decreased by 24.7% (-20.4% constant currency) for the six months ended June 30, 2022 compared to the six months ended June 30, 2019. Further excluding the net sales of China for the second quarters of 2022 and 2019, consolidated net sales for the six months ended June 30, 2022 decreased by 23.0% (-18.4% constant currency) compared to the six months ended June 30, 2019.

- Gross profit margin increased to 55.7% for the six months ended June 30, 2022 from 50.8% for the same period in the previous year. The increase in gross profit margin was attributable to (i) increased net sales, (ii) price increases on the Group's products implemented during the latter part of 2021 and the first half of 2022 in order to mitigate increased product, freight and duty costs and (iii) lower promotional discounts. See Management Discussion and Analysis - Cost of Sales and Gross Profit for further discussion.

- The Group spent US$57.7 million on marketing during the six months ended June 30, 2022 compared to US$28.7 million for the six months ended June 30, 2021, an increase of US$29.0 million, or 101.3%. As a percentage of net sales, marketing expenses increased by 90 basis points to 4.5% for the six months ended June 30, 2022 from 3.6% for the six months ended June 30, 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$159.9 million for the six months ended June 30, 2022 compared to an operating loss of US$86.4 million for the same period in the previous year, an improvement of US$246.2 million. The Group had an operating profit of US$173.2 million[(1)] for the six months ended June 30, 2022 when excluding the non-cash 1H 2022 Impairment Charges (as defined in Management Discussion and Analysis - Impairment Charges) and Restructuring Charges (as defined in Management Discussion and Analysis - Restructuring Charges). In comparison, the Group incurred an operating loss of US$50.2 million[(1)] for the same period in the previous year when excluding the non-cash 1H 2021 Impairment Charges and Restructuring Charges.

- Profit for the six months ended June 30, 2022 was US$68.5 million compared to a loss for the six months ended June 30, 2021 of US$142.2 million, an improvement of US$210.6 million. The Group had profit for the six months ended June 30, 2022 of US$80.6 million[(1)] when excluding the non-cash 1H 2022 Impairment Charges and Restructuring Charges, both of which are net of the related tax impact. In comparison, the Group incurred a loss for the six months ended June 30, 2021 of US$114.8 million[(1)] when excluding the non-cash 1H 2021 Impairment Charges, Restructuring Charges and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement (as defined in Management Discussion and Analysis - Indebtedness), all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with the intragroup realignment of certain intellectual property rights (the "Intra-Group IP Realignment").

- Profit attributable to the equity holders was US$56.3 million for the six months ended June 30, 2022 compared to a loss attributable to the equity holders of US$142.5 million for the same period in the previous year, an improvement of US$198.6 million. For the six months ended June 30, 2022, the Group had profit attributable to the equity holders of US$68.4 million(1) when excluding the non-cash 1H 2022 Impairment Charges and Restructuring Charges, both of which are net of the related tax impact. In comparison, the Group recorded a loss attributable to the equity holders for the six months ended June 30, 2021 of US$115.1 million(1) when excluding the non-cash 1H 2021 Impairment Charges, Restructuring Charges and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with Intra-Group IP Realignment.
- Adjusted EBITDA, a non-IFRS measure, improved by US$212.6 million to earnings of US$195.6 million for the six months ended June 30, 2022 compared to a loss of US$17.0 million for the six months ended June 30, 2021. Adjusted EBITDA margin was 15.4% for the six months ended June 30, 2022 compared to (2.1%) for the six months ended June 30, 2021 due primarily to continued sales improvement and strong gross margins, along with the positive impacts of actions taken by management to reduce the fixed cost structure of the business.
- The Group generated US$62.4 million of cash from operating activities during the six months ended June 30, 2022 compared to US$1.5 million of cash used in operating activities for the same period in the previous year. As of June 30, 2022, the Group had cash and cash equivalents of US$1,064.6 million and outstanding financial debt of US$2,542.5 million (excluding deferred financing costs of US$10.0 million), resulting in a net debt position of US$1,477.9 million compared to a net debt position of US$1,477.2 million as of December 31, 2021. Total cash burn(2) was US$26.6 million during the six months ended June 30, 2022 compared to total cash burn(2) of US$91.9 million during the six months ended June 30, 2021. Total liquidity(3) as of June 30, 2022 was US$1,400.2 million compared to US$1,501.4 million as of December 31, 2021. During the six months ended June 30, 2022, the Group repaid US$220.8 million of outstanding borrowings under the Group's Amended Senior Credit Facilities (as defined in Management Discussion and Analysis - Indebtedness), consisting of US$200.0 million in prepayments and US$20.8 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, (ii) deferred financing costs and (iii) foreign exchange conversion impacts.

(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).

Chairman's Statement

We continue to be encouraged by Samsonite's progress in the first half of 2022. We maintained the positive sales momentum and financial performance from the second half of 2021 to achieve a great set of results for the six months ended June 30, 2022.

With the continued easing of pandemic-related restrictions, both domestic and overseas travel have been experiencing a strong recovery, driving increased demand for the Group's products. Samsonite recorded net sales of US$1,270.2 million for the six months ended June 30, 2022, an increase of US$470.7 million from the US$799.5 million recorded during the first half of 2021. Compared to the corresponding period in 2019, first half 2022 net sales were lower by 23.5%[1], and by 20.4%[1] when excluding the net sales of Russia[2] and Speck[3]. Further excluding the net sales of China (where renewed lockdowns have impacted performance) for the second quarters of 2022 and 2019, consolidated net sales for the six months ended June 30, 2022 decreased by 18.4%[1] compared to the first half of 2019, a significant improvement compared to the 34.9%[1] reduction (-32.5%[1] excluding Speck[3]) recorded during the second half of 2021.

Net sales performance saw marked improvements across all our regions. First half 2022 net sales increased by 51.4%[1] (+66.2%[1] when excluding the net sales of Speck[3]) in North America, 159.5%[1] (+180.1%[1] when excluding the net sales of Russia[2]) in Europe and 151.1%[1] in Latin America, year-on-year. In Asia, first half 2022 net sales increased by 34.0%[1] year-on-year as a slowdown in China partially offset accelerated recovery in the rest of the region. When excluding the net sales of China for the second quarters of 2022 and 2021, first half 2022 net sales in Asia increased by 53.9%[1] year-on-year.

Compared to the first half of 2019, first half 2022 net sales decreased by 25.3%[1] (-19.1%[1] when excluding Speck[3]) in North America, 36.4%[1] (-32.9%[1] when excluding the net sales of China for the second quarters of 2022 and 2019) in Asia and 10.4%[1] (-5.7%[1] when excluding Russia[2]) in Europe. First half 2022 net sales in Latin America increased by 31.3%[1] when compared to the same period in 2019.

Samsonite's first half 2022 gross margin increased by 490 basis points to 55.7% from 50.8% in the first half of 2021, despite increased product, freight and duty costs during the first half of 2022. While strategically increasing marketing spend to US$57.7 million, or 4.5% of net sales, during the first half of 2022 (compared to US$28.7 million, or 3.6% of net sales, for the first half of 2021), we remained vigilant in controlling our other expenses. Driven by the strong recovery in net sales and gross margin, our Adjusted EBITDA[4] and Adjusted EBITDA margin[5] made significant gains, improving to US$195.6 million and 15.4%, respectively, in the first half of 2022, compared to a loss of US$17.0 million and (2.1)%, respectively, for the first half of 2021. Adjusted Net Income[6] came to US$83.3 million for the first half of 2022, an improvement of US$187.0 million from the Adjusted Net Loss[6] of US$103.7 million for the same period in 2021.

More notably, our first half 2022 gross margin was only 30 basis points below the 56.0% recorded in the first half of 2019, despite increased product, freight and duty costs. Additionally, Adjusted EBITDA margin[5] for the first half of 2022 was 320 basis points higher than the 12.2% for the same period in 2019. This is a remarkable achievement, considering our first half 2022 net sales were considerably lower than the comparable period in 2019, and is largely attributable to Samsonite's comprehensive cost reduction measures and ongoing expense controls. I want to express my deepest appreciation to our team members around the globe for their hard work and dedication that made this accomplishment possible.

In addition to marketing spend, we also increased investment in inventories to support Samsonite's ongoing recovery. The Group's inventories increased by US$120.4 million during the first half of 2022 to US$468.8 million as of June 30, 2022, ahead of the important summer travel season in the Northern Hemisphere and the second half of the year. Nevertheless, total cash burn[7] improved to US$26.6 million for the six months ended June 30, 2022 compared to US$91.9 million for the same period in 2021, driven by the strong improvement in the Group's Adjusted EBITDA[4] year-on-year.

As sales, profitability and cash flow continued to improve, we voluntarily prepaid an additional US$200.0 million of outstanding borrowings under our amended senior credit facilities during the first half of 2022, following debt prepayments totaling US$370.0 million in 2021. As a result, Samsonite maintained significant liquidity of approximately US$1.4 billion[8] as of June 30, 2022, compared to liquidity of US$1.5 billion[8] at the end of 2021.

As we look to the second half of 2022, I would like to express my appreciation for Kyle, our CEO, as well as our corporate, regional and country management teams and our business partners around the world for their unabated diligence and dedication.

I also want to thank Keith Hamill and Hardy McLain, who served as Directors since 2011 and retired from the Board of Directors at our Annual General Meeting on June 2, 2022. It has been a great pleasure working with Keith and Hardy, and on behalf of the entire Board, I thank them for their invaluable contribution over the years. I would also like to welcome Angela Brav and Claire Bennett, who were elected to join the Board as Independent Non-Executive Directors and will undoubtedly bring fresh perspectives and insights. I look forward to working closely with Angela and Claire.

The strong rebound in travel this summer, particularly in North America and Europe, underscores its enduring appeal for consumers, and as Asian countries increasingly relax restrictions, we look forward to a continued global expansion in travel to drive our ongoing recovery. With our strong financial position, proven discipline in controlling costs and managing cash, as well as our highly responsive, decentralized management structure, we are confident in our ability to capitalize on the continued recovery in global travel from the effects of COVID-19, while investing for long-term growth and shareholder value creation.

Timothy Charles Parker
Chairman
August 17, 2022

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) On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine. At June 30, 2022, the Group had executed a definitive agreement for the disposition of its Russian operations, which disposition was completed on July 1, 2022. For comparison purposes, net sales exclude the net sales of the Group's former Russian operations for the second quarters of 2022, 2021 and 2019.

(3) On July 30, 2021, a wholly-owned subsidiary of the Company sold Speculative Product Design, LLC ("Speck"), including the *Speck* brand. For comparison purposes, net sales exclude the net sales of Speck for January through June 2021 and January through June 2019.

(4) Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. The Group believes these measures provide additional information that is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business.

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

(6) 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.

(7) Total cash generation (burn) is calculated as the total increase (decrease) in cash and cash equivalents per the consolidated statements of cash flows less total cash flow attributable to (i) total loans and borrowings, (ii) deferred financing costs and (iii) foreign exchange conversion impacts.

(8) As of June 30, 2022, the Group had total liquidity of US$1,400.2 million, comprising cash and cash equivalents of US$1,064.6 million and US$335.5 million available to be borrowed on the Group's amended revolving credit facility. In comparison, as of December 31, 2021, the Group had total liquidity of US$1,501.4 million, comprising cash and cash equivalents of US$1,324.8 million and US$176.7 million available to be borrowed on the Group's amended revolving credit facility.

Chief Executive Officer's Statement

We are very pleased with Samsonite's performance in the first half of 2022, particularly during the second quarter. For the three months ended June 30, 2022, the Group registered consolidated net sales of US$696.5 million, up by US$122.9 million compared to the US$573.6 million recorded in the first quarter of 2022. Second quarter 2022 net sales increased by US$251.7 million, or 66.4%[(1)], versus the US$444.8 million recorded for the second quarter of 2021. Excluding Russia[(2)] and Speck[(3)], second quarter 2022 net sales increased by 75.6%[(1)] year-on-year, reflecting the continued recovery of our business driven by increased demand for travel. Further excluding China, where recovery has been impeded by renewed lockdowns, second quarter 2022 net sales increased by 96.2%[(1)] year-on-year. All our regions made good progress, with second quarter 2022 net sales rising by 39.7%[(1)] (+50.5%[(1)] excluding Speck[(3)]) in North America, 46.3%[(1)] (+108.1%[(1)] excluding China) in Asia, 152.8%[(1)] (+187.9%[(1)] excluding Russia[(2)]) in Europe and 150.1%[(1)] in Latin America.

Compared to the corresponding periods in 2019 and excluding the net sales of Russia[(2)] and Speck[(3)], second quarter 2022 net sales decreased by 16.1%[(1)], demonstrating incremental improvement versus the 25.2%[(1)] decline during the first quarter of 2022 and the 28.0%[(1)] decline during the fourth quarter of 2021. Further excluding the net sales in China, the Group's second quarter 2022 net sales decreased by 11.6%[(1)] when compared to the second quarter of 2019.

Samsonite's positive net sales trend continued into the third quarter of 2022, with the reduction in the Group's net sales for July 2022 compared to July 2019 improving to 8.7%[(1)] when excluding the net sales of Russia[(2)] and Speck[(3)], and to 5.7%[(1)] when further excluding the net sales in China.

Samsonite's gross margin improved to 56.5% for the three months ended June 30, 2022, up from 54.7% in the first quarter of 2022. Second quarter 2022 gross margin increased by 410 basis points year-on-year, and by 110 basis points from the same period in 2019. As a result, our Adjusted EBITDA[(4)] and Adjusted EBITDA margin[(5)] expanded from US$73.2 million and 12.8%, respectively, in the first quarter of 2022 to US$122.4 million and 17.6%, respectively, in the second quarter of 2022. This is a significant increase from the 2.6% Adjusted EBITDA margin[(5)] for the second quarter of 2021, and 370 basis points higher compared to the 13.9% Adjusted EBITDA margin[(5)] for the second quarter of 2019. In addition, driven by the increase in Adjusted EBITDA[(4)], Samsonite generated total cash[(6)] of US$31.9 million during the second quarter of 2022, a considerable improvement from total cash burn[(6)] of US$58.5 million in the first quarter of 2022.

Overall, Samsonite recorded net sales of US$1,270.2 million for the six months ended June 30, 2022, an increase of 75.3%[(1)] year-on-year when excluding net sales of Russia[(2)] and Speck[(3)], or 66.9%[(1)] year-on-year when such sales are included. When compared to the first half of 2019, the Group's first half 2022 net sales decreased by 20.4%[(1)] when excluding net sales of Russia[(2)] and Speck[(3)], or 23.5%[(1)] when such sales are included. Further excluding the net sales of China for the second quarters of 2022 and 2019, consolidated net sales for the six months ended June 30, 2022 decreased by 18.4%[(1)] compared to the same period in 2019.

During the six months ended June 30, 2022, the Group's net sales registered year-on-year gains of 51.4%[(1)] (+66.2%[(1)] when excluding Speck[(3)]) in North America, 34.0%[(1)] (+53.9%[(1)] when excluding the net sales of China for the second quarters of 2022 and 2021) in Asia, 159.5%[(1)] (+180.1%[(1)] when excluding Russia[(2)]) in Europe, and 151.1%[(1)] in Latin America. Compared to the first half of 2019, first half 2022 net sales decreased by 25.3%[(1)] (-19.1%[(1)] when excluding Speck[(3)]) in North America, 36.4%[(1)] (-32.9%[(1)] when excluding the net sales of China for the second quarters of 2022 and 2019) in Asia and 10.4%[(1)] (-5.7%[(1)] when excluding Russia[(2)]) in Europe. First half 2022 net sales in Latin America increased by 31.3%[(1)] when compared to the same period in 2019.

During the six months ended June 30, 2022, net sales of the Group's core brands *Samsonite*, *Tumi* and *American Tourister* increased by 84.2%[(1)], 50.6%[(1)] and 91.7%[(1)] year-on-year, respectively. Compared to the first half of 2019, net sales of *Samsonite* experienced the strongest recovery, with first half 2022 net sales coming in 16.9%[(1)] lower, while net sales of *Tumi* and *American Tourister* decreased by 20.3%[(1)] and 22.5%[(1)], respectively.

The Group's first half 2022 gross profit margin expanded to 55.7%, an increase of 490 basis points compared to the 50.8% for the first half of 2021, and about even with the 56.0% registered in the first half of 2019, despite increased product, freight and duty costs during the first half of 2022.

We judiciously increased our marketing spend to drive net sales growth, while remaining vigilant in managing our fixed selling, general and administrative ("SG&A") expenses. Although marketing expenses increased by US$29.0 million, or 101.3%, year-on-year, to US$57.7 million for the six months ended June 30, 2022, they decreased by US$45.4 million, or 44.0%, compared to the first half of 2019. Marketing expenses made up 4.5% of net sales in the first half of 2022, compared to 3.6% during the first half of 2021 and 5.9% during the first half of 2019. Meanwhile, fixed SG&A expenses as a percentage of net sales were 26.2% for the first half of 2022, compared to 37.5% and 28.2% for the first half of

2021 and 2019, respectively, reflecting the savings from our comprehensive cost reduction program implemented in 2020 and 2021, and our ongoing attention to controlling expenses as sales recovered. Consequently, Samsonite's Adjusted EBITDA margin(5) expanded to 15.4% for the first half of 2022, a significant improvement not only compared to (2.1%) for the same period in 2021, but also 320 basis points higher than the 12.2% recorded for the first half of 2019.

For the six months ended June 30, 2022, the Group recorded Adjusted EBITDA(4) of US$195.6 million, an improvement of US$212.6 million compared to the Adjusted EBITDA loss(4) of US$17.0 million in the first half of 2021. Adjusted Net Income(7) was US$83.3 million for the six months ended June 30, 2022, compared to an Adjusted Net Loss(7) of US$103.7 million for the same period in 2021.

We continued to increase investment in working capital, particularly inventories, to meet the ongoing recovery in consumer demand. As a result, inventories amounted to US$468.8 million as of June 30, 2022, up by US$120.4 million compared to US$348.4 million as of December 31, 2021.

We also increased spending on capital expenditures and software purchases to US$15.7 million(8) during the six months ended June 30, 2022, an increase of US$9.7 million compared to the US$6.0 million(8) for the first half of 2021, with the majority being spent on the refurbishment of existing retail stores and capacity expansion at our European manufacturing plants.

The sustained improvement in Adjusted EBITDA(4), along with our consistent attention to cash flow management, enabled Samsonite to record total cash burn(6) of US$26.6 million during the six months ended June 30, 2022, an improvement of US$65.3 million compared to total cash burn(6) of US$91.9 million in the first half of 2021. We repaid US$220.8 million of outstanding borrowings during the first half of 2022, while maintaining substantial liquidity of US$1.4 billion(9) as of June 30, 2022 to support our continued recovery and to invest for long-term growth.

The team is incredibly energized by our strong performance during the first half of 2022, and we will continue to execute our recovery plan to achieve further top-line growth and margin expansion. First, we continue to focus on product innovation, ensuring that we are well positioned with exciting new products across all our brands and markets, and working closely with our suppliers to build inventories to meet consumer demand. We also plan to further increase marketing spend, both in absolute dollar terms and as a percentage of net sales, during the second half of 2022 and into 2023 to capitalize on the continued recovery in travel and drive net sales growth.

We remain focused on sustaining our gross margin through reduced discounting and promotional activity; price increases to mitigate elevated product costs, duties, and freight; and close coordination with our suppliers to manage rising costs. We also will continue to maintain discipline in controlling expenses to deliver positive operating leverage and enhanced profitability.

I would like to personally thank our Chairman, Tim Parker, and the Board for their ongoing counsel and support. I would also like to commend our country, regional, brand and corporate teams, as well as our business partners for their hard work and dedication. Our people are among Samsonite's most important assets, and we will continue to foster a thriving in-person workplace environment with added flexibility. We continue to focus on executing our sustainability strategy in steady pursuit of Samsonite's long-term environmental, social and governance goals.

After more than two years of disruptions caused by the COVID-19 pandemic, consumers not only have a strong desire to get away but also a greater appreciation of the joys travel can bring. Both domestic and overseas travel are experiencing a robust rebound in North America and Europe this summer, and with Asian countries loosening restrictions and reopening borders, we expect global travel to continue to recover, powering our net sales growth. Indeed, the second quarter's positive net sales trends in North America, Europe, Latin America and Asia excluding China extended into July, while net sales in China have been gradually recovering since April. We are confident that our diverse geographic footprint, complementary brands, and commitment to sustainability and innovation will help strengthen Samsonite's long-term market position as travel returns to pre-pandemic levels.

Kyle Francis Gendreau
Chief Executive Officer
August 17, 2022

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) On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine. At June 30, 2022, the Group had executed a definitive agreement for the disposition of its Russian operations, which disposition was completed on July 1, 2022. For comparison purposes, net sales exclude the net sales of the Group's former Russian operations for the second quarters of 2022, 2021 and 2019.
(3) On July 30, 2021, a wholly-owned subsidiary of the Company sold Speculative Product Design, LLC ("Speck"), including the *Speck* brand. For comparison purposes, net sales exclude the net sales of Speck for January through June 2021 and January through June 2019.
(4) Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. The Group believes these measures provide additional information that is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business.
(5) Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.
(6) Total cash generation (burn) is calculated as the total increase (decrease) in cash and cash equivalents per the consolidated statements of cash flows less total cash flow attributable to (i) total loans and borrowings, (ii) deferred financing costs and (iii) foreign exchange conversion impacts.
(7) 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.
(8) For the six months June 30, 2022, the Group spent US$12.6 million and US$3.1 million on capital expenditures and software purchases, respectively. In comparison, for the six months ended June 30, 2021, the Group spent US$4.6 million and US$1.4 million on capital expenditures and software purchases, respectively, and US$18.0 million and US$3.5 million, respectively, during the first half of 2020.
(9) As of June 30, 2022, the Group had total liquidity of US$1,400.2 million, comprising cash and cash equivalents of US$1,064.6 million and US$335.5 million available to be borrowed on the Group's amended revolving credit facility. In comparison, as of December 31, 2021, the Group had total liquidity of US$1,501.4 million, comprising cash and cash equivalents of US$1,324.8 million and US$176.7 million available to be borrowed on the Group's amended revolving credit facility.

Independent Auditors' Review Report

The Board of Directors and Shareholders
Samsonite International S.A.:

Results of Review of Consolidated Interim Financial Information

We have reviewed the accompanying consolidated statement of financial position of Samsonite International S.A. and its subsidiaries (the Company) as of June 30, 2022, the related consolidated statements of income (loss), comprehensive income (loss), changes in equity and cash flows for the six-month periods ended June 30, 2022 and June 30, 2021, and the related notes (collectively referred to as the consolidated interim financial information).

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial information for it to be in accordance with IAS 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board.

Basis for Review Results

We conducted our reviews in accordance with auditing standards generally accepted in the United States of America (GAAS) applicable to reviews of interim financial information and in accordance with International Standards on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of consolidated interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of consolidated interim financial information is substantially less in scope than an audit conducted in accordance with GAAS and International Standards on Auditing, the objective of which is an expression of an opinion regarding the financial information as a whole and accordingly, we do not express such an opinion. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our reviews. We believe that the results of the review procedures provide a reasonable basis for our conclusion.

Responsibilities of Management for the Consolidated Interim Financial Information

Management is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board; this responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated interim financial information that is free from material misstatement, whether due to fraud or error.

KPMG LLP

Providence, Rhode Island
August 17, 2022

Consolidated Statements of Income (Loss)

(Expressed in millions of US Dollars, except per share data)	Note	Six months ended June 30, **2022**	2021
Net sales	4	**1,270.2**	799.5
Cost of sales		**(562.8)**	(393.7)
Gross profit		**707.4**	405.8
Distribution expenses		**(375.7)**	(326.4)
Marketing expenses		**(57.7)**	(28.7)
General and administrative expenses		**(104.8)**	(102.3)
Impairment Charges	6 , 8 , 9 , 18(a)	**(11.9)**	(30.2)
Restructuring Charges	7	**(1.4)**	(6.0)
Other income	21	**4.0**	1.4
Operating profit (loss)		**159.9**	(86.4)
Finance income	20	**2.6**	1.8
Finance costs	20	**(64.8)**	(104.2)
Net finance costs	20	**(62.2)**	(102.4)
Profit (loss) before income tax		**97.7**	(188.8)
Income tax (expense) benefit	19(a)	**(29.2)**	46.6
Profit (loss) for the period		**68.5**	(142.2)
Profit (loss) attributable to equity holders		**56.3**	(142.5)
Profit attributable to non-controlling interests		**12.2**	0.3
Profit (loss) for the period		**68.5**	(142.2)
Earnings (loss) per share:			
Basic and diluted earnings (loss) per share			
(Expressed in US Dollars per share)	13	**0.039**	(0.099)

The accompanying notes form part of the consolidated interim financial statements.

Consolidated Statements of Comprehensive Income (Loss)

(Expressed in millions of US Dollars)	Note	Six months ended June 30, **2022**	2021
Profit (loss) for the period		**68.5**	(142.2)
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 (a), 19 (b), 20	**22.6**	10.6
Foreign currency translation gains for foreign operations	19 (b), 20	**6.2**	5.9
Other comprehensive income		**28.8**	16.5
Total comprehensive income (loss) for the period		**97.3**	(125.7)
Total comprehensive income (loss) attributable to equity holders		**87.7**	(125.0)
Total comprehensive income (loss) attributable to non-controlling interests		**9.6**	(0.7)
Total comprehensive income (loss) for the period		**97.3**	(125.7)

The accompanying notes form part of the consolidated interim financial statements.

Consolidated Statements of Financial Position

(Expressed in millions of US Dollars)	Note	June 30, 2022	December 31, 2021
Non-Current Assets			
Property, plant and equipment	8	**140.6**	155.1
Lease right-of-use assets	18 (a)	**315.6**	348.9
Goodwill	9	**820.0**	828.5
Other intangible assets	9	**1,381.1**	1,392.3
Deferred tax assets		**118.6**	124.2
Derivative financial instruments	22 (b)	**24.3**	—
Other assets and receivables		**62.6**	65.7
Total non-current assets		**2,862.8**	2,914.7
Current Assets			
Inventories	10	**468.8**	348.4
Trade and other receivables	11	**253.4**	206.2
Prepaid expenses and other assets		**70.1**	60.2
Cash and cash equivalents	12	**1,064.6**	1,324.8
Total current assets		**1,856.9**	1,939.6
Total assets		**4,719.7**	4,854.3
Equity and Liabilities			
Equity:			
Share capital		**14.4**	14.4
Reserves		**760.8**	675.3
Total equity attributable to equity holders		**775.2**	689.7
Non-controlling interests		**43.2**	36.9
Total equity		**818.4**	726.6
Non-Current Liabilities			
Loans and borrowings	14 (a)	**2,419.0**	2,682.0
Lease liabilities	18 (b)	**265.6**	302.8
Employee benefits	15	**29.3**	28.1
Non-controlling interest put options	22 (b)	**61.8**	47.2
Deferred tax liabilities		**156.3**	140.4
Derivative financial instruments	14 (a) , 22 (b)	**—**	3.4
Other liabilities		**5.1**	6.1
Total non-current liabilities		**2,937.1**	3,210.0
Current Liabilities			
Loans and borrowings	14 (b)	**62.0**	60.7
Current portion of long-term loans and borrowings	14 (b)	**51.6**	46.6
Current portion of lease liabilities	18 (b)	**119.6**	131.2
Employee benefits	15	**79.8**	92.9
Trade and other payables	16	**596.8**	529.0
Current tax liabilities		**54.4**	57.3
Total current liabilities		**964.2**	917.7
Total liabilities		**3,901.3**	4,127.7
Total equity and liabilities		**4,719.7**	4,854.3
Net current assets		**892.7**	1,021.9
Total assets less current liabilities		**3,755.5**	3,936.6

The accompanying notes form part of the consolidated interim financial statements.

Consolidated Statements of Changes in Equity

(Expressed in millions of US Dollars, except number of shares)	Note	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
Six months ended June 30, 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		**—**	**—**	**—**	**—**	**—**	**56.3**	**56.3**	**12.2**	**68.5**
Other comprehensive income (loss):										
Changes in fair value of hedges, net of tax	14 (a) , 19 (b)	**—**	**—**	**—**	**—**	**22.7**	**—**	**22.7**	**(0.1)**	**22.6**
Foreign currency translation gains (losses) for foreign operations	19 (b) , 20	**—**	**—**	**—**	**8.7**	**—**	**—**	**8.7**	**(2.5)**	**6.2**
Total comprehensive income for the period		**—**	**—**	**—**	**8.7**	**22.7**	**56.3**	**87.7**	**9.6**	**97.3**
Transactions with owners recorded directly in equity:										
Change in fair value of put options included in equity	22 (b)	**—**	**—**	**—**	**—**	**—**	**(8.5)**	**(8.5)**	**—**	**(8.5)**
Share-based compensation expense	15	**—**	**—**	**—**	**—**	**6.2**	**—**	**6.2**	**—**	**6.2**
Exercise of share options	15 (b)	**24,410**	**0.0**	**0.1**	**—**	**—**	**—**	**0.1**	**—**	**0.1**
Vesting of time-based restricted share awards	15 (b)	**897,297**	**0.0**	**1.8**	**—**	**(1.8)**	**—**	**—**	**—**	**—**
Dividends paid to non-controlling interests	13 (c)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(3.3)**	**(3.3)**
Balance, June 30, 2022		**1,437,826,770**	**14.4**	**1,068.2**	**(57.8)**	**105.3**	**(354.9)**	**775.2**	**43.2**	**818.4**

The accompanying notes form part of the consolidated interim financial statements.

Consolidated Statements of Changes in Equity (continued)

(Expressed in millions of US Dollars, except number of shares)	Note	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
Six months ended June 30, 2021										
Balance, January 1, 2021		1,434,880,447	14.3	1,061.1	(77.2)	48.6	(412.7)	634.1	34.9	669.0
Profit (loss) for the period		—	—	—	—	—	(142.5)	(142.5)	0.3	(142.2)
Other comprehensive income (loss):										
Changes in fair value of hedges, net of tax	14 (a) , 19 (b)	—	—	—	—	10.5	—	10.5	0.1	10.6
Foreign currency translation gains (losses) for foreign operations	19 (b) , 20	—	—	—	7.0	—	—	7.0	(1.1)	5.9
Total comprehensive income (loss) for the period		—	—	—	7.0	10.5	(142.5)	(125.0)	(0.7)	(125.7)
Transactions with owners recorded directly in equity:										
Change in fair value of put options included in equity	22 (b)	—	—	—	—	—	5.9	5.9	—	5.9
Share-based compensation expense	15	—	—	—	—	4.3	—	4.3	—	4.3
Exercise of share options	15 (b)	3,094	0.0	0.0	—	0.0	—	0.0	—	0.0
Vesting of time-based restricted share awards	15 (b)	962,716	0.0	2.0	—	(2.0)	—	—	—	—
Dividends paid to non-controlling interests	13 (c)	—	—	—	—	—	—	—	(2.3)	(2.3)
Balance, June 30, 2021		1,435,846,257	14.3	1,063.1	(70.2)	61.4	(549.3)	519.3	31.9	551.2

The accompanying notes form part of the consolidated interim financial statements.

Consolidated Statements of Cash Flows

(Expressed in millions of US Dollars)	Note	Six months ended June 30, 2022	2021
Cash flows from operating activities:			
Profit (loss) for the period		**68.5**	(142.2)
Adjustments to reconcile profit (loss) for the period to net cash generated from (used in) operating activities:			
Depreciation	8	**18.1**	25.2
Amortization of intangible assets	9	**11.7**	16.4
Amortization of lease right-of-use assets	18 (a)	**59.4**	61.2
Impairment Charges	6, 8, 9, 18 (a)	**11.9**	30.2
Change in fair value of put options included in finance costs	20, 22 (b)	**6.1**	(1.0)
Non-cash share-based compensation	15 (a)	**6.2**	4.3
Interest expense on borrowings and lease liabilities	14, 20	**54.4**	70.5
Non-cash charge to derecognize deferred financing costs	14, 20	**—**	30.1
Income tax expense (benefit)	19 (a)	**29.2**	(46.6)
		265.5	48.1
Changes in operating assets and liabilities:			
Trade and other receivables		**(54.9)**	(28.6)
Inventories		**(135.4)**	47.3
Other current assets		**(10.8)**	1.7
Trade and other payables		**77.8**	3.4
Other assets and liabilities		**(9.2)**	8.4
Cash generated from operating activities		**133.0**	80.3
Interest paid on borrowings and lease liabilities		**(50.9)**	(65.2)
Income tax paid		**(19.7)**	(16.6)
Net cash generated from (used in) operating activities		**62.4**	(1.5)
Cash flows from investing activities:			
Purchases of property, plant and equipment	8	**(12.6)**	(4.6)
Other intangible asset additions		**(3.1)**	(1.4)
Net cash used in investing activities		**(15.7)**	(6.0)
Cash flows from financing activities:			
Payments on term loan facilities	14 (a)	**(70.8)**	(239.8)
Payments on Amended Revolving Credit Facility	14 (a)	**(150.0)**	(100.0)
Proceeds from other loans and borrowings	14 (a)	**6.5**	2.3
Principal payments on lease liabilities	18 (d)	**(70.0)**	(82.0)
Payment of deferred financing costs	14 (a)	**—**	(3.5)
Proceeds from the exercise of share options	15	**0.0**	0.0
Dividend payments to non-controlling interests	13 (c)	**(3.3)**	(2.3)
Net cash used in financing activities		**(287.6)**	(425.3)
Net decrease in cash and cash equivalents		**(240.9)**	(432.8)
Cash and cash equivalents, at beginning of period		**1,324.8**	1,495.0
Effect of exchange rate changes		**(19.3)**	(4.0)
Cash and cash equivalents, at end of period	12	**1,064.6**	1,058.2

The accompanying notes form part of the consolidated interim financial statements.

Notes to the Consolidated Interim Financial Statements

1. Background

Samsonite International S.A. (the "Company"), together with its consolidated subsidiaries (the "Group"), is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags and travel accessories throughout the world, primarily under the *Samsonite*®, *Tumi*®, *American Tourister*®, *Gregory*®, *High Sierra*®, *Kamiliant*®, *ebags*®, *Lipault*® and *Hartmann*® brand names as well as other owned and licensed brand names. The Group sells its products through a variety of wholesale distribution channels, through its company-operated retail stores and through e-commerce. The Group sells its products in North America, Asia, Europe and Latin America.

On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine, and the Group subsequently determined that continued ownership of its operations in Russia was no longer tenable. At June 30, 2022, the Group had executed a definitive agreement for the disposition of its Russian operations, which disposition was completed on July 1, 2022. See note 24 Subsequent Events, for further discussion.

On July 30, 2021, a wholly-owned subsidiary of the Company sold Speculative Product Design, LLC ("Speck"), including the *Speck* brand, for an aggregate cash consideration of US$35.3 million. The net proceeds from the sale were used to repay a portion of the outstanding borrowings under the Company's Amended Revolving Credit Facility (as defined in note 14 Loans and Borrowings).

The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company was incorporated in Luxembourg on March 8, 2011 as a public limited liability company (a *société anonyme*), whose registered office is 13-15 avenue de la Liberté, L-1931 Luxembourg.

This consolidated interim financial information was authorized for issuance by the Company's Board of Directors (the "Board") on August 17, 2022 and is unaudited. The Company's auditor, KPMG LLP, performed a review in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information and in accordance with International Standards on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

2. Basis of Preparation

(a) Statement of Compliance

The consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The consolidated interim financial statements should be read in conjunction with the Group's audited consolidated financial statements as of and for the year ended December 31, 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board (the "IASB"), which collective term includes all International Accounting Standards ("IAS") and related interpretations.

(b) Basis of Measurement

The consolidated interim financial information has been prepared on the historical cost basis except as noted in the Summary of Significant Accounting Policies in the Group's audited consolidated financial statements as of and for the year ended December 31, 2021.

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

(c) Functional and Presentation Currency

This financial information is presented using the currency of the primary economic environment in which the Group's subsidiaries operate ("functional currency"). The functional currencies of the significant subsidiaries within the Group are the currencies of the primary economic environment and key business processes of these subsidiaries and include, but are not limited to, United States Dollars, Euros, Renminbi, South Korean Won, Japanese Yen and Indian Rupee.

Unless otherwise stated, the consolidated financial statements are presented in United States Dollars ("USD" or "US Dollar"), which is the functional and presentation currency of the Company.

(d) Use of Judgments, Estimates and Assumptions

The preparation of the consolidated interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies and to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of this consolidated interim financial information and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. No significant changes occurred during the current reporting period of estimates reported in prior periods.

3. Summary of Significant Accounting Policies

(a) Significant Accounting Policies

Except as described below, the accounting policies and judgments applied by the Group used in the preparation of the consolidated interim financial statements are consistent with those applied by the Group in the consolidated annual financial statements as of and for the year ended December 31, 2021. The changes in accounting policies described below are also expected to be reflected in the Group's consolidated financial statements as of and for the year ending December 31, 2022.

(b) Changes in Accounting Policies

The IASB has issued a number of new, revised and amended IFRS. For the purpose of preparing the consolidated interim financial statements as of and for the six months ended June 30, 2022, the following standard became effective for the current reporting period.

In May 2020, the IASB issued amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts, Cost of Fulfilling a Contract* ("IAS 37"), to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. These amendments to IAS 37 did not have a material impact on the consolidated interim financial statements of the Group.

In May 2020, the IASB issued amendments to IAS 16, *Property, Plant and Equipment — Proceeds before Intended Use* ("IAS 16"), which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendments to IAS 16 are effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. These amendments to IAS 16 did not have a material impact on the consolidated interim financial statements of the Group.

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 9, *Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities* ("IFRS 9"). The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. This amendment did not have a material impact on the consolidated interim financial statements of the Group.

(c) New Standards and Interpretations Not Yet Adopted

Certain new standards, amendments to standards and interpretations that may be applicable to the Group are not yet effective for the six months ended June 30, 2022, and have not been applied in preparing these consolidated interim financial statements.

In January 2020, the IASB amended IAS 1, *Presentation of Financial Statements* ("IAS 1"), to promote consistency in application and clarify the requirements on determining if a liability is current or non-current. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of a reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must have substance and exist at the end of a reporting period. The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2024 with earlier application permitted. The Group does not anticipate the amendments to IAS 1 will have a material impact on its consolidated financial statements.

In February 2021, the IASB issued *Disclosure of Accounting Policies* (*Amendments to IAS 1 and IFRS Practice Statement 2*) ("Amendments to IAS 1 and IFRS Practice Statement 2"). Amendments to IAS 1 and IFRS Practice Statement 2 are intended to help preparers in deciding which accounting policies to disclose in their financial statements. An entity is now required to disclose its material accounting policy information instead of its significant accounting policies. The Amendments to IAS 1 and IFRS Practice Statement 2 clarify (i) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (ii) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (iii) that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1. The Amendments to IAS 1 and IFRS Practice Statement 2 apply prospectively for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted. This amendment is not expected to have a material impact on the consolidated financial statements of the Group.

In February 2021, the IASB issued *Definition of Accounting Estimates* (*Amendments to IAS 8*) ("Amendments to IAS 8"). Amendments to IAS 8 help entities to distinguish between accounting policies and accounting estimates. The Amendments to IAS 8 also clarify how entities use measurement techniques and inputs to develop accounting estimates. The distinction between accounting policies and accounting estimates is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The Amendments to IAS 8 apply prospectively for annual reporting periods beginning on or after January 1, 2023, and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application of this amendment is permitted. This amendment is not expected to have a material impact on the consolidated financial statements of the Group.

In May 2021, the IASB issued *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)* ("Amendments to IAS 12"). Amendments to IAS 12 clarify how companies account for the recognition of deferred tax in relation to leases (when a lessee recognizes an asset and a liability at the lease commencement) and decommissioning obligations (when an entity recognizes a liability and includes the decommissioning costs in the cost of the item of property, plant and equipment) (the "fact pattern"). The IFRS Interpretations Committee assumed that in the fact pattern lease payments and decommissioning costs were deductible for tax purposes when paid; the IFRS Interpretations Committee identified different approaches in practice. The main change in Amendments to IAS 12 is now an exemption from the initial recognition exemption provided in IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The Amendments to IAS 12 apply prospectively for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted. The Group is currently evaluating the impact of the Amendments to IAS 12 on its consolidated financial statements.

4. Segment Reporting

The reportable segments for the six months ended June 30, 2022 are consistent with the reportable segments included within the annual consolidated financial statements as of and for the year ended December 31, 2021.

The Group's segment reporting information is based on geographical areas, representative of how the Group's business is managed and its operating results are evaluated. The Group's operations are organized primarily as follows: (i) "North America"; (ii) "Asia"; (iii) "Europe"; (iv) "Latin America"; and (v) "Corporate".

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit or loss as included in the internal management reports that are reviewed by the Chief Operating Decision Maker. Segment operating profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of the Group's segments.

Segment information as of and for the six months ended June 30, 2022 and June 30, 2021 is as follows:

	Six months ended June 30, 2022					
(Expressed in millions of US Dollars)	**North America**	**Asia**	**Europe**	**Latin America**	**Corporate[3]**	**Consolidated**
External revenues	**489.8**	**393.3**	**301.2**	**85.0**	**0.9**	**1,270.2**
Operating profit (loss)	**86.9**	**63.2**	**33.1**	**12.5**	**(36.0)**	**159.9**
Depreciation and amortization[1]	**33.3**	**28.0**	**20.2**	**6.2**	**1.5**	**89.2**
Capital expenditures	**3.4**	**5.0**	**3.9**	**0.4**	**0.0**	**12.6**
Impairment Charges	**—**	**—**	**11.9**	**—**	**—**	**11.9**
Restructuring Charges	**—**	**—**	**1.3**	**—**	**0.1**	**1.4**
Finance income	**0.0**	**0.7**	**0.3**	**0.4**	**1.1**	**2.6**
Finance costs[2]	**(5.1)**	**(4.2)**	**(5.7)**	**0.1**	**(49.8)**	**(64.8)**
Income tax (expense) benefit	**(18.8)**	**(8.7)**	**(4.5)**	**(0.8)**	**3.5**	**(29.2)**
Total assets	**1,304.7**	**1,102.3**	**651.1**	**117.8**	**1,543.8**	**4,719.7**
Total liabilities	**942.9**	**503.6**	**467.5**	**67.3**	**1,920.0**	**3,901.3**

	Six months ended June 30, 2021					
(Expressed in millions of US Dollars)	North America	Asia	Europe	Latin America	Corporate[3]	Consolidated
External revenues	323.8	307.8	131.2	36.1	0.6	799.5
Operating profit (loss)	(5.8)	5.0	(17.0)	(5.3)	(63.3)	(86.4)
Depreciation and amortization[1]	36.4	34.0	24.4	6.4	1.6	102.8
Capital expenditures	1.7	1.7	0.5	0.7	0.0	4.6
Impairment Charges	4.6	5.5	—	—	20.1	30.2
Restructuring Charges	0.9	1.7	0.5	—	2.9	6.0
Finance income	0.0	0.3	0.1	0.0	1.4	1.8
Finance costs[2]	(6.1)	(3.8)	(4.5)	(1.6)	(88.1)	(104.2)
Income tax (expense) benefit	8.3	(3.8)	6.4	0.1	35.6	46.6
Total assets	1,112.9	1,069.1	575.2	104.7	1,782.6	4,644.6
Total liabilities	747.9	465.3	464.6	68.2	2,347.4	4,093.4

Notes

(1) Depreciation and amortization expense for the six months ended June 30, 2022 and June 30, 2021 includes amortization expense associated with lease right-of-use assets recorded in accordance with IFRS 16.

(2) Finance costs for the six months ended June 30, 2022 and June 30, 2021 included interest expense on financial liabilities, which included the amortization of deferred financing costs, interest expense on lease liabilities in accordance with IFRS 16, change in the fair value of put options and unrealized (gains) losses on foreign exchange that are presented on a net basis. Finance costs for the six months ended June 30, 2021 also included a US$30.1 million loss on the extinguishment of the 2020 Incremental Term Loan B Facility (see note 14(a) Non-current Obligations and note 20 Finance Income and Finance Costs).

(3) The Corporate segment's total assets and total liabilities include inter-company elimination entries that occur across all segments of the Company.

The following table sets forth a disaggregation of net sales by brand for the six months ended June 30, 2022 and June 30, 2021:

(Expressed in millions of US Dollars)	Six months ended June 30, 2022	2021
Net sales by brand:		
Samsonite	**620.0**	355.9
Tumi	**283.5**	193.7
American Tourister	**234.5**	128.5
Gregory	**34.9**	32.7
Speck(1)	**—**	28.8
Other(2)	**97.3**	60.0
Net sales	**1,270.2**	799.5

Notes
(1) The *Speck* brand was sold on July 30, 2021.
(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.

The following table sets forth a disaggregation of net sales by product category for the six months ended June 30, 2022 and June 30, 2021:

(Expressed in millions of US Dollars)	Six months ended June 30, 2022	2021
Net sales by product category:		
Travel	**814.3**	423.4
Non-travel(1)	**455.8**	376.1
Net sales	**1,270.2**	799.5

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

The following table sets forth a disaggregation of net sales by distribution channel for the six months ended June 30, 2022 and June 30, 2021:

(Expressed in millions of US Dollars)	Six months ended June 30, 2022	2021
Net sales by distribution channel:		
Wholesale	**812.3**	516.5
Direct-to-consumer ("DTC")(1)	**456.9**	282.4
Other(2)	**0.9**	0.6
Net sales	**1,270.2**	799.5

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.

5. Seasonality of Operations

There is some seasonal fluctuation in the business activity of the Group and, as a result, net sales and working capital requirements may fluctuate from period to period.

6. Impairment Charges

In accordance with 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.

1H 2022 Impairment Charges

On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine, and the Group subsequently determined that continued ownership of its operations in Russia was no longer tenable. At June 30, 2022, the Group had executed a definitive agreement for the disposition of its Russian operations, which disposition was completed on July 1, 2022.

During the six months ended June 30, 2022, the Group recognized impairment charges related to the disposition of its Russian operations totaling US$11.9 million. Of this total impairment charge, US$4.0 million related to lease right-of use assets and US$0.1 million for property, plant and equipment associated with the retail stores in Russia. The remaining impairment charge of US$7.8 million was attributable to certain other assets in conjunction with the disposition of the Group's Russian operations.

1H 2021 Impairment Charges

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

Further, in June 2021, the Group classified the assets attributable to Speck to held for sale. Speck was sold on July 30, 2021. The Group recognized impairment charges during the six months ended June 30, 2021 totaling US$24.7 million, of which US$14.4 million was attributable to goodwill and the remainder related to certain other intangible assets associated with the sale of Speck.

The following table sets forth a breakdown of the impairment charges for the six months ended June 30, 2022 (the "1H 2022 Impairment Charges") and for the six months ended June 30, 2021 (the "1H 2021 Impairment Charges").

		Six Months Ended June 30,	
(Expressed in millions of US Dollars)		**2022**	2021
Impairment charges recognized on:	Line item in consolidated statements of income (loss) where impairment charges recorded:	**1H 2022 Impairment Charges**	1H 2021 Impairment Charges
Goodwill	Impairment Charges	**—**	14.4
Tradenames and other intangible assets	Impairment Charges	**—**	10.3
Lease right-of-use assets	Impairment Charges	**4.0**	5.5
Property, plant and equipment	Impairment Charges	**0.1**	—
Other(1)	Impairment Charges	**7.8**	—
Total impairment charges		**11.9**	30.2

Note
(1) Other impairment charges for the six months ended June 30, 2022 were attributable to the disposition of the Group's Russian operations that was completed on July 1, 2022.

Expenses related to lease right-of-use assets and property, plant and equipment, including leasehold improvements, related to stores, have historically been classified as distribution expenses on the consolidated statements of income (loss) using the function of expense presentation method for the affected assets.

The 1H 2022 Impairment Charges of US$11.9 million and the 1H 2021 Impairment Charges of US$30.2 million were recorded in the Group's consolidated statements of income (loss) in the line item "Impairment Charges" (see also note 8 Property, Plant and Equipment, note 9 Goodwill and Other Intangible Assets and note 18 Leases, for further discussion).

7. Restructuring Charges

The following table sets forth a breakdown of the restructuring charges for the six months ended June 30, 2022 and June 30, 2021.

	Six Months Ended June 30,	
(Expressed in millions of US Dollars)	**2022**	2021
Functional Area	**1H 2022 Restructuring Charges**	1H 2021 Restructuring Charges
Restructuring charges attributable to distribution function	**0.9**	0.8
Restructuring charges attributable to general and administrative function	**0.5**	5.2
Total restructuring charges	**1.4**	6.0

As described above, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine on March 14, 2022. In conjunction with the disposition of its Russian operations, the Group recognized charges of US$1.4 million during the six months ended June 30, 2022 (the "1H 2022 Restructuring Charges").

During 2020 and the first half of 2021, 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 pandemic. In conjunction with the cost saving actions and other restructuring initiatives, the Group recognized charges of US$6.0 million during the six months ended June 30, 2021 (the "1H 2021 Restructuring Charges"). The 1H 2021 Restructuring Charges consisted primarily of severance associated with permanent headcount reductions, store closure costs, and certain other costs (described below).

Also, in June 2021 the Group established a brand development and sourcing hub in Singapore as part of a global restructuring initiative to enhance alignment of the Company’s product development, brand management and supply chain operations. The establishment of this hub enables the Company to design and develop products closer to market for several key brands, including *Samsonite* and *American Tourister*, as well as to manage its extensive sourcing activities. In June 2021 the Group also completed an intra-group realignment of certain intellectual property rights (the “Intra-Group IP Realignment”). During the six months ended June 30, 2021, the Group recognized the 1H 2021 Restructuring Charges associated with the establishment of the brand development and sourcing hub in Singapore.

Severance costs were accounted for in accordance with IAS 19, *Employee Benefits*. Expenses related to personnel have historically been classified primarily in cost of sales, distribution expenses and general and administrative expenses, and occupancy costs have historically been classified as distribution expenses on the consolidated statements of income (loss) using the function of expense presentation method.

During the six months ended June 30, 2022, approximately US$0.7 million of severance and other employee-related costs were recognized and approximately US$0.8 million of store closure costs were recognized in the 1H 2022 Restructuring Charges, all related to the disposition of the Group's Russian operations.

During the six months ended June 30, 2021, approximately US$2.7 million of severance and other employee-related costs were recognized in the 1H 2021 Restructuring Charges, of which US$0.5 million and US$2.2 million related to personnel costs historically presented as distribution expenses and general and administrative expenses, respectively, on the consolidated statements of income (loss) using the function of expense presentation method. During the six months ended June 30, 2021, approximately US$0.3 million of store closure costs were recognized in the 1H 2021 Restructuring Charges, all of which related to occupancy costs historically presented as distribution expenses on the consolidated statements of income (loss) using the function of expense presentation method. Additional 1H 2021 Restructuring Charges during the six months ended June 30, 2021 totaling US$3.0 million related to the establishment of the brand development and sourcing hub in Singapore, described previously.

Restructuring Charges Accrual Activity

The following table presents the activity associated with the Restructuring Charges accrual at June 30, 2022 and June 30, 2021:

	Six Months Ended June 30,	
(Expressed in millions of US Dollars)	**2022**	2021
Balance at January 1	**16.0**	24.8
Restructuring expense recognized during the period	**1.4**	6.0
Amounts paid during the period	**(6.5)**	(14.5)
Foreign exchange/other changes during the period	**(0.6)**	(0.4)
Balance at June 30	**10.4**	15.9

8. Property, Plant and Equipment

For the six months ended June 30, 2022 and June 30, 2021, the cost of additions to property, plant and equipment was US$12.6 million and US$4.6 million, respectively. Depreciation expense for the six months ended June 30, 2022 and June 30, 2021 amounted to US$18.1 million and US$25.2 million, respectively. Of these amounts, US$3.3 million and US$7.1 million was included in cost of sales during the six months ended June 30, 2022 and June 30, 2021, respectively. Remaining amounts were presented in distribution and general and administrative expenses.

In accordance with IAS 36, the Group is required to evaluate its CGUs for potential impairment whenever events or changes in circumstance indicate that their carrying amount might not be recoverable. If there are changes in circumstance that indicate that the recoverable amount of an asset or CGU exceeds the net impaired carrying value, an impairment reversal would be recognized, where applicable.

On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine. At June 30, 2022, the Group had executed a definitive agreement for the disposition of its Russian operations, which disposition was completed on July 1, 2022. During the six months ended June 30, 2022, the Group recognized impairment charges related to the disposition of its Russian operations totaling US$0.1 million related to property, plant and equipment.

During the six months ended June 30, 2021, the Group determined there were no triggering events that indicated that its property, plant and equipment, including leasehold improvements, were impaired.

Expenses related to property, plant and equipment, including leasehold improvements related to stores, have historically been classified as distribution expenses on the consolidated statements of income (loss) using the function of expense presentation method for the affected assets. These impairment charges for the six months ended June 30, 2022 were recorded in the Group's consolidated statements of income (loss) in the line item "Impairment Charges" (see also note 6 Impairment Charges, note 9 Goodwill and Other Intangible Assets and note 18 Leases, for further discussion).

Capital Commitments

Capital commitments outstanding as of June 30, 2022 and December 31, 2021 were US$6.3 million and US$5.9 million, respectively, which were not recognized as liabilities in the consolidated statements of financial position as they have not met the recognition criteria.

9. Goodwill and Other Intangible Assets

Amortization expense related to intangible assets for the six months ended June 30, 2022 and June 30, 2021 amounted to US$11.7 million and US$16.4 million, respectively, which was included within distribution expenses on the consolidated statements of income (loss).

In accordance with 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 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 six months ended June 30, 2022, the Group determined there were no triggering events that indicated that its goodwill and other intangible assets were impaired.

1H 2021 Impairment Charges

In June 2021, the Group classified the assets attributable to Speck to held for sale. Speck was sold on July 30, 2021. The Group recognized impairment charges during the six months ended June 30, 2021 totaling US$24.7 million, of which US$14.4 million was attributable to goodwill and the remainder related to certain other intangible assets associated with the sale of Speck. See note 6 Impairment Charges, for further discussion.

10. Inventories

Inventories consisted of the following:

(Expressed in millions of US Dollars)	**June 30, 2022**	December 31, 2021
Raw materials	**17.6**	19.8
Work in process	**3.4**	1.8
Finished goods	**447.8**	326.8
Total inventories	**468.8**	348.4

The amounts above as of June 30, 2022 and December 31, 2021 include inventories carried at net realizable value (estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to perform the sale) of US$37.7 million and US$40.4 million, respectively. During the six months ended June 30, 2022 and June 30, 2021, the write-down of inventories to net realizable value amounted to US$17.7 million and US$14.2 million, respectively. During the six months ended June 30, 2022 and June 30, 2021, the reversal of previously recognized write-downs amounted to US$12.4 million and US$9.4 million, respectively.

11. Trade and Other Receivables

Trade and other receivables are presented net of related allowances for credit losses of US$29.8 million and US$31.8 million as of June 30, 2022 and December 31, 2021, respectively.

(a) Aging Analysis

Included in trade and other receivables are trade receivables (net of allowance for credit losses) of US$244.6 million and US$197.6 million as of June 30, 2022 and December 31, 2021, respectively, with the following aging analysis by due date of the respective invoice:

(Expressed in millions of US Dollars)	**June 30, 2022**	December 31, 2021
Current	**202.7**	172.9
0 - 30 days past due	**30.9**	23.6
Greater than 30 days past due	**11.0**	1.1
Total trade receivables, net of allowance	**244.6**	197.6

Credit terms are granted based on the credit worthiness of individual customers.

(b) Impairment of Trade Receivables

Impairment losses in respect of trade receivables are recorded when credit losses are expected to occur. The Group does not hold any collateral over these balances.

The movements in the allowance for credit losses during the periods were as follows:

(Expressed in millions of US Dollars)	**June 30, 2022**	December 31, 2021
As of January 1	**31.8**	32.4
Impairment loss recognized	**1.6**	3.3
Impairment loss written back or off	**(3.6)**	(3.9)
As of end of period[1]	**29.8**	31.8

Note

(1) The movements in the allowance for credit losses as of June 30, 2022 and December 31, 2021 were for the period January 1, 2022 through June 30, 2022 and January 1, 2021 through December 31, 2021, respectively.

12. Cash and Cash Equivalents

(Expressed in millions of US Dollars)	**June 30, 2022**	December 31, 2021
Bank balances	**965.2**	1,226.0
Overnight sweep accounts and time deposits	**99.4**	98.8
Total cash and cash equivalents	**1,064.6**	1,324.8

Cash and cash equivalents are generally denominated in the functional currency of the respective Group entities. There were no restrictions on the use of any of the Group's cash or cash equivalents as of June 30, 2022 and December 31, 2021.

13. Earnings (Loss) Per Share and Share Capital

(a) Basic Earnings (Loss) per Share

The calculation of basic earnings (loss) per share is based on the profit (loss) attributable to the equity holders of the Company for the six months ended June 30, 2022 and June 30, 2021.

	Six months ended June 30,	
(Expressed in millions of US Dollars, except share and per share data)	**2022**	2021
Issued ordinary shares at January 1	**1,436,905,063**	1,434,880,447
Weighted-average impact of share options exercised and restricted share units vested during the period	**75,726**	74,090
Weighted-average number of ordinary shares at June 30	**1,436,980,789**	1,434,954,537
Profit (loss) attributable to the equity holders	**56.3**	(142.5)
Basic earnings (loss) per share *(Expressed in US Dollars per share)*	**0.039**	(0.099)

(b) Diluted Earnings (Loss) per Share

Diluted earnings (loss) per share is calculated by adjusting the weighted-average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Six months ended June 30,	
(Expressed in millions of US Dollars, except share and per share data)	**2022**	2021
Weighted-average number of ordinary shares (basic) at the end of the period	**1,436,980,789**	1,434,954,537
Effect of share options exercised and restricted share units vested	**1,758,745**	—
Weighted-average number of shares for the period	**1,438,739,534**	1,434,954,537
Profit (loss) attributable to the equity holders	**56.3**	(142.5)
Diluted earnings (loss) per share *(Expressed in US Dollars per share)*	**0.039**	(0.099)

The calculation of diluted loss per share for the six months ended June 30, 2021 does not assume the exercise of share options since it would result in a decrease in loss per share.

At June 30, 2022 and June 30, 2021, 91,911,857 and 94,762,563 unvested share awards, respectively, were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive.

(c) Dividends and Distributions

No cash distribution has been or will be paid to the Company's shareholders in 2022 or 2021.

Dividend payments to non-controlling interests amounted to US$3.3 million and US$2.3 million during the six months ended June 30, 2022 and June 30, 2021, respectively.

(d) Share Capital

During the six months ended June 30, 2022, the Company issued 24,410 ordinary shares at a weighted-average exercise price of HK$16.04 per share in connection with the exercise of vested share options that were granted under the Company's Share Award Scheme. During the six months ended June 30, 2022, the Company issued 897,297 ordinary shares in connection with the vesting of time-based restricted share awards that were awarded under the Company's Share Award Scheme. There were no other movements in the share capital of the Company during the six months ended June 30, 2022.

During the six months ended June 30, 2021, the Company issued 3,094 ordinary shares at a weighted-average exercise price of HK$16.04 per share in connection with the exercise of vested share options that were granted under the Company's Share Award Scheme. During the six months ended June 30, 2021, the Company issued 962,716 ordinary shares in connection with the vesting of time-based restricted share awards that were awarded under the Company's Share Award Scheme. There were no other movements in the share capital of the Company during the six months ended June 30, 2021.

14. Loans and Borrowings

(a) Non-current Obligations

Non-current obligations represent non-current debt and were as follows:

(Expressed in millions of US Dollars)	**June 30, 2022**	December 31, 2021
Amended Term Loan A Facility	**600.0**	640.0
Term Loan B Facility	**538.2**	541.6
2021 Incremental Term Loan B Facility	**465.5**	493.0
Amended Revolving Credit Facility	**509.8**	668.7
Total Amended Senior Credit Facilities	**2,113.6**	2,343.3
Senior Notes[1]	**366.9**	398.0
Other long-term borrowings and obligations	**0.0**	0.1
Total loans and borrowings	**2,480.6**	2,741.3
Less deferred financing costs	**(10.0)**	(12.6)
Total loans and borrowings less deferred financing costs	**2,470.6**	2,728.7
Less current portion of long-term borrowings and obligations	**(51.6)**	(46.6)
Non-current loans and borrowings	**2,419.0**	2,682.0

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

During the six months ended June 30, 2022, the Group repaid US$220.8 million of outstanding borrowings under the Group's Amended Senior Credit Facilities (as defined below), consisting of US$200.0 million in prepayments and US$20.8 million in required quarterly amortization payments. The prepayments of US$200.0 million were 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 six months ended June 30, 2021, the Group repaid US$339.8 million of outstanding borrowings under its Amended Senior Credit Facilities, consisting of US$325.0 million in prepayments and US$14.8 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).

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 was in compliance with the Financial Covenants for the test period ended on June 30, 2022. 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 six months ended June 30, 2022, the Group repaid US$150.0 million principal amount of its outstanding borrowings under its Amended Revolving Credit Facility. As of June 30, 2022, US$335.5 million was available to be borrowed under the Amended Revolving Credit Facility as a result of US$509.8 million of outstanding borrowings and the utilization of US$4.6 million of the facility for outstanding letters of credit extended to certain creditors. As of December 31, 2021, US$176.7 million was available to be borrowed under the 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 was permitted at its election to 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 elected to use Historical EBITDA to calculate compliance with the Financial Covenants, the minimum liquidity covenant and the Suspension Period pricing terms remained 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 ended 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$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 June 30, 2022 and remains in compliance with such covenant 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$2.6 million and US$4.3 million for the six months ended June 30, 2022 and June 30, 2021, respectively.

During the six months ended June 30, 2021, the Company recorded a loss on extinguishment of US$30.1 million upon the closing of the borrowing under the 2021 Incremental Term Loan B Facility. The loss included US$24.1 million of unamortized deferred financing costs which were part of the net carrying value of the 2020 Incremental Term Loan B Facility which was derecognized (see discussion on 2021 Incremental Term Loan B Facility above).

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 June 30, 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 June 30, 2022, the interest rate swaps were marked-to-market, resulting in a net asset position to the Group in the amount of US$21.2 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.

(b) Current Obligations and Credit Facilities

Current obligations represent current debt obligations and were as follows:

(Expressed in millions of US Dollars)	**June 30, 2022**	December 31, 2021
Current portion of long-term borrowings and obligations	**51.6**	46.6
Other loans and borrowings	**62.0**	60.7
Total current obligations	**113.6**	107.3

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 June 30, 2022 and December 31, 2021, respectively.

(c) Reconciliation of Movements of Liabilities and Equity to Cash Flows Arising from Financing Activities

	Liabilities		Equity			
(Expressed in millions of US Dollars)	Loans and borrowings(2)	Lease liabilities	Share capital	Reserves	Non-controlling interests	Total
Balance at January 1, 2022	2,791.6	434.0	14.4	675.3	36.9	3,952.1
Changes from financing cash flows:						
Payments on term loan facilities	(70.8)	—	—	—	—	(70.8)
Payments on Amended Revolving Credit Facility	(150.0)	—	—	—	—	(150.0)
Proceeds from other loans and borrowings	6.5	—	—	—	—	6.5
Principal payments on lease liabilities	—	(70.0)	—	—	—	(70.0)
Proceeds from the exercise of share options	—	—	—	0.0	—	0.0
Dividend payments to non-controlling interests	—	—	—	—	(3.3)	(3.3)
Total changes from financing cash flows	(214.3)	(70.0)	—	0.0	(3.3)	(287.6)
The effect of changes in foreign exchange rates / other	(46.0)	21.3	—	—	—	(24.7)
Other changes:						
Liability-related						
Interest expense on borrowings and lease liabilities	42.3	9.6	—	—	—	51.8
Interest paid on borrowings and lease liabilities	(41.3)	(9.6)	—	—	—	(50.9)
Amortization of deferred financing costs	2.6	—	—	—	—	2.6
Total other changes	3.6	—	—	—	—	3.6
Other movements in equity(1)	—	—	0.0	85.5	9.6	95.1
Balance at June 30, 2022	2,534.9	385.2	14.4	760.8	43.2	3,738.5

Notes

(1) See consolidated statements of changes in equity for further details on movements during the period.

(2) Includes accrued interest which is included in trade and other payables in the consolidated statements of financial position.

(Expressed in millions of US Dollars)	Liabilities		Equity			
	Loans and borrowings[(2)]	Lease liabilities	Share capital	Reserves	Non-controlling interests	Total
Balance at January 1, 2021	3,193.0	531.5	14.3	619.8	34.9	4,393.6
Changes from financing cash flows:						
Payments on term loan facilities	(239.8)	—	—	—	—	(239.8)
Payments on Amended Revolving Credit Facility	(100.0)	—	—	—	—	(100.0)
Proceeds from other loans and borrowings	2.3	—	—	—	—	2.3
Principal payments on lease liabilities	—	(82.0)	—	—	—	(82.0)
Payment of deferred financing costs	(3.5)	—	—	—	—	(3.5)
Proceeds from the exercise of share options	—	—	—	0.0	—	0.0
Dividend payments to non-controlling interests	—	—	—	—	(2.3)	(2.3)
Total changes from financing cash flows	(340.9)	(82.0)	—	0.0	(2.3)	(425.3)
The effect of changes in foreign exchange rates / other	(25.3)	35.4	—	—	—	10.1
Other changes:						
Liability-related						
Interest expense on borrowings and lease liabilities	54.9	11.3	—	—	—	66.1
Interest paid on borrowings and lease liabilities	(54.0)	(11.3)	—	—	—	(65.2)
Amortization of deferred financing costs	4.3	—	—	—	—	4.3
Non-cash charge to derecognize deferred financing costs	30.1	—	—	—	—	30.1
Total other changes	35.3	—	—	—	—	35.3
Other movements in equity[(1)]	—	—	0.0	(114.8)	(0.8)	(115.6)
Balance at June 30, 2021	2,862.0	484.9	14.3	505.0	31.9	3,898.2

Notes

(1) See consolidated statements of changes in equity for further details on movements during the period.

(2) Includes accrued interest which is included in trade and other payables in the consolidated statements of financial position.

15. Employee Benefits

(a) Employee Benefits Expense

Employee benefits expense, which consists of payroll, bonuses, pension plan expenses, share-based payments and other benefits, amounted to US$206.9 million and US$187.9 million for the six months ended June 30, 2022 and June 30, 2021, respectively. Of these amounts, US$15.0 million and US$14.4 million was included in cost of sales during the six months ended June 30, 2022 and June 30, 2021, respectively. The remaining amounts were presented in distribution expenses and general and administrative expenses.

Share-based compensation cost of US$6.2 million and US$4.3 million was recognized in the consolidated statements of income (loss), with a corresponding increase in equity reserves, for the six months ended June 30, 2022 and June 30, 2021, respectively.

(b) Share-based Payment Arrangements

On September 14, 2012, the Company's shareholders approved the Company's Share Award Scheme (as amended from time to time), which is valid for a term of 10 years from October 26, 2012 (being the adoption date under the terms of the Share Award Scheme) and will expire on October 26, 2022. The purpose of the Share Award Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. Awards under the Share Award Scheme may take the form of either share options or restricted share units ("RSUs"), which may be granted at the discretion of the Remuneration Committee to executive directors of the Company and its subsidiaries, managers employed or engaged by the Group, and/or employees of the Group.

As of July 31, 2022 (the "Latest Practicable Date"), the maximum aggregate number of shares in respect of which awards may be granted pursuant to the Share Award Scheme was 12,759,664 shares, representing approximately 0.9% of the issued share capital of the Company at that date. An individual participant may be granted awards pursuant to the Share Award Scheme in respect of a maximum of 1% of the Company's total issued shares in any 12-month period. Any grant of awards to an individual participant in excess of this limit is subject to independent shareholder's approval.

Share Options

The exercise price of share options is determined at the time of grant by the Remuneration Committee in its absolute discretion, but in any event shall not be less than the higher of:

a) the closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant;

b) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and

c) the nominal value of the shares.

The grant-date fair value of equity-settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity when such awards represent equity-settled awards, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For equity-settled share-based payment awards with market performance conditions or non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Holders of vested share options are entitled to buy newly issued ordinary shares of the Company at a purchase price per share equal to the exercise price of the options. The fair value of services received in return for share options granted is based on the fair value of share options granted measured using the Black-Scholes valuation model. The fair value calculated for share options is inherently subjective due to the assumptions made and the limitations of the model utilized. Shares underlying an award of share options that forfeit ("lapse") without the issuance of such shares upon the exercise of such options may be available for future grant under the Share Award Scheme.

Expected volatility is estimated taking into account the historic average share price volatility. The expected cash distributions are based on the Group’s history and expectation of cash distribution payouts.

On May 26, 2022, the Company granted premium-priced share options exercisable for 14,369,144 ordinary shares to the executive director of the Company and members of the senior management team with an exercise price of HK$17.97 per share, which represented an approximately 10% premium over the closing price of the Company's shares on the date of grant. Such options are subject to graded ("*pro rata*") vesting over a four-year period from the date of grant, with 25% of the options vesting on each anniversary of the date of the grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the applicable vesting date. Such options have a 10-year term.

The following inputs were used in the measurement of the fair value at grant date of the share-based payment for the share options exercisable for 14,369,144 shares that were granted on May 26, 2022:

Fair value at grant date	**HK$9.10**
Share price at grant date	**HK$16.34**
Exercise price	**HK$17.97**
Expected volatility (weighted average volatility)	**59.6%**
Option life (expected weighted average life)	**6.25 years**
Expected cash distributions	**0.0%**
Risk-free interest rate (based on government bonds)	**2.5%**

Particulars and movements of share options during the six months ended June 30, 2022 and June 30, 2021 were as follows:

	Number of options	**Weighted-average exercise price**
Outstanding at January 1, 2022	**87,157,670**	**HK$21.74**
Granted during the period	**14,369,144**	**HK$17.97**
Exercised during the period	**(24,410)**	**HK$16.04**
Lapsed during the period	**(4,031,617)**	**HK$19.56**
Outstanding at June 30, 2022	**97,470,787**	**HK$21.27**
Exercisable at June 30, 2022	**58,811,161**	**HK$23.36**

	Number of options	Weighted-average exercise price
Outstanding at January 1, 2021	81,010,536	HK$22.08
Granted during the period	14,348,844	HK$20.76
Exercised during the period	(3,094)	HK$16.04
Lapsed during the period	(7,136,705)	HK$23.47
Outstanding at June 30, 2021	88,219,581	HK$21.75
Exercisable at June 30, 2021	49,839,603	HK$24.38

At June 30, 2022, the range of exercise prices for outstanding share options was HK$15.18 to HK$31.10 with a weighted average contractual life of 6.2 years. At June 30, 2021, the range of exercise prices for outstanding share options was HK$15.18 to HK$31.10 with a weighted average contractual life of 6.7 years.

Restricted Share Units ("RSUs")

The Company may, from time to time, grant RSUs, including time-based RSUs ("TRSUs") and performance-based RSUs ("PRSUs"), to certain key management personnel and other employees of the Group. The vesting of the RSUs is subject to the continuing employment of the grantee and, in the case of PRSUs, to the Company's achievement of pre-established performance goals. The closing market price of the Company’s shares on the date of grant is used to determine the grant date fair value. If the performance-based award incorporates a market condition, the grant-date fair value of such award is determined using a Monte Carlo simulation. These fair values are recognized as expense over the requisite service period, net of estimated forfeitures, based on expected attainment of pre-established performance goals for PRSUs with market conditions, or the passage of time for TRSUs. Actual distributed shares are calculated upon conclusion of the service and performance periods.

No RSUs were granted during the six months ended June 30, 2022 and June 30, 2021. Prior to 2020, two types of RSU awards have been granted by the Company: TRSUs and PRSUs.

Time-based Restricted Share Units

TRSUs granted by the Company are subject to *pro rata* vesting over a three-year period, with one-third of such TRSUs vesting on each anniversary of the date of the grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the applicable vesting date. Expense for TRSUs is based on the closing market price of the Company’s shares on the date of grant, discounted by the present value of expected future dividends, and is recognized ratably over the vesting period, net of expected forfeitures.

A summary of TRSU activity during the six months ended June 30, 2022 and June 30, 2021 were as follows:

	Number of TRSUs	**Weighted-average Fair Value per TRSU**
Outstanding at January 1, 2022	**929,494**	**HK$13.93**
Vested and converted to ordinary shares during the period	**(897,297)**	**HK$13.90**
Lapsed during the period	**(5,592)**	**HK$13.90**
Outstanding at June 30, 2022	**26,605**	**HK$14.87**

	Number of TRSUs	Weighted-average Fair Value per TRSU
Outstanding at January 1, 2021	3,259,111	HK$16.76
Vested and converted to ordinary shares during the period	(962,716)	HK$14.53
Lapsed during the period	(211,160)	HK$16.33
Outstanding at June 30, 2021	2,085,235	HK$17.83

Performance-based Restricted Share Units

PRSUs vest in full on the third anniversary of the date of grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the vesting date, and only to the extent certain pre-established cumulative performance targets are met. Expense related to PRSUs with non-market performance criteria is recognized ratably over the performance period, net of estimated forfeitures, based on the probability of attainment of the related performance targets. The potential number of shares that may be issued upon vesting of the PRSUs ranges from 0% of the target number of shares subject to the PRSUs, if the minimum level of performance is not attained, to up to 200% of the target number of shares subject to the PRSUs, if the level of performance is at or above the predetermined maximum achievement level. For PRSUs subject to market conditions, the expense is recognized over the vesting period based on the fair value as determined on the grant date utilizing a Monte Carlo simulation.

A summary of PRSU activity (at target level vesting) during the six months ended June 30, 2022 and June 30, 2021 were as follows:

	Number of PRSUs	**Weighted-average Fair Value per PRSU**
Outstanding at January 1, 2022	**1,146,288**	**HK$12.56**
Lapsed during the period	**(1,146,288)**	**HK$12.56**
Outstanding at June 30, 2022	**—**	**HK$0.00**

	Number of PRSUs	Weighted-average Fair Value per PRSU
Outstanding at January 1, 2021	2,487,720	HK$15.26
Lapsed during the period	(185,434)	HK$15.13
Outstanding at June 30, 2021	2,302,286	HK$15.27

In the Company's circular to shareholders dated April 15, 2019 relating to, among other things, the grant of PRSUs, the Company stated that the final number of shares which would vest under the PRSUs would vary depending on the level of achievement of performance conditions applicable to the PRSUs, thereby ensuring that the actual payout would be linked to the Company's performance. The Remuneration Committee determined that in relation to the PRSUs which were granted on June 17, 2019, the performance conditions were based on (i) fiscal year 2019 to 2021 three-year adjusted earnings per share ("EPS") compound annual growth rate ("CAGR") (with a 50% weighting) and (ii) fiscal year

2019 to 2021 three-year relative total shareholders' return ("TSR") (with a 50% weighting). Relative TSR measures the Company's TSR to the TSR of a benchmark group, consisting of the Company's peer group companies.

As the actual fiscal year 2019 to 2021 three-year cumulative adjusted EPS CAGR was below the 90% threshold, and the actual fiscal year 2019 to 2021 three-year relative TSR performance was also below the threshold level, none of the outstanding PRSUs granted by the Company on June 17, 2019 vested and such PRSUs lapsed on June 17, 2022, which was the three-year anniversary of the grant date for such PRSUs.

Shares underlying an award of share options, TRSUs or PRSUs that lapse without the issuance of such shares upon vesting of such award may be available for future grant under the Share Award Scheme. During the six months ended June 30, 2022 and June 30, 2021, there were no cancellations of share options, TRSUs or PRSUs.

16. Trade and Other Payables

(Expressed in millions of US Dollars)	**June 30, 2022**	December 31, 2021
Accounts payable	**416.4**	355.0
Accrued restructuring	**10.4**	16.0
Other payables and accruals	**155.8**	146.5
Other tax payables	**14.3**	11.5
Total trade and other payables	**596.8**	529.0

Included in accounts payable are trade payables with the following aging analysis by due date of the respective invoice:

(Expressed in millions of US Dollars)	**June 30, 2022**	December 31, 2021
Current	**329.0**	264.9
0 - 30 days past due	**12.5**	10.7
Greater than 30 days past due	**3.7**	2.2
Total trade payables	**345.2**	277.8

17. Contingent Liabilities

In the ordinary course of business, the Group is subject to various forms of litigation and legal proceedings. The facts and circumstances relating to particular cases are evaluated in determining whether it is more likely than not that there will be a future outflow of funds and, once established, whether a provision relating to specific litigation is sufficient. The Group records provisions based on its past experience and on facts and circumstances known at each reporting date. The provision charge is typically recognized within general and administrative expenses in the consolidated statements of income (loss). When the date of the settlement of an obligation is not reliably measurable, the provisions are not discounted and are classified in current liabilities.

The Group did not settle any material litigation during the six months ended June 30, 2022 and June 30, 2021.

18. Leases

(a) Lease Right-of-use Assets

The following table sets forth a breakdown of IFRS 16 lease right-of-use asset additions and amortization expenses for the six months ended June 30, 2022 and June 30, 2021 and the carrying amount of lease right-of-use assets by class of underlying asset as of June 30, 2022 and June 30, 2021.

(Expressed in millions of US Dollars)	Real Estate	Other	Total
For the period ended June 30, 2022:			
Additions of lease right-of-use assets	**42.0**	**1.4**	**43.4**
Amortization expense of lease right-of-use assets	**57.9**	**1.5**	**59.4**
Impairment charges on lease right-of-use assets	**3.9**	**0.1**	**4.0**
Balance at June 30, 2022:			
Carrying value of lease right-of-use assets	**310.4**	**5.1**	**315.6**

(Expressed in millions of US Dollars)	Real Estate	Other	Total
For the period ended June 30, 2021:			
Additions of lease right-of-use assets	30.6	0.7	31.3
Amortization expense of lease right-of-use assets	59.4	1.8	61.2
Impairment charges on lease right-of-use assets	5.5	—	5.5
Balance at June 30, 2021:			
Carrying value of lease right-of-use assets	361.3	7.1	368.5

In accordance with IAS 36, the Group is required to evaluate its CGUs for potential impairment whenever events or changes in circumstance indicate that their carrying amount might not be recoverable. If there are changes in circumstance that indicate that the recoverable amount of an asset or CGU exceeds the net impaired carrying value, an impairment reversal would be recognized, where applicable.

1H 2022 Impairment Charges

On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine. At June 30, 2022, the Group had executed a definitive agreement for the disposition of its Russian operations, which disposition was completed on July 1, 2022. During the six months ended June 30, 2022, the Group recognized impairment charges related to the disposition of its Russian operations totaling US$4.0 million on the lease right-of-use assets related to such stores.

1H 2021 Impairment Charges

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

Expenses related to lease right-of-use assets have historically been classified as distribution expenses on the consolidated statements of income (loss) using the function of expense presentation method. These impairment charges for the six months ended June 30, 2022 and June 30, 2021 were recorded in the Group's consolidated statements of income (loss) in the line item "Impairment Charges" (see also note 6 Impairment Charges, note 8 Property, Plant and Equipment and note 9 Goodwill and Other Intangible Assets, for further discussion).

(b) Lease Liabilities

The Group's IFRS 16 lease liabilities primarily consist of leases of retail stores, distribution centers, warehouses, office facilities, equipment and automobiles. As of June 30, 2022 and December 31, 2021, future minimum contractual payments under lease liabilities were as follows:

(Expressed in millions of US Dollars)	**June 30, 2022**	December 31, 2021
Within one year	**133.9**	147.5
After one year but within two years	**101.2**	113.4
After two years but within five years	**134.7**	162.7
More than five years	**52.9**	58.2
Total future minimum payments under lease liabilities[1]	**422.8**	481.9

Note
(1) Future minimum payments under lease liabilities represent contractual future cash payments consisting of principal and interest. The future minimum payments under lease liabilities will not equal the lease liabilities presented on the consolidated statements of financial position due to the interest component of the liability.

(c) Short-term, Low-value and Variable Lease Payments

Under IFRS 16, most of the Group's leases are recognized on the consolidated statements of financial position. The only exceptions are short-term leases (lease periods that are twelve months or less), low-value leases (leases that are US$5,000 or less) and the current and anticipated expenses relating to variable lease payments not included in the measurement of lease liabilities.

The rental cost for short-term, low-value and current expense for variable lease payments are recorded as incurred to rent expense and amounted to US$18.1 million, net of rent concessions of US$1.9 million (see discussion below) for the six months ended June 30, 2022. For the six months ended June 30, 2021, the rental cost for short-term, low-value and current expense for variable lease payments are recorded as incurred to rent expense and amounted to US$17.6 million, net of rent concessions of US$13.7 million (see discussion below). Certain of the retail store leases provide for additional rent payments based on a percentage of sales. These additional variable rent payments amounted to US$13.0 million and US$6.9 million for the six months ended June 30, 2022 and June 30, 2021, respectively.

As of June 30, 2022 and December 31, 2021, future minimum contractual payments under short-term and low-value lease payments were as follows:

(Expressed in millions of US Dollars)	**June 30, 2022**	December 31, 2021
Within one year	**2.8**	2.5
Total future minimum payments under short-term and low-value leases	**2.8**	2.5

(d) Total Cash Outflows for Leases

The following table sets forth a breakdown of total cash outflows for the six months ended June 30, 2022 and June 30, 2021 related to IFRS 16 lease liabilities and those leases exempt from capitalization under IFRS 16.

	Six months ended June 30, 2022		
(Expressed in millions of US Dollars)	**Lease liabilities**	**Short-term, low-value and variable leases**	**Total cash outflow for leases**
Principal payments on lease liabilities	**70.0**	**—**	**70.0**
Interest paid on lease liabilities	**9.6**	**—**	**9.6**
Rent expense - short-term, variable and low value leases[1]	**—**	**18.1**	**18.1**
Contingent rent	**—**	**13.0**	**13.0**
Total cash outflow	**79.6**	**31.1**	**110.7**

	Six months ended June 30, 2021		
(Expressed in millions of US Dollars)	Lease liabilities	Short-term, low-value and variable leases	Total cash outflow for leases
Principal payments on lease liabilities	82.0	—	82.0
Interest paid on lease liabilities	11.3	—	11.3
Rent expense - short-term, variable and low value leases[(1)]	—	17.6	17.6
Contingent rent	—	6.9	6.9
Total cash outflow	93.3	24.6	117.9

Note
(1) Reflects costs for leases which did not qualify for capitalization under IFRS 16 and are net of rent concessions (see discussion below).

(e) Rent Concessions under IFRS 16

During the six months ended June 30, 2022 and June 30, 2021, the Group renegotiated many of its contractual arrangements with its lessors and received rent concessions as a direct result of the COVID-19 pandemic. The Group recorded all such short-term rent concessions, amounting to benefits of US$1.9 million and US$13.7 million for the six months ended June 30, 2022 and June 30, 2021, respectively, to variable rent expense, primarily presented in distribution expenses, in the consolidated statements of income (loss). Any substantial modifications to the contractual terms over the life of the leases have been remeasured in accordance with IFRS 16.

19. Income Taxes

(a) Taxation in the Consolidated Statements of Income (Loss)

For interim reporting purposes, the Group applied the effective tax rate to profit (loss) before income tax for the interim period. The reported effective tax rate is 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, the impairment charges related to the disposition of the Group's operations in Russia and changes in unrecognized deferred tax assets. Income tax (expense) benefit and the effective tax rate for each period was recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income (loss) for the interim period, adjusted for certain discrete items for the period.

The Group’s consolidated effective tax rate for operations was 29.9% and 24.7% for the six months ended June 30, 2022 and June 30, 2021, respectively. The increase in the Group's effective tax rate during the first half of 2022 was mainly the result of changes in unrecognized deferred tax assets, changes in reserves, the impairment charges related to the disposition of the Group's operations in Russia and changes in the profit mix between high and low tax jurisdictions. Excluding taxes related to changes in unrecognized deferred tax assets and the impairment charges related to the disposition of the Group's operations in Russia for the six months ended June 30, 2022, the consolidated effective tax rate for operations would have been 26.6% for the six months ended June 30, 2022 and 27.6% for the six months ended June 30, 2021.

Taxation in the consolidated income statements for the six months ended June 30, 2022 and June 30, 2021 consisted of the following:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2022**	2021
Hong Kong profits tax expense	**(1.1)**	(1.4)
Foreign profits tax (expense) benefit	**(28.1)**	48.0
Income tax (expense) benefit	**(29.2)**	46.6

The provision for Hong Kong Profits Tax for the six months ended June 30, 2022 and June 30, 2021 was calculated at an effective tax rate of 16.5% of the estimated assessable profits for the period.

(b) Income Tax (Expense) Benefit Recognized in Other Comprehensive Income (Loss)

	Six months ended June 30, 2022			Six months ended June 30, 2021		
(Expressed in millions of US Dollars)	**Before tax**	**Income tax benefit (expense)**	**Net of tax**	Before tax	Income tax benefit (expense)	Net of tax
Changes in fair value of hedges	**29.5**	**(6.9)**	**22.6**	13.4	(2.8)	10.6
Foreign currency translation gains (losses) for foreign operations	**6.2**	**—**	**6.2**	5.9	—	5.9
	35.7	**(6.9)**	**28.8**	19.3	(2.8)	16.5

20. Finance Income and Finance Costs

The following table presents a summary of finance income and finance costs recognized in the consolidated statements of income (loss) and consolidated statements of comprehensive income (loss):

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2022**	2021
Recognized in income or loss:		
Interest income	**2.6**	1.8
Total finance income	**2.6**	1.8
Interest expense on loans and borrowings	**(42.3)**	(54.9)
Loss on extinguishment of the 2020 Incremental Term Loan B Facility[(1)]	**—**	(30.1)
Amortization of deferred financing costs associated with the Amended Senior Credit Facilities	**(2.6)**	(4.3)
Interest expense on lease liabilities	**(9.6)**	(11.3)
Change in fair value of put options	**(6.1)**	1.0
Net foreign exchange loss	**(3.2)**	(2.4)
Other finance costs	**(1.0)**	(2.2)
Total finance costs	**(64.8)**	(104.2)
Net finance costs recognized in profit or loss	**(62.2)**	(102.4)
Recognized in other comprehensive income (loss):		
Foreign currency translation gains for foreign operations	**6.2**	5.9
Changes in fair value of hedges	**29.5**	13.4
Income tax expense on finance income and finance costs recognized in other comprehensive income (loss)	**(6.9)**	(2.8)
Net finance costs recognized in total other comprehensive income (loss), net of tax	**28.8**	16.5
Attributable to:		
Equity holders of the Company	**31.4**	17.5
Non-controlling interests	**(2.6)**	(1.0)

Note

(1) The Company recorded a US$30.1 million loss on extinguishment upon the closing of the borrowing under the 2021 Incremental Term Loan B Facility for the six months ended June 30, 2021. The loss included the write-off of US$24.1 million of unamortized deferred financing costs which were part of the net carrying value of the 2020 Incremental Term Loan B Facility which was derecognized, and an approximately US$6.0 million call premium paid to the lenders under the 2020 Incremental Term Loan B Facility.

21. Additional Disclosure of Certain Expenses

Profit (loss) before income tax was arrived at after recognizing the following expenses for the six months ended June 30, 2022 and June 30, 2021:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2022**	2021
Depreciation of fixed assets	**18.1**	25.2
Amortization of intangible assets	**11.7**	16.4
Amortization of lease right-of-use assets	**59.4**	61.2
Impairment Charges	**11.9**	30.2
Restructuring Charges	**1.4**	6.0
Employee benefits expense	**206.9**	187.9
Other income(1)	**(4.0)**	(1.4)
Research and development	**7.9**	8.8
Rent expense(2)	**23.9**	16.0

Notes

(1) The Group recorded other income of US$4.0 million and US$1.4 million for the six months ended June 30, 2022 and June 30, 2021, respectively. Other income for the six months ended June 30, 2022 included gains from the disposal of assets and gains on lease exits/remeasurements along with certain other miscellaneous income and expense items. Other income for the six months ended June 30, 2021 included gains from the disposal of assets and gains on lease exits/remeasurements upon exiting certain retail store locations, partially offset by miscellaneous other expenses incurred during the period.

(2) Rent expense for the six months ended June 30, 2022 and June 30, 2021 represents those contracts/agreements which are not recognized on the consolidated statements of financial position in accordance with IFRS 16, including month-to-month contracts, certain shop-in-shop arrangements and variable rent agreements.

22. Financial Instruments

(a) Fair Value Versus Carrying Amounts

All financial assets and liabilities have fair values that approximate carrying amounts.

(b) Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

There were no transfers between the levels of the fair value hierarchy used in measuring the fair value of financial instruments and there were no changes in the classification of financial assets during the six months ended June 30, 2022.

The carrying amount of cash and cash equivalents, trade receivables, accounts payable, short-term debt, and accrued expenses approximates fair value because of the short maturity or duration of these instruments.

Loans and Borrowings

As of June 30, 2022, the fair value of the Amended Term Loan A Facility, Term Loan B Facility, 2021 Incremental Term Loan B Facility and Senior Notes (see note 14 Loans and Borrowings, for further discussion), including their respective current portions, was US$1,867.2 million. The difference between the fair value and carrying value of the Amended Term Loan A Facility, Term Loan B Facility, 2021 Incremental Term Loan B Facility and Senior Notes is due to the Group's fixed and variable rate debt obligations carrying interest rates that are above or below market rates at the measurement date. The fair value of the Amended Term Loan A Facility, Term Loan B Facility, 2021 Incremental Term Loan B Facility and Senior Notes was calculated based on estimated rates for the same or similar instruments with similar terms and remaining maturities, which represent Level 2 inputs in the fair value hierarchy.

The following table presents the estimated fair value of the Amended Term Loan A Facility, Term Loan B Facility, 2021 Incremental Term Loan B Facility and Senior Notes as of June 30, 2022 and December 31, 2021:

			Fair value measurements at reporting date using		
(Expressed in millions of US Dollars)	**Carrying Amount**	**Fair Value**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
June 30, 2022					
Amended Term Loan A Facility	**600.0**	**587.3**	**—**	**587.3**	**—**
Term Loan B Facility	**538.2**	**523.1**	**—**	**523.1**	**—**
2021 Incremental Term Loan B Facility	**465.5**	**445.8**	**—**	**445.8**	**—**
Senior Notes[(1)]	**366.9**	**311.0**	**—**	**311.0**	**—**
Total	**1,970.7**	**1,867.2**	**—**	**1,867.2**	**—**
December 31, 2021					
Amended Term Loan A Facility	640.0	633.6	—	633.6	—
Term Loan B Facility	541.6	525.3	—	525.3	—
2021 Incremental Term Loan B Facility	493.0	489.9	—	489.9	—
Senior Notes[(1)]	398.0	385.4	—	385.4	—
Total	2,072.5	2,034.3	—	2,034.3	—

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 following table presents assets and liabilities that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) as of June 30, 2022 and December 31, 2021:

		Fair value measurements at reporting date using		
(Expressed in millions of US Dollars)	**June 30, 2022**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets:				
Interest rate swap agreements[(1)]	**21.2**	**—**	**21.2**	**—**
Cross-currency swap agreements	**3.1**	**—**	**3.1**	**—**
Foreign currency forward contracts	**3.0**	**3.0**	**—**	**—**
Total assets	**27.3**	**3.0**	**24.3**	**—**
Liabilities:				
Non-controlling interest put options	**61.8**	**—**	**—**	**61.8**
Total liabilities	**61.8**	**—**	**—**	**61.8**

(Expressed in millions of US Dollars)	December 31, 2021	Fair value measurements at reporting date using — Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Cross-currency swap agreements	0.1	—	0.1	—
Foreign currency forward contracts	1.3	1.3	—	—
Total assets	1.4	1.3	0.1	—
Liabilities:				
Interest rate swap agreements(1)	3.4	—	3.4	—
Non-controlling interest put options	47.2	—	—	47.2
Total liabilities	50.7	—	3.4	47.2

Note
(1) The change in value of the interest rate swap agreements from December 31, 2021 to June 30, 2022 was due to changes in the LIBOR curve.

The fair value of interest rate swaps, cross-currency swaps and foreign currency forward contracts are estimated by reference to market quotations received from banks.

Interest Rate Swaps

The Group maintains interest rate swaps which are used to hedge interest rate risk associated with the Senior Credit Facilities (see note 14(a) Non-current Obligations, for further discussion). Since the interest rate swap fair values are based predominantly on observable inputs, such as the interest yield curve, that are corroborated by market data, they are categorized as Level 2 in the fair value hierarchy.

Cross-currency Swaps

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

As of June 30, 2022, the cross-currency swap qualified as a net investment hedge and the monthly mark-to-market was recorded to other comprehensive income (loss). As of June 30, 2022, the cross-currency swap was marked-to-market, resulting in a net asset position to the Group in the amount of US$3.1 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 cross-currency swap was marked-to-market, resulting in a net asset position to the Group in the amount of US$0.1 million, which was recorded as an asset with the effective portion of the gain (loss) deferred to other comprehensive income (loss).

Since the cross-currency swap fair value is based predominantly on observable inputs, such as the Dodd-Frank mid-market rate, that are corroborated by market data, it is categorized as Level 2 in the fair value hierarchy.

Foreign Currency Forward Contracts

Certain non-U.S. subsidiaries of the Group periodically enter into forward contracts related to the purchase of inventory denominated primarily in US Dollars which are designated as cash flow hedges. The hedging effectiveness was evaluated in accordance with IFRS 9, *Financial Instruments*. The fair value of these instruments was an asset of US$3.0 million and an asset of US$1.3 million as of June 30, 2022 and December 31, 2021, respectively.

Non-controlling Interest Put Options

The following table shows the valuation technique used in measuring the Level 3 fair value, as well as the significant unobservable inputs used.

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Put options	*Income approach* - The valuation model converts future amounts based on an EBITDA multiple to a single current discounted amount reflecting current market expectations about those future amounts.	EBITDA Multiple	The estimated value would increase (decrease) if the EBITDA multiple was higher (lower).

The following table shows the reconciliation from the opening balance to the closing balance for Level 3 fair values:

(Expressed in millions of US Dollars)	
Balance at January 1, 2022	**47.2**
Change in fair value included in equity	**8.5**
Change in fair value included in finance costs	**6.1**
Balance at June 30, 2022	**61.8**

For the fair value of put options, reasonably possible changes to one of the significant unobservable inputs, holding other inputs constant, would have the following effects at June 30, 2022:

	Profit or Loss		**Shareholders' Equity**	
(Expressed in millions of US Dollars)	**Increase**	**Decrease**	**Increase**	**Decrease**
EBITDA multiple (movement of 0.1x)	**1.0**	**(1.0)**	**0.9**	**(0.9)**

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

23. Related Party Transactions

Transactions with Key Management Personnel

In addition to their cash compensation, the Group also provides non-cash benefits to certain directors and other key management personnel and contributes to a post-employment plan on their behalf.

Key management personnel are comprised of the Group's directors and senior management. Compensation paid to key management personnel during the six months ended June 30, 2022 and June 30, 2021 comprised:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2022**	2021
Director's fees	**0.7**	0.6
Salaries, allowances and other benefits in kind	**3.3**	3.1
Bonus[(1)]	**7.5**	12.6
Share-based compensation[(2)]	**6.1**	4.0
Contributions to post-employment plans	**0.0**	0.2
Total compensation	**17.6**	20.5

Notes
(1) Bonus reflects amounts paid during the period.
(2) Share-based compensation amounts reported represent the expense recognized during the period for awards granted previously.

24. Subsequent Events

The Group has evaluated events occurring subsequent to June 30, 2022, the reporting date, through August 17, 2022, the date this financial information was authorized for issuance by the Board.

On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine, and the Group subsequently determined that continued ownership of its operations in Russia was no longer tenable. At June 30, 2022, the Group had executed a definitive agreement for the disposition of its Russian operations, which disposition was completed on July 1, 2022.

During the six months ended June 30, 2022, the Group recognized impairment charges related to the disposition of its Russian operations totaling US$11.9 million. See also note 6 Impairment Charges, note 8 Property, Plant and Equipment and note 18 Leases, for further discussion.

Management Discussion and Analysis

With a heritage dating back more than 110 years, Samsonite International S.A. (the “Company”), together with its consolidated subsidiaries (the “Group”), is a leader in the global lifestyle bag industry and is the world’s best-known and largest travel luggage company. The Group is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags and travel accessories throughout the world, primarily under the *Samsonite*®, *Tumi*®, *American Tourister*®, *Gregory*®, *High Sierra*®, *Kamiliant*®, *ebags*®, *Lipault*® and *Hartmann*® brand names as well as other owned and licensed brand names.

The Group sells its products in over 100 countries through a variety of wholesale distribution channels, through its company-operated retail stores and through e-commerce.

Management discussion and analysis should be read in conjunction with the Group’s consolidated interim financial statements, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (the "IASB").

The Company has presented certain non-IFRS measures within management discussion and analysis 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.

Net Sales

The Group's net sales increased by US$470.7 million, or 58.9% (+66.9% constant currency), during the six months ended June 30, 2022 compared to the six months ended June 30, 2021. The Group's consolidated net sales performance continued to improve during the first half of 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. However, an increase in COVID-19 cases and the resulting reinstatement of travel restrictions and social distancing measures in certain markets, particularly in China, temporarily slowed the Group's net sales recovery in the Asia region during the six months ended June 30, 2022.

When evaluating the results for the period ended June 30, 2022, there are certain factors that impact comparability to prior periods, mainly the suspension 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 determined that continued ownership of its operations in Russia was no longer tenable. At June 30, 2022, the Group had executed a definitive agreement for the disposition of its Russian operations, which disposition was completed on July 1, 2022. On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck, a leading designer and distributor of slim protective cases for personal electronic devices that were marketed under the *Speck*® brand.

In the net sales discussions that follow, certain net sales results exclude (i) the net sales of the Group's former Russian operations for the second quarters of 2022, 2021 and 2019 (the "Russia Net Sales"), (ii) the net sales of Speck for January through June 2021 and January through June 2019 (the "Speck Net Sales" and together with the Russia Net Sales, the "Russia and Speck Net Sales"). In addition, the net sales of China for the second quarters of 2022, 2021 and 2019 have been further excluded for comparability, where noted. During the second quarter of 2022, the Chinese government reinstated travel restrictions and social distancing measures in an effort to combat further outbreaks of the COVID-19 virus, which temporarily slowed the Group’s net sales recovery in that market.

When excluding the Russia and Speck Net Sales, consolidated net sales increased by US$507.7 million, or 66.8% (+75.3% constant currency), for the six months ended June 30, 2022 compared to the six months ended June 30, 2021. Further excluding the net sales of China, consolidated net sales for the six months ended June 30, 2022 increased by US$537.6 million, or 76.7% (+85.8% constant currency) compared to the same period in the previous year.

When compared to the six months ended June 30, 2019, the Group's net sales decreased by 27.7% (-23.5% constant currency) during the six months ended June 30, 2022. When excluding the Russia and Speck Net Sales, consolidated net sales decreased by 24.7% (-20.4% constant currency) for the six months ended June 30, 2022 compared to the six months ended June 30, 2019. Further excluding the net sales of China, consolidated net sales for the six months ended June 30, 2022 decreased by 23.0% (-18.4% constant currency) compared to the six months ended June 30, 2019.

For the second quarter of 2022, the Group's net sales (when compared to the second quarter of 2019 and excluding the Russia and Speck Net Sales) declined by 21.1% (-16.1% constant currency). Further excluding the net sales of China, consolidated net sales for the quarter ended June 30, 2022 declined by 17.2% (-11.6% constant currency), compared to the quarter ended June 30, 2019.

The Group's positive net sales trend continued into the third quarter of 2022, with the reduction in the Group's constant currency net sales for July 2022 (when compared to July 2019 and excluding the Russia and Speck Net Sales) improving to 8.7%, and to 5.7% when further excluding the net sales in China.

During the second quarter of 2022, the Group's net sales (when compared to the corresponding period in 2019 and excluding the Speck Net Sales) continued its sequential quarterly improvement. For the quarter ended June 30, 2022, the Group recorded a net sales decline of 22.6% (-17.8% constant currency) when compared to the quarter ended June 30, 2019. This compares to the first quarter of 2022 when the Group's net sales (when compared to the corresponding period in 2019 and excluding the Speck Net Sales) decreased by 28.7% (-25.2% constant currency).

During the fourth quarter of 2021, the Group's net sales decline narrowed to 28.8% (-28.0% constant currency), when excluding the Speck Net Sales 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 Speck Net Sales 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 six months ended June 30, 2022 and June 30, 2021, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				2022 vs 2021	
	2022		2021			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[5]
Net sales by region[1]:						
North America[2]	**489.8**	**38.5 %**	323.8	40.5 %	51.3 %	51.4 %
Asia	**393.3**	**31.0 %**	307.8	38.5 %	27.8 %	34.0 %
Europe[3]	**301.2**	**23.7 %**	131.2	16.4 %	129.7 %	159.5 %
Latin America	**85.0**	**6.7 %**	36.1	4.5 %	135.2 %	151.1 %
Corporate	**0.9**	**0.1 %**	0.6	0.1 %	46.0 %	46.0 %
Net sales[4]	**1,270.2**	**100.0 %**	799.5	100.0 %	58.9 %	66.9 %

Notes
(1) The geographic location of the Group's net sales generally reflects the country/territory from which its products were sold and does not necessarily indicate the country/territory in which its end consumers were actually located.
(2) On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck. When excluding the Speck Net Sales for January through June 2021, net sales in North America increased by US$194.7 million, or 66.0% (+66.2% constant currency), for the six months ended June 30, 2022 compared to the same period in the previous year.
(3) On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine. At June 30, 2022, the Group had executed a definitive agreement for the disposition of its Russian operations, which disposition was completed on July 1, 2022. When excluding the Russia Net Sales for April through June 2022, net sales in Europe increased by US$178.4 million, or 147.6% (+180.1% constant currency), for the six months ended June 30, 2022 compared to the same period in the previous year.
(4) When excluding the Russia and Speck Net Sales, consolidated net sales increased by US$507.7 million, or 66.8% (+75.3% constant currency), for the six months ended June 30, 2022 compared to the same period in the previous year.
(5) 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 six months ended June 30, 2022 and June 30, 2021, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,					
	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	**620.0**	**48.8 %**	355.9	44.5 %	74.2 %	84.2 %
Tumi	**283.5**	**22.3 %**	193.7	24.2 %	46.3 %	50.6 %
American Tourister	**234.5**	**18.5 %**	128.5	16.1 %	82.5 %	91.7 %
Gregory	**34.9**	**2.7 %**	32.7	4.1 %	6.6 %	12.8 %
Speck(1)	**—**	**— %**	28.8	3.6 %	(100.0)%	(100.0)%
Other(2)	**97.3**	**7.7 %**	60.0	7.5 %	62.3 %	74.1 %
Net sales	**1,270.2**	**100.0 %**	799.5	100.0 %	58.9 %	66.9 %

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 strong year-on-year net sales increases during the six months ended June 30, 2022 compared to the six months ended June 30, 2021. Net sales of the *Samsonite* brand during the six months ended June 30, 2022 increased by US$264.1 million, or 74.2% (+84.2% constant currency), year-on-year, driven by increases in all the Group's regions. Net sales of the *Tumi* brand during the six months ended June 30, 2022 increased by US$89.8 million, or 46.3% (+50.6% constant currency), year-on-year. The increase in *Tumi* brand net sales was driven by a US$74.8 million increase in North America, a US$12.1 million increase in Europe, a US$1.9 million increase in Asia and a US$1.0 million increase in Latin America. Net sales of the *American Tourister* brand increased by US$106.0 million, or 82.5% (+91.7% constant currency), for the six months ended June 30, 2022 compared to the six months ended June 30, 2021, with increases in all of 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 six months ended June 30, 2022 and June 30, 2021, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,					
	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	**814.3**	**64.1 %**	423.4	53.0 %	92.3 %	101.4 %
Non-travel(1), (2)	**455.8**	**35.9 %**	376.1	47.0 %	21.2 %	28.1 %
Net sales	**1,270.2**	**100.0 %**	799.5	100.0 %	58.9 %	66.9 %

Notes
(1) The non-travel category comprises business, casual, accessories and other products.
(2) On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck. When excluding the applicable Speck Net Sales for January through June 2021, non-travel product category net sales increased by US$108.5 million, or 31.2% (+38.7% constant currency), for the six months ended June 30, 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 six months ended June 30, 2022 increased by US$391.0 million, or 92.3% (+101.4% constant currency), compared to the six months ended June 30, 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$79.7 million, or 21.2% (+28.1% constant currency), for the six months ended June 30, 2022 compared to the six months ended June 30, 2021. When excluding the applicable Speck Net Sales for January through June 2021, non-travel product category net sales increased by US$108.5 million, or 31.2% (+38.7% constant currency), for the six months ended June 30, 2022 compared to the same period in the previous year.

Net sales of business products increased by US$48.5 million, or 24.9% (+31.4% constant currency), for the six months ended June 30, 2022 compared to the same period in the previous year. When excluding the applicable Speck Net Sales for January through June 2021, business product net sales increased by US$57.8 million, or 31.2% (+38.0% constant currency), for the six months ended June 30, 2022 compared to the same period in the previous year. Net sales of casual products during the six months ended June 30, 2022 increased by US$25.7 million, or 26.0% (+33.7% constant currency), year-on-year. Net sales of accessories products during the six months ended June 30, 2022 decreased by US$1.1 million, or 1.6%, but increased on a constant currency basis by 4.0% year-on-year. When excluding the applicable Speck Net Sales for January through June 2021, net sales of accessories products increased by US$18.3 million, or 35.3% (+43.0% constant currency), for the six months ended June 30, 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 six months ended June 30, 2022 and June 30, 2021, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				2022 vs 2021	
	2022		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	**812.3**	**63.9 %**	516.5	64.6 %	57.3 %	64.9 %
DTC[1]	**456.9**	**36.0 %**	282.4	35.3 %	61.8 %	70.7 %
Other[2]	**0.9**	**0.1 %**	0.6	0.1 %	53.8 %	53.8 %
Net sales	**1,270.2**	**100.0 %**	799.5	100.0 %	58.9 %	66.9 %

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$295.9 million, or 57.3% (+64.9% constant currency), during the six months ended June 30, 2022 compared to the six months ended June 30, 2021. Net sales to e-retailers, which are included in the Group's wholesale channel, increased by US$34.6 million, or 47.3% (+53.6% constant currency), during the six months ended June 30, 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$174.5 million, or 61.8% (+70.7% constant currency), to US$456.9 million (representing 36.0% of net sales) for the six months ended June 30, 2022 from US$282.4 million (representing 35.3% of net sales) for the six months ended June 30, 2021.

Net sales in the DTC retail channel increased by US$148.7 million, or 79.4% (+89.9% constant currency), during the six months ended June 30, 2022 compared to the same period in the previous year primarily due to an increase in consumer demand and the reopening of certain company-operated retail stores, some of which had been temporarily closed during the same period in the previous year due to COVID-19. During the six months ended June 30, 2022, the Group permanently closed 61 company-operated retail stores (of which 37 were located in Russia). This was partially offset by the addition of 19 new stores. This resulted in a net reduction of 42 company-operated retail stores during the six months ended June 30, 2022 compared to a net reduction of 69 company-operated retail stores during the six months ended June 30, 2021. The total number of company-operated retail stores was 963 as of June 30, 2022 compared to 1,027 company-operated retail stores as of June 30, 2021 and 1,278 company-operated retail stores as of June 30, 2019. As a result of the temporary closure during the first half of 2021 of many of the Group's company-operated retail stores due to the COVID-19 pandemic, 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$25.8 million, or 27.1% (+32.8% constant currency), to US$121.1 million (representing 9.5% of net sales) for the six months ended June 30, 2022 from US$95.3 million (representing 11.9% of net sales) for the six months ended June 30, 2021.

During the six months ended June 30, 2022, US$228.8 million of the Group's net sales were through e-commerce channels (comprising US$121.1 million of net sales from the Group's DTC e-commerce website, which are included within the DTC channel, and US$107.7 million of net sales to e-retailers, which are included within the wholesale channel). This represented a year-on-year increase of US$60.4 million, or 35.9% (+41.8% constant currency), compared to the six months ended June 30, 2021, when e-commerce comprised US$168.4 million of the Group's net sales. During the six months ended June 30, 2022, the Group's net sales through e-commerce channels represented 18.0% of total net sales compared to 21.1% of total net sales for the six months ended June 30, 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$166.0 million, or 51.3% (+51.4% constant currency), for the six months ended June 30, 2022 compared to the six months ended June 30, 2021 due to relaxed social-distancing restrictions, markets reopening and domestic travel continuing to rebound in both the United States and Canada. On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck. Excluding the Speck Net Sales for January through June 2021, net sales in North America increased by US$194.7 million, or 66.0% (+66.2% constant currency), for the six months ended June 30, 2022 compared to the same period in the previous year.

For the six months ended June 30, 2022, the Group recorded a net sales decline of 25.1% (-25.3% constant currency) in North America when compared to the six months ended June 30, 2019. When excluding the Speck Net Sales for January through June 2019, net sales in North America decreased by 18.9% (-19.1% constant currency) for the six months ended June 30, 2022 compared to the six months ended June 30, 2019.

During the second quarter of 2022, the Group's net sales in North America (when compared to the corresponding period in 2019 and excluding the Speck Net Sales) continued its sequential quarterly improvement. For the second quarter ended June 30, 2022, the Group recorded a net sales decline of 16.8% (-17.0% constant currency) when compared to the second quarter ended June 30, 2019. This compares to the first quarter of 2022 when the Group's net sales in North America (when compared to the corresponding period in 2019 and excluding the Speck Net Sales) decreased by 21.5% (-21.6% constant currency). The impact from continued shipping delays temporarily slowed the net sales recovery.

The Group's positive net sales trend in North America continued into the third quarter of 2022, with the reduction in the Group's constant currency net sales for July 2022 (when compared to July 2019 and excluding the Speck Net Sales) further improving to 12.1%.

Brands

For the six months ended June 30, 2022, net sales of the *Samsonite* brand in North America increased by US$96.6 million, or 73.2% (+73.4% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand during the six months ended June 30, 2022 increased by US$74.8 million, or 73.3% (+73.4% 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 six months ended June 30, 2022 increased by US$19.8 million, or 61.6% (+61.7% constant currency), compared to the six months ended June 30, 2021. Net sales of the *Gregory* brand increased by US$2.1 million, or 15.3% (+15.3% constant currency), compared to the same period in the previous year.

Product Categories

Net sales in the travel product category for the six months ended June 30, 2022 increased by US$145.3 million, or 74.5% (+74.6% constant currency), compared to the six months ended June 30, 2021. Domestic travel continued to rebound in both the United States and Canada, with continued progress in the vaccination rollout against COVID-19. This helped to drive the net sales recovery in the travel product category. Total non-travel category net sales increased by US$20.7 million, or 16.1% (+16.2% constant currency), compared to the same period in the previous year. When excluding the applicable Speck Net Sales for January through June 2021, non-travel product category net sales increased by US$49.5 million, or 49.5% (+49.6% constant currency), for the six months ended June 30, 2022 compared to the same period in the previous year.

Net sales of business products during the six months ended June 30, 2022 increased by US$26.8 million, or 41.6% (+41.7% constant currency), year-on-year. When excluding the applicable Speck Net Sales for January through June 2021, business product net sales increased by US$36.1 million, or 65.4% (+65.6% constant currency), for the six months ended June 30, 2022 compared to the same period in the previous year. Net sales of casual products increased by US$4.8 million, or 19.9% (+20.0% constant currency), compared to the same period in the previous year. Net sales of accessories products decreased by US$11.3 million, or 28.4% (-28.4% constant currency), year-on-year. When excluding the applicable Speck Net Sales for January through June 2021, net sales of accessories products increased by US$8.1 million, or 40.0% (+40.2% constant currency), for the six months ended June 30, 2022 compared to the same period in the previous year.

Distribution Channels

Net sales in the wholesale channel increased by US$83.4 million, or 42.5% (+42.6% constant currency), for the six months ended June 30, 2022 compared to the six months ended June 30, 2021. Net sales to e-retailers, which are included in the Group's wholesale channel, increased by US$20.3 million, or 73.9% (+74.0% constant currency), during the six months ended June 30, 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$82.5 million, or 64.8% (+65.0% constant currency), year-on-year to US$210.0 million for the six months ended June 30, 2022 from US$127.4 million for the six months ended June 30, 2021.

Net sales in the DTC retail channel increased by US$68.4 million, or 81.1% (+81.3% constant currency), during the six months ended June 30, 2022 compared to the same period in the previous year primarily due to the reopening of certain company-operated retail stores that had been temporarily closed in the prior year due to COVID-19 as well as a general resumption of in-person shopping. During the six months ended June 30, 2022, the Group permanently closed 7 company-operated retail stores in North America. This was partially offset by the addition of 5 new stores. This resulted in a net reduction of 2 company-operated retail stores during the six months ended June 30, 2022 compared to a net reduction of 8 company-operated retail stores during the six months ended June 30, 2021. The total number of company-operated retail stores in North America was 270 as of June 30, 2022 compared to 274 company-operated retail stores as of June 30, 2021 and 340 company-operated retail stores as of June 30, 2019. As a result of the temporary closure during the first half of 2021 of many of the Group's company-operated retail stores due to the COVID-19 pandemic, 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$14.1 million, or 32.8% (+32.9% constant currency), to US$57.1 million for the six months ended June 30, 2022 from US$43.0 million for the six months ended June 30, 2021.

Countries

The following table sets forth a breakdown of net sales in North America by geographic location for the six months ended June 30, 2022 and June 30, 2021, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,				2022 vs 2021	
	2022		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 geographic location[1]:						
United States	**467.1**	**95.4 %**	316.3	97.7 %	47.7 %	47.7 %
Canada	**22.6**	**4.6 %**	7.5	2.3 %	203.8 %	209.9 %
Net sales[2]	**489.8**	**100.0 %**	323.8	100.0 %	51.3 %	51.4 %

Notes
(1) The geographic location of the Group's net sales generally reflects the country from which its products were sold and does not necessarily indicate the country in which its end consumers were actually located.
(2) On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck. Excluding the Speck Net Sales for January through June 2021, net sales in North America increased by US$194.7 million, or 66.0% (+66.2% constant currency), for the six months ended June 30, 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.

For the six months ended June 30, 2022, net sales in the United States increased by US$150.8 million, or 47.7%, year-on-year. When excluding the Speck Net Sales for January through June 2021, net sales in the United States increased by US$179.6 million, or 62.4%, for the six months ended June 30, 2022 compared to the same period in the previous year. For the six months ended June 30, 2022, net sales in Canada increased by US$15.2 million, or 203.8% (+209.9% constant currency), year-on-year as restrictions on social distancing eased and markets reopened.

Compared to the first half of 2019, net sales in the United States during the first half of 2022 decreased by 18.7% when excluding the Speck Net Sales for January through June 2019. For the six months ended June 30, 2022, net sales in Canada decreased by 23.4% (-27.1% constant currency) compared to the same period in 2019.

Asia

While the rise in COVID-19 cases and the resulting reinstatement of travel restrictions and social distancing measures temporarily slowed the net sales recovery in certain markets in Asia, particularly in China, during the second quarter of 2022, the sales performance in other countries within the region continued to improve. The Group's net sales in Asia increased by US$85.5 million, or 27.8% (+34.0% constant currency), for the six months ended June 30, 2022 compared to the six months ended June 30, 2021. When excluding the net sales of China for the second quarter of 2022 and 2021, the Group's net sales in Asia for the six months ended June 30, 2022 increased by US$115.4 million, or 46.5% (+53.9% constant currency), when compared to the same period in the previous year.

For the six months ended June 30, 2022, the Group recorded a net sales decline of 38.9% (-36.4% constant currency) in Asia when compared to the six months ended June 30, 2019. When excluding the net sales of China for the second quarters of 2022 and 2019, the Group's net sales in Asia for the six months ended June 30, 2022 decreased by 35.8% (-32.9% constant currency) when compared to the six months ended June 30, 2019.

During the second quarter of 2022, the Group's net sales in Asia (when compared to the corresponding period in 2019) continued its sequential quarterly improvement, although the improvement in the second quarter of 2022 was moderated by the effects of renewed lockdowns in China. For the quarter ended June 30, 2022, the Group recorded a net sales decline of 38.2% (-34.5% constant currency) when compared to the quarter ended June 30, 2019; further excluding the net sales of China for the second quarters of 2022 and 2019, the Group recorded a net sales decline of 31.4% (-26.2% constant currency). This compares to the first quarter of 2022 when the Group's net sales in Asia (when compared to the corresponding period in 2019) decreased by 39.6% (-38.6% constant currency).

The Group's positive net sales trend in Asia continued into the third quarter of 2022. With the gradual relaxation of travel and other restrictions in China and the continued rebound in travel in the rest of the Asia, the reduction in the Group’s constant currency net sales for July 2022 (when compared to July 2019) noticeably improved to 21.6%, and to 16.1% when further excluding the net sales in China.

Brands

For the six months ended June 30, 2022, net sales of the *Samsonite* brand increased by US$29.0 million, or 22.5% (+28.3% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand during the six months ended June 30, 2022 increased by US$1.9 million, or 2.5% (+8.1% constant currency), year-on-year. Net sales of the *American Tourister* brand during the six months ended June 30, 2022 increased by US$40.9 million, or 57.8% (+64.2% constant currency), compared to the six months ended June 30, 2021.

Product Categories

Net sales in the travel product category for the six months ended June 30, 2022 increased by US$82.3 million, or 58.8% (+65.8% constant currency), compared to the same period in the previous year. Total non-travel category net sales increased by US$3.2 million, or 1.9% (+7.5% constant currency), compared to the six months ended June 30, 2021. Net sales of business products increased by US$0.7 million, or 0.7% (+6.5% constant currency), compared to the same period in the previous year. Net sales of casual products increased by US$0.8 million, or 1.5% (+7.2% constant currency), year-on-year. Net sales of accessories products increased by US$0.7 million, or 6.7% (+11.0% constant currency), year-on-year.

Distribution Channels

Net sales in the wholesale channel increased by US$66.2 million, or 29.5% (+35.1% constant currency), for the six months ended June 30, 2022 compared to the same period in the previous year. Net sales to e-retailers, which are included in the Group's wholesale channel, increased by US$1.3 million, or 4.7% (+9.0% constant currency), during the six months ended June 30, 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$19.3 million, or 23.2% (+31.1% constant currency), to US$102.6 million for the six months ended June 30, 2022 from US$83.2 million for the six months ended June 30, 2021.

Net sales in the DTC retail channel increased by US$16.7 million, or 32.7% (+41.7% constant currency), during the six months ended June 30, 2022 compared to the same period in the previous year. During the six months ended June 30, 2022 the Group permanently closed 15 company-operated retail stores in Asia. This was partially offset by the addition of 9 new stores. This resulted in a net reduction of 6 company-operated retail stores during the six months ended June 30, 2022 compared to a net reduction of 14 company-operated retail stores during the six months ended June 30, 2021. The total number of company-operated retail stores in Asia was 339 as of June 30, 2022 compared to 361 company-operated retail stores as of June 30, 2021 and 404 company-operated retail stores as of June 30, 2019. As a result of the temporary closure during the first half of 2021 of many of the Group's company-operated retail stores due to the COVID-19 pandemic, 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$2.6 million, or 8.1% (+13.9% constant currency), to US$34.5 million for the six months ended June 30, 2022 from US$32.0 million for the six months ended June 30, 2021.

Countries/Territories

The following table sets forth a breakdown of net sales in Asia by geographic location for the six months ended June 30, 2022 and June 30, 2021, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,				2022 vs 2021	
	2022		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 geographic location[1]:						
India	**98.5**	**25.1 %**	49.0	15.9 %	101.2 %	109.1 %
China	**75.7**	**19.3 %**	110.8	36.0 %	(31.7)%	(31.7)%
Japan	**53.2**	**13.5 %**	43.2	14.0 %	23.0 %	39.8 %
South Korea	**47.2**	**12.0 %**	36.3	11.8 %	30.0 %	43.1 %
Hong Kong[2]	**27.7**	**7.0 %**	26.4	8.6 %	5.0 %	5.4 %
Australia	**22.1**	**5.6 %**	9.4	3.1 %	135.9 %	151.6 %
Other	**68.8**	**17.5 %**	32.7	10.6 %	110.4 %	116.0 %
Net sales	**393.3**	**100.0 %**	307.8	100.0 %	27.8 %	34.0 %

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) Net sales reported for Hong Kong include net sales made domestically, net sales made in Macau as well as net sales to distributors in certain other Asian markets where the Group does not have a direct presence.
(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 India increased by US$49.6 million, or 101.2% (+109.1% constant currency), for the six months ended June 30, 2022 compared to the same period in the previous year, primarily due to the removal by the Indian government of all travel restrictions and further loosening of other social distancing measures. Net sales in Australia increased by US$12.7 million, or 135.9% (+151.6% 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$10.9 million, or 30.0% (+43.1% constant currency), year-on-year. Net sales in Japan increased by US$9.9 million, or 23.0% (+39.8% 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$1.3 million, or 5.0% (+5.4% constant currency), year-on-year. These year-on-year net sales increases were partially offset by a decrease in China of US$35.1 million, or 31.7% (-31.7% constant currency), year-on-year, due to renewed lockdowns and continued restrictions on travel, especially during the second quarter of 2022. When excluding China's net sales for the second quarters of 2022 and 2021, net sales in Asia increased by US$115.4 million, or 46.5% (+53.9% constant currency), year-on-year.

India reported a net sales increase of 18.9% (+29.9% constant currency) during the first half of 2022 compared to the same period in 2019 while the rest of the Group’s main markets in Asia continued to report net sales decreases when comparing the first half of 2022 with the first half of 2019, including: China (-47.8%; -50.2% constant currency), Japan

(-48.8%; -42.7% constant currency), South Korea (-51.8%; -48.3% constant currency) and Hong Kong (-65.5%; -65.5% constant currency).

Europe

The Group's net sales in Europe increased by US$170.1 million, or 129.7% (+159.5% constant currency), for the six months ended June 30, 2022 compared to the six months ended June 30, 2021. On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine, and the Group subsequently determined that continued ownership of its operations in Russia was no longer tenable. At June 30, 2022, the Group had executed a definitive agreement for the disposition of its Russian operations, which disposition was completed on July 1, 2022. When excluding the Russia Net Sales for the second quarters of 2022 and 2021, the Group's net sales in Europe for the six months ended June 30, 2022 increased by US$178.4 million, or 147.6% (+180.1% constant currency), when compared to the same period in the previous year.

For the six months ended June 30, 2022 the Group recorded a net sales decline of 18.9% (-10.4% constant currency) in Europe when compared to the six months ended June 30, 2019. When excluding the Russia Net Sales for the second quarters of 2022 and 2019, the Group's net sales in Europe for the six months ended June 30, 2022 decreased by 14.7% (-5.7% constant currency) when compared to the six months ended June 30, 2019.

During the second quarter of 2022, the Group's net sales in Europe (when compared to the corresponding period in 2019) continued its sequential quarterly improvement. For the quarter ended June 30, 2022, the Group recorded a net sales decline of 11.0% (-0.5% constant currency) when compared to the quarter ended June 30, 2019; further excluding the Russia Net Sales for the second quarters of 2022 and 2019, the Group's net sales in Europe decreased by 1.8% but increased on a constant currency basis by 9.9%. This compares to the first quarter of 2022 when the Group's net sales in Europe (when compared to the corresponding period in 2019) decreased by 27.7% (-21.5% constant currency).

The Group's positive net sales trend in Europe continued into the third quarter of 2022, with constant currency net sales for July 2022 (when compared to July 2019 and excluding the Russia Net Sales) increasing by 8.3%.

Brands

For the six months ended June 30, 2022, net sales of the *Samsonite* brand increased by US$116.4 million, or 140.8% (+172.7% constant currency), compared to the same period in the previous year. Net sales of the *Tumi* brand during the six months ended June 30, 2022 increased by US$12.1 million, or 79.5% (+105.8% constant currency), year-on-year. Net sales of the *American Tourister* brand during the six months ended June 30, 2022 increased by US$37.2 million, or 177.6% (+210.3% constant currency), compared to the six months ended June 30, 2021.

Product Categories

Net sales in the travel product category for the six months ended June 30, 2022 increased by US$135.6 million, or 180.4% (+215.9% constant currency), compared to the six months ended June 30, 2021. Total non-travel category net sales increased by US$34.4 million, or 61.5% (+83.8% constant currency), year-on-year. Net sales of business products increased by US$16.2 million, or 63.2% (+87.2% constant currency), year-on-year. Net sales of casual products increased by US$7.6 million, or 70.7% (+93.5% constant currency), compared to the same period in the previous year. Net sales of accessories products increased by US$5.6 million, or 42.7% (+60.4% constant currency), year-on-year.

Distribution Channels

Net sales in the wholesale channel increased by US$118.8 million, or 157.5% (+189.3% constant currency), during the six months ended June 30, 2022 compared to the six months ended June 30, 2021. Net sales to e-retailers, which are included in the Group's wholesale channel, increased by US$13.0 million, or 71.2% (+90.1% constant currency), during the six months ended June 30, 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$51.2 million, or 91.9% (+119.1% constant currency), to US$107.0 million for the six months ended June 30, 2022 from US$55.7 million for the six months ended June 30, 2021.

Net sales in the DTC retail channel increased by US$43.8 million, or 116.9% (+148.7% constant currency), during the six months ended June 30, 2022 compared to the same period in the previous year. During the six months ended June 30, 2022, the Group permanently closed 37 company-operated retail stores in Europe, all of which were located in Russia. This was partially offset by the addition of 4 new stores. This resulted in a net reduction of 33 company-operated retail stores during the six months ended June 30, 2022 compared to a net reduction of 22 company-operated retail stores during the six months ended June 30, 2021. The total number of company-operated retail stores in Europe was 185 as of June 30, 2022 compared to 220 company-operated retail stores as of June 30, 2021 and 313 company-operated retail stores as of June 30, 2019. As a result of the temporary closure during the first half of 2021 of many of the Group's company-operated retail stores due to the COVID-19 pandemic, 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$7.5 million, or 40.8% (+58.4% constant currency), to US$25.8 million for the six months ended June 30, 2022 from US$18.3 million for the six months ended June 30, 2021.

Countries

The following table sets forth a breakdown of net sales in Europe by geographic location for the six months ended June 30, 2022 and June 30, 2021, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	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 geographic location[1]:						
Belgium[2]	**71.7**	**23.8 %**	34.7	26.4 %	106.9 %	128.6 %
Germany	**37.6**	**12.5 %**	15.8	12.0 %	138.4 %	163.4 %
United Kingdom[3]	**31.4**	**10.4 %**	7.0	5.3 %	351.8 %	387.8 %
France	**27.9**	**9.3 %**	10.8	8.2 %	157.6 %	184.6 %
Italy	**27.5**	**9.1 %**	13.6	10.4 %	102.6 %	123.3 %
Spain	**25.3**	**8.4 %**	9.2	7.0 %	176.0 %	204.3 %
Russia	**9.8**	**3.2 %**	17.0	13.0 %	(42.6)%	(37.7)%
Other	**70.0**	**23.3 %**	23.2	17.7 %	202.1 %	271.0 %
Net sales	**301.2**	**100.0 %**	131.2	100.0 %	129.7 %	159.5 %

Notes
(1) The geographic location of the Group's net sales generally reflects the country from which its products were sold and does not necessarily indicate the country in which its end consumers were actually located.
(2) Net sales in Belgium were US$8.7 million and US$3.5 million for the six months ended June 30, 2022 and June 30, 2021, respectively, an increase of US$5.2 million, or 150.0% (+174.8% constant currency). Remaining sales consisted of direct shipments to distributors, customers and agents in other European countries, including e-commerce.
(3) Net sales reported for the United Kingdom include net sales made in Ireland.
(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.

Net sales in the United Kingdom increased by US$24.5 million, or 351.8% (+387.8% constant currency), year-on-year. Net sales in Germany increased by US$21.9 million, or 138.4% (+163.4% constant currency), for the six months ended June 30, 2022 compared to the same period in the previous year. Net sales in France increased by US$17.0 million, or 157.6% (+184.6% constant currency), compared to the same period in the previous year. Spain's net sales increased by US$16.2 million, or 176.0% (+204.3% constant currency), year-on-year. Italy's net sales increased by US$13.9 million, or 102.6% (+123.3% constant currency), compared to the six months ended June 30, 2021.

All of the Group's key markets in Europe recorded net sales decreases during the first half of 2022 compared to the first half of 2019 including: Germany (-32.7%; -30.3% constant currency), United Kingdom (-11.2%; -10.8% constant currency), France (-25.4%; -22.7% constant currency), Italy (-29.4%; -26.9% constant currency) and Spain (-12.3%; -9.3% constant currency).

Latin America

The Group's net sales in Latin America increased by US$48.8 million, or 135.2% (+151.1% constant currency), for the six months ended June 30, 2022 compared to the six months ended June 30, 2021. For the six months ended June 30, 2022, the Group's net sales increased by 0.3% (+31.3% constant currency) in Latin America when compared to the six months ended June 30, 2019.

During the second quarter of 2022, the Group's net sales in Latin America (when compared to the corresponding period in 2019) continued its sequential quarterly improvement. For the second quarter ended June 30, 2022, the Group recorded a net sales increase of 4.9% (+34.6% constant currency) when compared to the second quarter ended June 30, 2019. This compares to the first quarter of 2022 when the Group's net sales in Latin America (when compared to the corresponding period in 2019) decreased by 3.4% but increased on a constant currency basis by 28.7%.

The Group's positive net sales trend in Latin America continued into the third quarter of 2022, with constant currency net sales for July 2022 (when compared to July 2019) increasing by 32.5%.

Brands

For the six months ended June 30, 2022, net sales of the *Samsonite* brand in Latin America increased by US$22.1 million, or 178.1% (+188.8% constant currency), compared to the same period in the previous year. For the six months ended June 30, 2022, net sales of the *Tumi* brand in Latin America increased by US$1.0 million, or 57.7% (+55.2% constant currency), compared to the same period in the previous year. Net sales of the *American Tourister* brand during the six months ended June 30, 2022 increased by US$8.1 million, or 177.7% (+185.4% constant currency), compared to the six months ended June 30, 2021. Net sales of the *Saxoline* brand increased by US$3.1 million, or 53.7% (+73.6% constant currency), year-on-year. Net sales of the *Xtrem* brand increased by US$12.5 million, or 173.7% (+202.1% constant currency), compared to the same period in the previous year.

Product Categories

Net sales in the travel product category for the six months ended June 30, 2022 increased by US$27.7 million, or 209.9% (+223.3% constant currency), compared to the same period in the previous year. Total non-travel category net sales increased by US$21.1 million, or 92.2% (+109.4% constant currency), compared to the six months ended June 30, 2021. Net sales of business products increased by US$4.9 million, or 124.5% (+138.9% constant currency), compared to the same period in the previous year. Net sales of casual products increased by US$12.5 million, or 105.6% (+124.2% constant currency), year-on-year. Net sales of accessories products increased by US$3.8 million, or 52.6% (+69.2% constant currency), year-on-year.

Distribution Channels

Net sales in the wholesale channel increased by US$27.5 million, or 136.6% (+149.0% constant currency), for the six months ended June 30, 2022 compared to the six months ended June 30, 2021.

Net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, increased by US$21.4 million, or 133.4% (+153.6% constant currency), to US$37.4 million for the six months ended June 30, 2022 from US$16.0 million for the six months ended June 30, 2021.

Net sales in the DTC retail channel increased by US$19.7 million, or 140.2% (+161.0% constant currency), during the six months ended June 30, 2022 compared to the same period in the previous year. During the six months ended June 30, 2022, the Group permanently closed 2 company-operated retail stores in Latin America. This was partially offset by the addition of 1 new store. This resulted in a net reduction of 1 company-operated retail store during the six months ended June 30, 2022, compared to a net reduction of 25 company-operated retail stores during the six months ended June 30, 2021. The total number of company-operated retail stores in Latin America was 169 as of June 30, 2022 compared to 172 company-operated retail stores as of June 30, 2021 and 221 company-operated retail stores as of June 30, 2019. As a result of the temporary closure during the first half of 2021 of many of the Group's company-operated retail stores due to the COVID-19 pandemic, 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$1.7 million, or 84.5% (+100.2% constant currency), to US$3.6 million for the six months ended June 30, 2022 from US$2.0 million for the six months ended June 30, 2021.

Countries

The following table sets forth a breakdown of net sales in Latin America by geographic location for the six months ended June 30, 2022 and June 30, 2021, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	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 geographic location(1):						
Chile	**32.1**	**37.8 %**	16.4	45.5 %	95.5 %	121.4 %
Mexico	**22.2**	**26.1 %**	9.9	27.5 %	123.3 %	122.1 %
Brazil(2)	**10.7**	**12.6 %**	3.6	10.0 %	196.5 %	177.4 %
Other(3)	**19.9**	**23.5 %**	6.1	17.0 %	225.1 %	262.1 %
Net sales	**85.0**	**100.0 %**	36.1	100.0 %	135.2 %	151.1 %

Notes

(1) The geographic location of the Group's net sales generally reflects the country from which its products were sold and does not necessarily indicate the country in which its end consumers were actually located.
(2) Excludes any sales made to distributors in Brazil from outside the country.
(3) The net sales figure for the "Other" geographic location includes sales in Argentina, Colombia, Panama, Peru, Uruguay and sales to third-party distributors in Brazil from outside of Brazil.
(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.

Net sales in Chile increased by US$15.7 million, or 95.5% (+121.4% constant currency), during the six months ended June 30, 2022 compared to the same period in the previous year. Net sales in Mexico increased by US$12.3 million, or 123.3% (+122.1% constant currency), year-on-year. Net sales in Brazil increased by US$7.1 million, or 196.5% (+177.4% constant currency), year-on-year.

Two of the Group's key markets in Latin America recorded net sales decreases during the first half of 2022 compared to the first half of 2019 including: Chile (-3.6%, but increased by 17.2% on a constant currency basis) and Mexico (-16.8%; -13.0% constant currency). Brazil's net sales during the first half of 2022 increased by 24.3% (+61.9% constant currency) compared to the first half of 2019.

Cost of Sales and Gross Profit

Cost of sales increased by US$169.1 million, or 43.0%, to US$562.8 million (representing 44.3% of net sales) for the six months ended June 30, 2022 from US$393.7 million (representing 49.2% of net sales) for the six months ended June 30, 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 and the first half of 2022 in most markets to offset the resulting margin pressure.

Gross profit increased by US$301.6 million, or 74.3%, to US$707.4 million for the six months ended June 30, 2022 from US$405.8 million for the six months ended June 30, 2021 due to increased sales year over year. Gross profit margin increased to 55.7% for the six months ended June 30, 2022 from 50.8% for the same period in the previous year. The increase in gross profit margin was attributable to (i) increased net sales, (ii) price increases on the Group's products implemented during the latter part of 2021 and the first half of 2022 in order to mitigate increased product, freight and duty costs and (iii) lower promotional discounts. The improvement in gross profit margin during the six months ended June 30, 2022 was tempered by the non-renewal of the Generalized System of Preferences program in the United States ("GSP") in December 2020, which has resulted in increased duty costs on goods imported to the United States from countries that were beneficiaries of GSP. 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$49.3 million, or 15.1%, to US$375.7 million (representing 29.6% of net sales) for the six months ended June 30, 2022 from US$326.4 million (representing 40.8% of net sales) for the six months ended June 30, 2021. Distribution expenses for the six months ended June 30, 2022 decreased by 37.4% compared to the six months ended June 30, 2019, and as a percentage of net sales decreased by 460 basis points from 34.2% for the six months ended June 30, 2019. Distribution expenses as a percentage of net sales for the six months ended June 30, 2022 compared to both the six months ended June 30, 2021 and June 30, 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.

Marketing Expenses

The Group spent US$57.7 million on marketing during the six months ended June 30, 2022 compared to US$28.7 million for the six months ended June 30, 2021, an increase of US$29.0 million, or 101.3%. As a percentage of net sales, marketing expenses increased by 90 basis points to 4.5% for the six months ended June 30, 2022 from 3.6% for the six months ended June 30, 2021. Marketing expenses for the six months ended June 30, 2022 decreased by 44.0% compared to the six months ended June 30, 2019, and as a percentage of net sales decreased by 140 basis points from 5.9% for the six months ended June 30, 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$2.4 million, or 2.4%, to US$104.8 million (representing 8.2% of net sales) for the six months ended June 30, 2022 from US$102.3 million (representing 12.8% of net sales) for the six months ended June 30, 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 six months ended June 30, 2022 decreased by 8.0% compared to the six months ended June 30, 2019. General and administrative expenses as a percentage of net sales increased to 8.2% for the six months ended June 30, 2022 from 6.5% for the six months ended June 30, 2019 due primarily to the lower net sales base during the first half of 2022.

Impairment Charges

The following table sets forth a breakdown of the non-cash impairment charges for the six months ended June 30, 2022 (the "1H 2022 Impairment Charges") and the non-cash impairment charges for the six months ended June 30, 2021 (the "1H 2021 Impairment Charges").

(Expressed in millions of US Dollars)		**Six months ended June 30,** **2022**	2021
Impairment charges recognized on:	Functional Area	**1H 2022 Impairment Charges**	1H 2021 Impairment Charges
Goodwill		**—**	14.4
Tradenames and other intangible assets		**—**	10.3
Lease right-of-use assets	Distribution	**4.0**	5.5
Property, plant and equipment	Distribution	**0.1**	—
Other[(1)]	Distribution	**7.8**	—
Total impairment charges		**11.9**	30.2

Note
(1) Other impairment charges for the six months ended June 30, 2022 were attributable to the disposition of the Group's Russian operations that was completed on July 1, 2022.

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.

1H 2022 Impairment Charges

On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine, and the Group subsequently determined that continued ownership of its operations in Russia was no longer tenable. At June 30, 2022, the Group had executed a definitive agreement for the disposition of its Russian operations, which disposition was completed on July 1, 2022.

During the six months ended June 30, 2022, the Group recognized non-cash impairment charges related to the disposition of its Russian operations totaling US$11.9 million. Of this total non-cash impairment charge, US$4.0 million related to lease right-of use assets and US$0.1 million for property, plant and equipment associated with the retail stores in Russia. The remaining non-cash impairment charge of US$7.8 million was attributable to certain other assets in conjunction with the disposition of the Group's Russian operations.

1H 2021 Impairment Charges

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

Further, in June 2021, the Group classified the assets attributable to Speck to held for sale. Speck was sold on July 30, 2021. The Group recognized non-cash impairment charges during the six months ended June 30, 2021 totaling US$24.7 million, of which US$14.4 million was attributable to goodwill and the remainder related to certain other intangible assets associated with the sale of Speck.

Restructuring Charges

The following table sets forth a breakdown of the restructuring charges for the six months ended June 30, 2022 and June 30, 2021.

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2022**	2021
Functional Area	**1H 2022 Restructuring Charges**	1H 2021 Restructuring Charges
Restructuring charges attributable to distribution function	**0.9**	0.8
Restructuring charges attributable to general and administrative function	**0.5**	5.2
Total restructuring charges	**1.4**	6.0

As described above, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine on March 14, 2022. In conjunction with the disposition of its Russian operations, the Group recognized charges of US$1.4 million during the six months ended June 30, 2022 (the "1H 2022 Restructuring Charges").

During 2020 and the first half of 2021, 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 pandemic. In conjunction with the cost saving actions and other restructuring initiatives, the Group recognized charges of US$6.0 million during the six months ended June 30, 2021 (the "1H 2021 Restructuring Charges"). The 1H 2021 Restructuring Charges consisted primarily of severance associated with permanent headcount reductions, store closure costs, and certain other costs (described below).

Also, in June 2021 the Group established a brand development and sourcing hub in Singapore as part of a global restructuring initiative to enhance alignment of the Company's product development, brand management and supply chain operations. The establishment of this hub enables the Company to design and develop products closer to market for several key brands, including *Samsonite* and *American Tourister*, as well as to manage its extensive sourcing activities. In June 2021 the Group also completed an intra-group realignment of certain intellectual property rights (the "Intra-Group IP Realignment"). During the six months ended June 30, 2021, the Group recognized the 1H 2021 Restructuring Charges associated with the establishment of the brand development and sourcing hub in Singapore.

Other Income

The Group recorded other income of US$4.0 million and US$1.4 million for the six months ended June 30, 2022 and June 30, 2021, respectively. Other income for the six months ended June 30, 2022 included gains from the disposal of assets and gains on lease exits/remeasurements along with certain other miscellaneous income and expense items. Other income for the six months ended June 30, 2021 included gains from the disposal of assets and gains on lease exits/remeasurements upon exiting certain retail store locations, partially offset by miscellaneous other expenses incurred during the period.

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 six months ended June 30, 2022 and June 30, 2021.

OPERATING PROFIT (LOSS)

(Expressed in millions of US Dollars)	Six months ended June 30, 2022	2021	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[(1)]
Operating profit (loss), as reported	**159.9**	(86.4)	*nm*	*nm*
Impairment Charges	**11.9**	30.2	(60.5)%	(66.0)%
Restructuring Charges	**1.4**	6.0	(75.9)%	(78.0)%
Operating profit (loss), as adjusted	**173.2**	(50.2)	*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.
nm Not meaningful.

The Group reported an operating profit of US$159.9 million for the six months ended June 30, 2022 compared to an operating loss of US$86.4 million for the same period in the previous year, an improvement of US$246.2 million. The Group had an operating profit of US$173.2 million for the six months ended June 30, 2022 when excluding the non-cash 1H 2022 Impairment Charges and Restructuring Charges. In comparison, the Group incurred an operating loss of US$50.2 million for the same period in the previous year when excluding the non-cash 1H 2021 Impairment Charges and Restructuring Charges. The improvement in operating profit for the first half of 2022 compared to the same period in the previous year was primarily due to improved net sales and gross profit along with the positive impacts of actions taken by management to reduce the fixed cost structure of the business.

Net Finance Costs

Net finance costs decreased by US$40.2 million, or 39.3%, to US$62.2 million for the six months ended June 30, 2022 from US$102.4 million for the six months ended June 30, 2021. This decrease was primarily attributable to the non-recurrence of the US$30.1 million loss on extinguishment in the first half of 2021 upon the closing of the borrowing under the 2021 Incremental Term Loan B Facility. In addition, interest expense on loans and borrowings decreased by US$12.6 million following debt repayments during 2021 and the first half of 2022 (including prepayments of US$370.0 million of outstanding borrowings under the Amended Senior Credit Facilities during 2021 and US$200.0 million of prepayments during the first half of 2022), partially offset by an increase in redeemable non-controlling interest put option expenses of US$7.1 million year-on-year due to improved financial performance of the Group's subsidiaries with non-controlling interests that are subject to put options.

The following table sets forth a breakdown of total finance costs for the six months ended June 30, 2022 and June 30, 2021.

(Expressed in millions of US Dollars)	Six months ended June 30, 2022	2021
Recognized in profit or loss:		
Interest income	**2.6**	1.8
Total finance income	**2.6**	1.8
Interest expense on loans and borrowings	**(42.3)**	(54.9)
Loss on extinguishment of the 2020 Incremental Term Loan B Facility[(1)]	**—**	(30.1)
Amortization of deferred financing costs associated with the Amended Senior Credit Facilities	**(2.6)**	(4.3)
Interest expense on lease liabilities	**(9.6)**	(11.3)
Change in fair value of put options	**(6.1)**	1.0
Net foreign exchange loss	**(3.2)**	(2.4)
Other finance costs	**(1.0)**	(2.2)
Total finance costs	**(64.8)**	(104.2)
Net finance costs recognized in profit or loss	**(62.2)**	(102.4)

Note
(1) The Company recorded a US$30.1 million loss on extinguishment upon the closing of the borrowing under the 2021 Incremental Term Loan B Facility for the six months ended June 30, 2021. The loss included the write-off of US$24.1 million of unamortized deferred financing

costs which were part of the net carrying value of the 2020 Incremental Term Loan B Facility which was extinguished, and an approximately US$6.0 million call premium paid to the lenders under the 2020 Incremental Term Loan B Facility.

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 six months ended June 30, 2022 and June 30, 2021.

PROFIT (LOSS) BEFORE INCOME TAX

(Expressed in millions of US Dollars)	Six months ended June 30, 2022	2021	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[(2)]
Profit (loss) before income tax, as reported	**97.7**	(188.8)	*nm*	*nm*
Impairment Charges	**11.9**	30.2	(60.5)%	(66.0)%
Restructuring Charges	**1.4**	6.0	(75.9)%	(78.0)%
Charges associated with debt borrowings and amendments[(1)]	**—**	31.9	(100.0)%	(100.0)%
Profit (loss) before income tax, as adjusted	**111.0**	(120.8)	*nm*	*nm*

Notes
(1) The charges associated with the Fifth Amended Credit Agreement and Sixth Amended Credit Agreement during the six months ended June 30, 2021 were primarily attributable to the US$30.1 million loss on extinguishment of the 2020 Incremental Term Loan B Facility.
(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.
nm Not meaningful.

The Group recorded a profit before income tax of US$97.7 million for the six months ended June 30, 2022 compared to a loss before income tax of US$188.8 million for the same period in the previous year. The Group recorded a profit before income tax of US$111.0 million for the six months ended June 30, 2022 when excluding the non-cash 1H 2022 Impairment Charges and Restructuring Charges, compared to a loss before income tax of US$120.8 million for the same period in the previous year when excluding the non-cash 1H 2021 Impairment Charges, Restructuring Charges and charges associated with debt borrowings and amendments.

Income Tax (Expense) Benefit

The Group recorded income tax expense of US$29.2 million for the six months ended June 30, 2022 compared to an income tax benefit of US$46.6 million for the six months ended June 30, 2021. The income tax expense recorded during the six months ended June 30, 2022 was due mainly to the US$97.7 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 six months ended June 30, 2021 was due mainly to the US$188.8 million reported loss before income tax caused by the impacts of the COVID-19 pandemic, restructuring activities, changes in reserves and changes in unrecognized deferred tax assets.

The Group's consolidated effective tax rate for operations was 29.9% and 24.7% for the six months ended June 30, 2022 and June 30, 2021, respectively. The increase in the Group's effective tax rate during the first half of 2022 was mainly the result of changes in unrecognized deferred tax assets, changes in reserves, the impairment charges related to the disposition of the Group's operations in Russia and changes in the profit mix between high and low tax jurisdictions. Excluding taxes related to changes in unrecognized deferred tax assets and the impairment charges related to the disposition of the Group's operations in Russia for the six months ended June 30, 2022, the consolidated effective tax rate for operations would have been 26.6% for the six months ended June 30, 2022 and 27.6% for the six months ended June 30, 2021.

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

Profit (Loss)

Profit (Loss) for the Period

The following table presents the reconciliation from the Group's profit (loss) for the period, as reported, to profit (loss) for the period, as adjusted, for the six months ended June 30, 2022 and June 30, 2021.

PROFIT (LOSS) FOR THE PERIOD

	Six months ended June 30,			
(Expressed in millions of US Dollars)	**2022**	2021	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(2)
Profit (loss) for the period, as reported	**68.5**	(142.2)	*nm*	*nm*
Impairment Charges	**11.9**	30.2	(60.5)%	(66.0)%
Restructuring Charges	**1.4**	6.0	(75.9)%	(78.0)%
Tax benefit associated with legal entity reorganization	**—**	(26.0)	(100.0)%	(100.0)%
Charges associated with debt borrowings and amendments(1)	**—**	31.9	(100.0)%	(100.0)%
Tax impact	**(1.1)**	(14.7)	(92.3)%	(92.6)%
Profit (loss) for the period, as adjusted	**80.6**	(114.8)	*nm*	*nm*

Notes

(1) The charges associated with the Fifth Amended Credit Agreement and Sixth Amended Credit Agreement during the six months ended June 30, 2021 were primarily attributable to the US$30.1 million loss on extinguishment of the 2020 Incremental Term Loan B Facility.

(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.

nm Not meaningful.

Profit for the six months ended June 30, 2022 was US$68.5 million compared to a loss for the six months ended June 30, 2021 of US$142.2 million, an improvement of US$210.6 million. The Group had profit for the six months ended June 30, 2022 of US$80.6 million when excluding the non-cash 1H 2022 Impairment Charges and Restructuring Charges, both of which are net of the related tax impact. In comparison, the Group incurred a loss for the six months ended June 30, 2021 of US$114.8 million when excluding the non-cash 1H 2021 Impairment Charges, Restructuring Charges and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with Intra-Group IP Realignment. The improvement in profit for the period for the first half of 2022 compared to the same period in the previous year was primarily due to improved net sales and gross profit along with the positive impacts of actions taken by management to reduce the fixed cost structure of the business.

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 six months ended June 30, 2022 and June 30, 2021.

PROFIT (LOSS) ATTRIBUTABLE TO THE EQUITY HOLDERS

	Six months ended June 30,			
(Expressed in millions of US Dollars)	**2022**	2021	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Profit (loss) attributable to the equity holders, as reported	**56.3**	(142.5)	*nm*	*nm*
Impairment Charges	**11.9**	30.2	(60.5)%	(66.0)%
Restructuring Charges	**1.4**	6.0	(75.9)%	(78.0)%
Tax benefit associated with legal entity reorganization	**—**	(26.0)	(100.0)%	(100.0)%
Charges associated with debt borrowings and amendments[1]	**—**	31.9	(100.0)%	(100.0)%
Tax impact	**(1.1)**	(14.7)	(92.3)%	(92.6)%
Profit (loss) attributable to the equity holders, as adjusted	**68.4**	(115.1)	*nm*	*nm*

Notes

(1) The charges associated with the Fifth Amended Credit Agreement and Sixth Amended Credit Agreement during the six months ended June 30, 2021 were primarily attributable to the US$30.1 million loss on extinguishment of the 2020 Incremental Term Loan B Facility.

(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.

nm Not meaningful.

Profit attributable to the equity holders was US$56.3 million for the six months ended June 30, 2022 compared to a loss attributable to the equity holders of US$142.5 million for the same period in the previous year, an improvement of US$198.6 million. For the six months ended June 30, 2022, the Group had profit attributable to the equity holders of US$68.4 million when excluding the non-cash 1H 2022 Impairment Charges and Restructuring Charges, both of which are net of the related tax impact. In comparison, the Group recorded a loss attributable to the equity holders for the six months ended June 30, 2021 of US$115.1 million when excluding the non-cash 1H 2021 Impairment Charges, Restructuring Charges and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with Intra-Group IP Realignment. The improvement in profit attributable to the equity holders for the first half of 2022 compared to the same period in the previous year was primarily due to improved net sales and gross profit along with the positive impacts of actions taken by management to reduce the fixed cost structure of the business.

Basic and Diluted Earnings (Loss) per Share

Basic and diluted earnings per share was US$0.039 for the six months ended June 30, 2022 compared to basic and diluted loss per share of US$0.099 for the six months ended June 30, 2021. The weighted average number of shares utilized in the basic earnings per share calculation was 1,436,980,789 shares for the six months ended June 30, 2022 compared to 1,434,954,537 shares utilized in the basic loss per share calculation for the six months ended June 30, 2021. The weighted average number of shares outstanding utilized in the diluted earnings per share calculation was 1,438,739,534 shares for the six months ended June 30, 2022 compared to 1,434,954,537 shares utilized in the diluted loss per share calculation for the six months ended June 30, 2021.

Basic and diluted earnings per share, as adjusted, was US$0.048 for the six months ended June 30, 2022 when excluding the non-cash 1H 2022 Impairment Charges and Restructuring Charges, both of which are net of the related tax impact. In comparison, basic and diluted loss per share, as adjusted, was US$0.080 for the six months ended June 30, 2021 when excluding the non-cash 1H 2021 Impairment Charges, Restructuring Charges and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with Intra-Group IP Realignment. 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 positive impacts of actions taken by management to reduce the fixed cost structure of the business.

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-IFRS measure, improved by US$212.6 million to earnings of US$195.6 million for the six months ended June 30, 2022 compared to a loss of US$17.0 million for the six months ended June 30, 2021. Adjusted EBITDA margin was 15.4% for the six months ended June 30, 2022 compared to (2.1%) for the six months ended June 30, 2021 due primarily to continued sales improvement and strong gross margins, along with the positive impacts of actions taken by management to reduce the fixed cost structure of the business.

The following table presents the reconciliation from the Group's profit (loss) for the period to Adjusted EBITDA for the six months ended June 30, 2022 and June 30, 2021:

	Six months ended June 30,			
(Expressed in millions of US Dollars)	**2022**	2021	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[3]
Profit (loss) for the period	**68.5**	(142.2)	*nm*	*nm*
Plus (minus):				
Income tax expense (benefit)	**29.2**	(46.6)	*nm*	*nm*
Finance costs	**64.8**	104.2	(37.8)%	(37.1)%
Finance income	**(2.6)**	(1.8)	46.4 %	53.3 %
Depreciation	**18.1**	25.2	(28.0)%	(24.2)%
Total amortization	**71.1**	77.6	(8.4)%	(4.6)%
EBITDA	**249.0**	16.4	1419.8 %	1515.1 %
Plus (minus):				
Share-based compensation expense	**6.2**	4.3	45.4 %	47.1 %
Impairment Charges	**11.9**	30.2	(60.5)%	(66.0)%
Restructuring Charges	**1.4**	6.0	(75.9)%	(78.0)%
Amortization of lease right-of-use assets	**(59.4)**	(61.2)	(3.0)%	1.4 %
Interest expense on lease liabilities	**(9.6)**	(11.3)	(15.1)%	(10.8)%
Other adjustments[1]	**(4.0)**	(1.4)	196.5 %	51.2 %
Adjusted EBITDA[2]	**195.6**	(17.0)	*nm*	*nm*
Adjusted EBITDA margin	**15.4 %**	(2.1)%		

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

nm Not meaningful.

The following tables present reconciliations from profit (loss) for the period to Adjusted EBITDA on a regional basis for the six months ended June 30, 2022 and June 30, 2021:

	Six months ended June 30, 2022					
(Expressed in millions of US Dollars)	**North America**	**Asia**	**Europe**	**Latin America**	**Corporate**	**Total**
Profit (loss) for the period	**47.6**	**25.1**	**23.9**	**11.1**	**(39.3)**	**68.5**
Plus (minus):						
Income tax expense (benefit)	**18.8**	**8.7**	**4.5**	**0.8**	**(3.5)**	**29.2**
Finance costs	**5.1**	**4.2**	**5.7**	**(0.1)**	**49.8**	**64.8**
Finance income	**(0.0)**	**(0.7)**	**(0.3)**	**(0.4)**	**(1.1)**	**(2.6)**
Depreciation	**4.9**	**6.5**	**5.4**	**1.1**	**0.1**	**18.1**
Total amortization	**28.3**	**21.6**	**14.8**	**5.0**	**1.3**	**71.1**
EBITDA	**104.7**	**65.3**	**54.1**	**17.5**	**7.3**	**249.0**
Plus (minus):						
Share-based compensation expense	**0.8**	**0.0**	**0.6**	**0.0**	**4.8**	**6.2**
Impairment Charges	**—**	**—**	**11.9**	**—**	**—**	**11.9**
Restructuring Charges	**—**	**—**	**1.3**	**—**	**0.1**	**1.4**
Amortization of lease right-of-use assets	**(24.2)**	**(17.5)**	**(12.5)**	**(5.0)**	**(0.1)**	**(59.4)**
Interest expense on lease liabilities	**(4.8)**	**(2.1)**	**(1.8)**	**(0.9)**	**(0.0)**	**(9.6)**
Inter-company charges (income)(1)	**15.5**	**25.9**	**(0.7)**	**1.2**	**(41.9)**	**—**
Other adjustments(2)	**(1.1)**	**(4.9)**	**0.0**	**0.2**	**1.8**	**(4.0)**
Adjusted EBITDA(3)	**90.9**	**66.8**	**53.0**	**13.0**	**(28.0)**	**195.6**
Adjusted EBITDA margin	**18.5 %**	**17.0 %**	**17.6 %**	**15.3 %**	***nm***	**15.4 %**

Notes

(1) Inter-company charges (income) by region include intra-group royalty income/expense and other cross-charges that eliminate in consolidation.

(2) Other adjustments primarily comprised 'Other income (expenses)' per the consolidated statements of income (loss).

(3) 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 to account for operational rent expenses.

nm Not meaningful.

(Expressed in millions of US Dollars)	Six months ended June 30, 2021 North America	Asia	Europe	Latin America	Corporate	Total
Loss for the period	(31.8)	(28.7)	(23.2)	(8.7)	(49.9)	(142.2)
Plus (minus):						
Income tax (benefit) expense	(8.3)	3.8	(6.4)	(0.1)	(35.6)	(46.6)
Finance costs	6.1	3.8	4.5	1.6	88.1	104.2
Finance income	(0.0)	(0.3)	(0.1)	(0.0)	(1.4)	(1.8)
Depreciation	8.3	8.0	7.5	1.2	0.1	25.2
Total amortization	28.1	26.0	16.9	5.2	1.5	77.6
EBITDA	2.4	12.7	(0.8)	(0.8)	2.9	16.4
Plus (minus):						
Share-based compensation expense (reversal)	(2.5)	(1.5)	(1.0)	(0.1)	9.4	4.3
Impairment Charges	4.6	5.5	—	—	20.1	30.2
Restructuring Charges	0.9	1.7	0.5	—	2.9	6.0
Amortization of lease right-of-use assets	(23.3)	(18.2)	(14.4)	(5.1)	(0.1)	(61.2)
Interest expense on lease liabilities	(5.9)	(2.4)	(2.1)	(0.9)	(0.0)	(11.3)
Inter-company charges (income)(1)	28.2	26.2	8.2	1.9	(64.5)	—
Other adjustments(2)	0.3	(0.2)	(0.7)	(1.8)	1.0	(1.4)
Adjusted EBITDA(3)	4.6	23.9	(10.2)	(6.8)	(28.5)	(17.0)
Adjusted EBITDA margin	1.4 %	7.8 %	(7.8)%	(18.7)%	*nm*	(2.1)%

Notes
(1) Inter-company charges (income) by region include intra-group royalty income/expense and other cross-charges that eliminate in consolidation.
(2) Other adjustments primarily comprised ‘Other income (expenses)’ per the consolidated statements of income (loss).
(3) 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 to account for operational rent expenses.
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$83.3 million for the six months ended June 30, 2022 compared to an Adjusted Net Loss of US$103.7 million for the six months ended June 30, 2021. The US$187.0 million improvement in Adjusted Net Income was due primarily to improved net sales and gross profit along with the positive impacts of actions taken by management to reduce the fixed cost structure of the business. Adjusted basic and diluted earnings per share, which are non-IFRS measures, were US$0.058 per share for the six months ended June 30, 2022 compared to an adjusted basic and diluted loss per share of US$0.072 for the six months ended June 30, 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 six months ended June 30, 2022 and June 30, 2021:

	Six months ended June 30,			
(Expressed in millions of US Dollars)	**2022**	2021	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[4]
Profit (loss) attributable to the equity holders	**56.3**	(142.5)	*nm*	*nm*
Plus (minus):				
Change in fair value of put options included in finance costs	**6.1**	(1.0)	*nm*	*nm*
Amortization of intangible assets	**11.7**	16.4	(28.8)%	(27.0)%
Charges associated with debt borrowings and amendments[1]	**—**	31.9	(100.0)%	(100.0)%
Impairment Charges	**11.9**	30.2	(60.5)%	(66.0)%
Restructuring Charges	**1.4**	6.0	(75.9)%	(78.0)%
Tax benefit associated with legal entity reorganization	**—**	(26.0)	(100.0)%	(100.0)%
Tax adjustments[2]	**(4.0)**	(18.7)	(78.4)%	(78.3)%
Adjusted Net Income (Loss)[3]	**83.3**	(103.7)	*nm*	*nm*

Notes
(1) The charges associated with the Fifth Amended Credit Agreement and Sixth Amended Credit Agreement during the six months ended June 30, 2021 were primarily attributable to the US$30.1 million loss on extinguishment of the 2020 Incremental Term Loan B Facility.
(2) Tax adjustments represent the tax effect of the reconciling line items as included in the consolidated statements of income (loss) based on the applicable tax rate in the jurisdiction where such costs were incurred.
(3) Represents Adjusted Net Income (Loss) attributable to the equity holders of the Company.
(4) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.
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.

Liquidity and Capital Resources

The primary objectives of the Company's capital management policies are to safeguard its ability to continue as a going concern, to provide returns for the Company's shareholders, and to fund capital expenditures, normal operating expenses, working capital needs and the payment of obligations. The Group's primary sources of liquidity are its cash flows from operating activities, invested cash, available lines of credit and, subject to shareholder approval, the Company's ability to issue additional shares. The Company believes that its existing cash and estimated cash flows, along with current working capital, will be adequate to meet the foreseeable future operating and capital requirements of the Group at least through August 31, 2023.

Cash flows generated from operating activities amounted to US$62.4 million for the six months ended June 30, 2022 compared to cash flows used in operating activities of US$1.5 million for the six months ended June 30, 2021, reflecting improved net sales and gross profit. The increase in cash flows generated from operating activities year-on-year primarily reflects an improvement in Adjusted Net Income, a US$23.3 million improvement in changes in working capital and a US$14.4 million reduction in interest paid on borrowings and lease liabilities, as compared to the six months ended June 30, 2021. As of June 30, 2022, inventories were US$468.8 million compared to US$390.4 million as of June 30, 2021, an increase of US$78.4 million, as the Company continues to increase its investment in inventories to support its continued net sales growth resulting from increased consumer demand due to the rebound in travel.

For the six months ended June 30, 2022, net cash flows used in investing activities were US$15.7 million and were primarily related to US$12.6 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. For the six months ended June 30, 2021, net cash flows used in investing activities were US$6.0 million and were primarily related to US$4.6 million of capital expenditures for property, plant and equipment. The Group continues to tightly manage capital expenditures in response to the impacts on the Group's business from the COVID-19 pandemic.

Net cash flows used in financing activities were US$287.6 million for the six months ended June 30, 2022 and were largely attributable to the repayment of US$220.8 million of outstanding borrowings under the Group's Amended Senior Credit Facilities (as defined Management Discussion and Analysis - Indebtedness), consisting of US$200.0 million in prepayments and US$20.8 million in required quarterly amortization payments. Net cash flows used in financing activities also included US$70.0 million in payments on lease liabilities. Net cash flows used in financing activities were US$425.3 million for the six months ended June 30, 2021. The Group repaid US$339.8 million of outstanding borrowings under its Amended Senior Credit Facilities, consisting of US$325.0 million in prepayments and US$14.8 million in required quarterly amortization payments. Net cash flows used in financing activities for the six months ended June 30, 2021 also included US$82.0 million in payments on lease liabilities.

The Group had US$1,064.6 million in cash and cash equivalents as of June 30, 2022 compared to US$1,324.8 million as of December 31, 2021. Cash and cash equivalents are generally denominated in the functional currency of the respective Group entity.

Indebtedness

The following table sets forth the carrying amount of the Group's loans and borrowings as of June 30, 2022 and December 31, 2021:

(Expressed in millions of US Dollars)	**June 30, 2022**	December 31, 2021
Amended Term Loan A Facility	**600.0**	640.0
Term Loan B Facility	**538.2**	541.6
2021 Incremental Term Loan B Facility	**465.5**	493.0
Amended Revolving Credit Facility	**509.8**	668.7
Total Amended Senior Credit Facilities	**2,113.6**	2,343.3
Senior Notes[(1)]	**366.9**	398.0
Other borrowings and obligations	**62.0**	60.8
Total loans and borrowings	**2,542.5**	2,802.0
Less deferred financing costs	**(10.0)**	(12.6)
Total loans and borrowings less deferred financing costs	**2,532.5**	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 six months ended June 30, 2022, the Group repaid US$220.8 million of outstanding borrowings under the Group's Amended Senior Credit Facilities (as defined below), consisting of US$200.0 million in prepayments and US$20.8 million in required quarterly amortization payments. The prepayments of US$200.0 million were 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 six months ended June 30, 2021, the Group repaid US$339.8 million of outstanding borrowings under its Amended Senior Credit Facilities, consisting of US$325.0 million in prepayments and US$14.8 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).

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 was in compliance with the Financial Covenants for the test period ended on June 30, 2022. 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 six months ended June 30, 2022, the Group repaid US$150.0 million principal amount of its outstanding borrowings under its Amended Revolving Credit Facility. As of June 30, 2022, US$335.5 million was available to be borrowed under the Amended Revolving Credit Facility as a result of US$509.8 million of outstanding borrowings and the utilization of US$4.6 million of the facility for outstanding letters of credit extended to certain creditors. As of December 31, 2021, US$176.7 million was available to be borrowed under the 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 was permitted at its election to 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 elected to use Historical EBITDA to calculate compliance with the Financial Covenants, the minimum liquidity covenant and the Suspension Period pricing terms remained 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 ended 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$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 June 30, 2022 and remains in compliance with such covenant 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$2.6 million and US$4.3 million for the six months ended June 30, 2022 and June 30, 2021, respectively.

During the six months ended June 30, 2021, the Company recorded a loss on extinguishment of US$30.1 million upon the closing of the borrowing under the 2021 Incremental Term Loan B Facility. The loss included US$24.1 million of unamortized deferred financing costs which were part of the net carrying value of the 2020 Incremental Term Loan B Facility which was derecognized (see discussion on 2021 Incremental Term Loan B Facility above).

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 June 30, 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 June 30, 2022, the interest rate swaps were marked-to-market, resulting in a net asset position to the Group in the amount of US$21.2 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 June 30, 2022 and December 31, 2021, respectively.

The following represents the contractual maturity dates of the Group's loans and borrowings as of June 30, 2022 and December 31, 2021:

(Expressed in millions of US Dollars)	**June 30, 2022**	December 31, 2021
On demand or within one year	**113.6**	107.3
After one year but within two years	**56.6**	53.3
After two years but within five years	**2,372.3**	2,641.4
	2,542.5	2,802.0

Cross-currency Swaps

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

As of June 30, 2022, the cross-currency swap qualified as a net investment hedge and the monthly mark-to-market was recorded to other comprehensive income (loss). As of June 30, 2022, the cross-currency swap was marked-to-market, resulting in a net asset position to the Group in the amount of US$3.1 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 cross-currency swap was marked-to-market, resulting in a net asset position to the Group in the amount of US$0.1 million, which was recorded as an asset with the effective portion of the gain (loss) deferred to other comprehensive income (loss).

Hedging

The Company's non-U.S. subsidiaries periodically enter into forward contracts related to the purchase of inventories denominated primarily in US Dollars which are designated as cash flow hedges. Cash outflows associated with these derivatives as of June 30, 2022 are expected to be US$40.2 million within one year.

Other Financial Information

Working Capital Ratios

Inventory Analysis

The following table sets forth a summary of the Group's average inventories, cost of sales and average inventory turnover days for the six months ended June 30, 2022 and June 30, 2021:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2022**	2021
Average inventories(1)	**408.6**	423.2
Cost of sales	**562.8**	393.7
Average inventory turnover days(2)	**133**	196

Notes
(1) Average inventories equal the average of net inventory at the beginning and end of a given period.
(2) Average inventory turnover days for a given period equals average inventory for that period divided by cost of sales for that period and multiplied by the number of days in the period.

The Group's average inventories decreased in the first half of 2022 (US$468.8 million as of June 30, 2022 compared to US$348.4 million as of December 31, 2021) compared to the first half of 2021 (US$390.4 million as of June 30, 2021 compared to US$455.9 million as of December 31, 2020). This reduction was primarily driven by strong product sell-through due to the rebound in travel. Average inventory turnover days decreased due to reduced inventory levels and an increase in cost of sales.

Trade and Other Receivables

The following table sets forth a summary of the Group's average trade and other receivables, net sales and turnover days of trade and other receivables for the six months ended June 30, 2022 and June 30, 2021:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2022**	2021
Average trade and other receivables[1]	**229.8**	152.4
Net sales	**1,270.2**	799.5
Turnover days of trade and other receivables[2]	**33**	35

Notes

(1) Average trade and other receivables equal the average of net trade and other receivables at the beginning and end of a given period.

(2) Turnover days of trade and other receivables for a given period equals average trade and other receivables for that period divided by net sales for that period and multiplied by the number of days in the period.

The Group's average trade and other receivables increased in the first half of 2022 (US$253.4 million as of June 30, 2022 compared to US$206.2 million as of December 31, 2021) compared to the first half of 2021 (US$163.8 million as of June 30, 2021 compared to US$141.0 million as of December 31, 2020) due to increased net sales compared to the same period in the previous year. The turnover days of trade and other receivables decreased due to the increase in net sales, partially offset by the increase in average trade and other receivables, compared to the same period in the previous year.

Trade receivables as of June 30, 2022 are on average due within 60 days from the date of billing.

Trade and Other Payables

The following table sets forth a summary of the Group's average trade and other payables, cost of sales and turnover days of trade and other payables for the six months ended June 30, 2022 and June 30, 2021:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2022**	2021
Average trade and other payables[1]	**562.9**	401.4
Cost of sales	**562.8**	393.7
Turnover days of trade and other payables[2]	**183**	186

Notes

(1) Average trade and other payables equal the average of trade and other payables at the beginning and end of a given period.

(2) Turnover days of trade and other payables for a given period equals average trade and other payables for that period divided by cost of sales for that period and multiplied by the number of days in the period.

The Group's average trade and other payables increased in the first half of 2022 (US$596.8 million as of June 30, 2022 compared to US$529.0 million as of December 31, 2021) compared to the first half of 2021 (US$390.0 million as of June 30, 2021 compared to US$412.9 million as of December 31, 2020) due to inventory purchases to support the ongoing sales recovery. The turnover days of trade and other payables decreased due to an increase in cost of sales, partially offset by the increase in average trade and other payables levels.

Trade payables as of June 30, 2022 are on average due within 105 days from the invoice date.

Gearing Ratio

The following table sets forth the Group's loans and borrowings (excluding deferred financing costs), total equity and gearing ratio as of June 30, 2022 and December 31, 2021:

(Expressed in millions of US Dollars)	**June 30, 2022**	December 31, 2021
Loans and borrowings (excluding deferred financing costs)	**2,542.5**	2,802.0
Total equity	**818.4**	726.6
Gearing ratio[1]	**310.7 %**	385.6 %

Note

(1) Calculated as total loans and borrowings (excluding deferred financing costs) divided by total equity.

The gearing ratio decreased primarily due to the decrease in loans and borrowings and increase in total equity.

Contractual Obligations

The following table summarizes scheduled maturities of the Group's contractual obligations for which cash flows are fixed and determinable as of June 30, 2022:

(Expressed in millions of US Dollars)	Total	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Loans and borrowings	**2,542.5**	**113.6**	**56.6**	**2,372.3**	**—**
Open inventory purchase orders	**609.4**	**608.7**	**0.2**	**0.5**	**—**
Future minimum contractual payments under lease liabilities	**422.8**	**133.9**	**101.2**	**134.7**	**52.9**
Future minimum payments under short-term and low-value leases	**2.8**	**2.8**	**—**	**—**	**—**
Total	**3,577.5**	**859.0**	**158.1**	**2,507.5**	**52.9**

As of June 30, 2022, the Group did not have any material off-balance sheet arrangements or contingencies except as included in the table summarizing its contractual obligations above.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

There were no significant investments held that represented 5% or more of the Group's total assets and no material acquisitions and disposals of subsidiaries, associates and joint ventures by the Company during the six months ended June 30, 2022.

Contingent Liabilities

Details of contingent liabilities are set out in note 17 to the consolidated interim financial statements.

Subsequent Events

Details of the events occurring subsequent to June 30, 2022 are set out in note 24 to the consolidated interim financial statements.

Other Information

Total current assets were US$1,856.9 million and US$1,939.6 million, and total assets less current liabilities were US$3,755.5 million and US$3,936.6 million, as of June 30, 2022 and December 31, 2021, respectively.

Strategic Review and Full-year Prospects

Financial results of the Group during the first six months ended June 30, 2022 were as follows:

Financial Results

Key Group metrics for the six months ended June 30, 2022 compared to the six months ended June 30, 2021 were as follows:

- Net sales were US$1,270.2 million for the six months ended June 30, 2022 compared to US$799.5 million for the six months ended June 30, 2021, an increase of 58.9% (+66.9% constant currency). When excluding the Russia and Speck Net Sales, consolidated net sales increased by US$507.7 million, or 66.8% (+75.3% constant currency), for the six months ended June 30, 2022 compared to the six months ended June 30, 2021. Further excluding the net sales of China for the second quarters of 2022 and 2021, consolidated net sales for the six months ended June 30, 2022 increased by US$537.6 million, or 76.7% (+85.8% constant currency) compared to the same period in the previous year. The Group continued to experience improved sales trends during the six months ended June 30, 2022.
- When compared to the six months ended June 30, 2019, the Group's net sales decreased by 27.7% (-23.5% constant currency) during the six months ended June 30, 2022. When excluding the Russia and Speck Net Sales, consolidated net sales decreased by 24.7% (-20.4% constant currency) for the six months ended June 30, 2022 compared to the six months ended June 30, 2019. Further excluding the net sales of China for the second quarters of 2022 and 2019, consolidated net sales for the six months ended June 30, 2022 decreased by 23.0% (-18.4% constant currency) compared to the six months ended June 30, 2019.
- Gross profit margin increased to 55.7% for the six months ended June 30, 2022 from 50.8% for the same period in the previous year. The increase in gross profit margin was attributable to (i) increased net sales, (ii) price increases on the Group's products implemented during the latter part of 2021 and the first half of 2022 in order to mitigate increased product, freight and duty costs and (iii) lower promotional discounts.
- The Group spent US$57.7 million on marketing during the six months ended June 30, 2022 compared to US$28.7 million for the six months ended June 30, 2021, an increase of US$29.0 million, or 101.3%. As a percentage of net

sales, marketing expenses increased by 90 basis points to 4.5% for the six months ended June 30, 2022 from 3.6% for the six months ended June 30, 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$159.9 million for the six months ended June 30, 2022 compared to an operating loss of US$86.4 million for the same period in the previous year, an improvement of US$246.2 million. The Group had an operating profit of US$173.2 million for the six months ended June 30, 2022 when excluding the non-cash 1H 2022 Impairment Charges and Restructuring Charges. In comparison, the Group incurred an operating loss of US$50.2 million for the same period in the previous year when excluding the non-cash 1H 2021 Impairment Charges and Restructuring Charges.
- Profit for the six months ended June 30, 2022 was US$68.5 million compared to a loss for the six months ended June 30, 2021 of US$142.2 million, an improvement of US$210.6 million. The Group had profit for the six months ended June 30, 2022 of US$80.6 million when excluding the non-cash 1H 2022 Impairment Charges and Restructuring Charges, both of which are net of the related tax impact. In comparison, the Group incurred a loss for the six months ended June 30, 2021 of US$114.8 million when excluding the non-cash 1H 2021 Impairment Charges, Restructuring Charges and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with Intra-Group IP Realignment.
- Profit attributable to the equity holders was US$56.3 million for the six months ended June 30, 2022 compared to a loss attributable to the equity holders of US$142.5 million for the same period in the previous year, an improvement of US$198.6 million. For the six months ended June 30, 2022, the Group had profit attributable to the equity holders of US$68.4 million when excluding the non-cash 1H 2022 Impairment Charges and Restructuring Charges, both of which are net of the related tax impact. In comparison, the Group recorded a loss attributable to the equity holders for the six months ended June 30, 2021 of US$115.1 million when excluding the non-cash 1H 2021 Impairment Charges, Restructuring Charges and charges associated with the Fifth Amended Credit Agreement and the Sixth Amended Credit Agreement, all of which are net of the related tax impact, and the US$26.0 million tax benefit associated with Intra-Group IP Realignment.
- Adjusted EBITDA, a non-IFRS measure, improved by US$212.6 million to earnings of US$195.6 million for the six months ended June 30, 2022 compared to a loss of US$17.0 million for the six months ended June 30, 2021. Adjusted EBITDA margin was 15.4% for the six months ended June 30, 2022 compared to (2.1%) for the six months ended June 30, 2021 due primarily to continued sales improvement and strong gross margins, along with the positive impacts of actions taken by management to reduce the fixed cost structure of the business.
- The Group generated US$62.4 million of cash from operating activities during the six months ended June 30, 2022 compared to US$1.5 million of cash used in operating activities for the same period in the previous year. As of June 30, 2022, the Group had cash and cash equivalents of US$1,064.6 million and outstanding financial debt of US$2,542.5 million (excluding deferred financing costs of US$10.0 million), resulting in a net debt position of US$1,477.9 million compared to a net debt position of US$1,477.2 million as of December 31, 2021. Total cash burn was US$26.6 million during the six months ended June 30, 2022 compared to total cash burn of US$91.9 million during the six months ended June 30, 2021. Total liquidity as of June 30, 2022 was US$1,400.2 million compared to US$1,501.4 million as of December 31, 2021. During the six months ended June 30, 2022, the Group repaid US$220.8 million of outstanding borrowings under the Group's Amended Senior Credit Facilities, consisting of US$200.0 million in prepayments and US$20.8 million in required quarterly amortization payments.

Investment in Advertising and Promotion

The Group spent US$57.7 million on marketing during the six months ended June 30, 2022 compared to US$28.7 million for the six months ended June 30, 2021, an increase of US$29.0 million, or 101.3%. As a percentage of net sales, marketing expenses increased by 90 basis points to 4.5% for the six months ended June 30, 2022 from 3.6% for the six months ended June 30, 2021. Marketing expenses for the six months ended June 30, 2022 decreased by 44.0% compared to the six months ended June 30, 2019, and as a percentage of net sales decreased by 140 basis points from 5.9% for the six months ended June 30, 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.

Introduction of New and Innovative Products to the Market

The Group continued to focus on innovation and ensuring that its products reflect local consumer tastes in each region. Innovation and a regional focus on product development are key drivers of sales growth and are the means to deliver quality and value to the Group’s customers.

Future Prospects

The Group's medium to long-term growth strategy will continue as planned, with a focus on the following:

- Ensure the Company's well-diversified family of brands attracts consumers at all price points in both the travel and non-travel luggage, bag and accessories categories.
- Increase the proportion of net sales from the Company's direct-to-consumer e-commerce channel.
- Focused investment in marketing to support the Company's brands and initiatives.
- Continue to leverage the Company's regional management structure, distribution expertise and marketing engine to extend its brands into new markets and penetrate deeper into existing channels.
- Continue to invest in research and development to develop lighter and stronger new materials, advanced manufacturing processes, exciting new designs and sustainable collections, as well as innovative functionalities that deliver real benefits to consumers.
- Continue to incorporate the Company's ESG philosophy into its core business practices through "Our Responsible Journey" to lead the industry in sustainability and treat all stakeholders with fairness and respect in line with the Company's long-standing guiding principle, "Do unto others as you would have them do unto you."

The Company aims to increase shareholder value through sustainable revenue and earnings growth and free cash flow generation.

Near-term Focus:

- Executing on the Group's plan to ensure the continued recovery of its business proceeds while ensuring the Company emerges strongly with an improving profit margin profile while growing its market share as travel continues to recover from the effects of COVID-19.
- The Group will remain focused on improving and maintaining its gross margins through (i) reduced discounting and promotional activity; (ii) price increases to mitigate increased product costs, duties, and freight; and (iii) working closely with its suppliers to manage these increasing cost pressures.
- The Group has taken significant actions to preserve cash and reduce its fixed cost base, and will remain disciplined in managing its expenses, including its fixed selling, general and administrative expenses, to maintain this lower cost structure.
- The Group intends to increase its investment in marketing spend during the second half of 2022 and into 2023 to drive growth in brand awareness and to capitalize on the continued recovery in travel.
- The Group will look to prudently and strategically increase investment in capital expenditures and software to drive future long-term and sustainable growth.
- The Group is investing more into its working capital, primarily inventory, to support the ongoing recovery in the demand for its products, but stock replenishments may be slightly delayed due to the continuing shipping delays and port congestion.
- The Group will continue to foster a thriving in-person workplace environment with added flexibility and believes that its leading brands, coupled with its ongoing commitment to sustainability and innovation, will help strengthen its long-term market position as travel returns to pre-COVID-19 levels.
- With significant liquidity of US$1.4 billion at June 30, 2022, the Group is in a strong position not only to navigate the business through the ongoing challenges, but also to invest for long-term growth and success.

Corporate Governance and Other Information

Directors

At June 30, 2022, the composition of the Board of Directors (the "Board") of the Company was as follows:

Executive Director ("ED")

Kyle Francis Gendreau
Chief Executive Officer

Non-Executive Director ("NED")

Timothy Charles Parker
Chairman

Independent Non-Executive Directors ("INED")

Claire Marie Bennett
Angela Iris Brav
Paul Kenneth Etchells
Jerome Squire Griffith
Tom Korbas
Ying Yeh

At June 30, 2022, the Board committees were as follows:

Audit Committee/Review of Accounts

The Board has established an Audit Committee and has adopted written terms of reference that set forth the authority and duties of the committee. The Audit Committee consists of three members, namely Mr. Paul Kenneth Etchells (Chairman of the Audit Committee) (INED), Mr. Tom Korbas (INED) and Ms. Ying Yeh (INED).

In compliance with Rule 3.21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), at least one member of the Audit Committee possesses appropriate professional qualifications in accounting or related financial management expertise in discharging the responsibilities of the Audit Committee.

All members have sufficient experience in reviewing audited financial statements as aided by the auditors of the Company whenever required.

The primary duties of the Audit Committee are to review and supervise the Company's financial reporting process and risk management and internal control systems, to monitor the integrity of the Company's consolidated financial statements and financial reporting, and to oversee the audit process.

The Audit Committee has reviewed the interim report of the Group as of and for the six months ended June 30, 2022 with the Board. The interim financial information has also been reviewed by the Group's external auditors.

Nomination Committee

The Board has established a Nomination Committee and has adopted written terms of reference that set forth the authority and duties of the committee. The Nomination Committee consists of three members, namely Mr. Timothy Charles Parker (Chairman of the Nomination Committee) (NED), Mr. Paul Kenneth Etchells (INED) and Ms. Ying Yeh (INED).

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board, to make recommendations to the Board with respect to any changes to the composition of the Board, and to assess the independence of the INEDs. When identifying suitable candidates, the Nomination Committee shall (where applicable and appropriate) use open advertising or the services of external advisers and consider candidates from a wide range of backgrounds on merit and against objective criteria. The Nomination Committee's policy for evaluating and nominating any candidate for directorship includes considering various criteria, including character and integrity, qualifications (including professional qualifications), skills, knowledge and experience and diversity aspects under the Board's diversity policy, potential contributions the candidate can make to the Board and such other matters that are appropriate to the Company's business and succession plan.

Remuneration Committee

The Board has established a Remuneration Committee and has adopted written terms of reference that set forth the authority and duties of the committee. The Remuneration Committee consists of four members, namely Mr. Jerome Squire Griffith (Chairman of the Remuneration Committee) (INED), Ms. Angela Iris Brav (INED), Mr. Paul Kenneth Etchells (INED) and Ms. Ying Yeh (INED).

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration, as well as to determine the specific remuneration package of the ED and certain members of senior management.

Corporate Governance Practices

The Company is committed to maintaining high standards of corporate governance. The Company recognizes that sound corporate governance practices are fundamental to the effective and transparent operation of the Company and to its ability to protect the rights of its shareholders and enhance shareholder value.

The Company has adopted its own corporate governance manual, which is based on the principles, provisions and practices set out in the Corporate Governance Code (as in effect from time to time, the "CG Code") contained in Appendix 14 of the Listing Rules.

The Company complied with all applicable code provisions set out in Part 2 of the CG Code throughout the period from January 1, 2022 to June 30, 2022.

Risk Management and Internal Control

The Board is responsible for ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board has delegated to the Audit Committee the responsibility for reviewing the effectiveness of the Group's risk management and internal control systems. The Company's management, under the oversight of the Board, is responsible for the design, implementation and monitoring of the Company's risk management and internal control systems.

Changes in Information of Directors

A summary of changes in information concerning certain Directors of the Company that are required to be disclosed pursuant to Rule 13.51(B)(1) of the Listing Rules is as follows:

- Mr. Timothy Charles Parker resigned from the U.K. Advisory Board of CVC Capital Partners with effect from January 1, 2022.
- Ms. Angela Iris Brav resigned as President, International of Hertz Global Holdings, Inc. with effect from April 30, 2022.

Company Secretaries and Authorized Representatives

Mr. John Bayard Livingston and Ms. Chow Yuk Yin Ivy ("Ms. Chow") are the joint company secretaries of the Company while Mr. Kyle Francis Gendreau and Ms. Chow are the Company's authorized representatives (pursuant to the Listing Rules).

Directors' Securities Transactions

The Company has adopted its own policies (the "Trading Policy") for securities transactions by directors and relevant employees who are likely to be in possession of unpublished inside information of the Group on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they complied with the required standards set out in the Trading Policy during the six months ended June 30, 2022.

Share Award Scheme

On September 14, 2012, the Company's shareholders approved the Company's Share Award Scheme (as amended from time to time), which is valid for a term of 10 years from October 26, 2012 (being the adoption date under the terms of the Share Award Scheme) and will expire on October 26, 2022. The purpose of the Share Award Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. Awards under the Share Award Scheme may take the form of either share options or restricted share units ("RSUs"), which may be granted at the discretion of the Remuneration Committee to executive directors of the Company and its subsidiaries, managers employed or engaged by the Group, and/or employees of the Group.

As of July 31, 2022 (the “Latest Practicable Date”), the maximum aggregate number of shares in respect of which awards may be granted pursuant to the Share Award Scheme was 12,759,664 shares, representing approximately 0.9% of the issued share capital of the Company at that date. An individual participant may be granted awards pursuant to the Share Award Scheme in respect of a maximum of 1% of the Company’s total issued shares in any 12-month period. Any grant of awards to an individual participant in excess of this limit is subject to independent shareholder’s approval.

Share-based compensation cost of US$6.2 million and US$4.3 million was recognized in the consolidated statements of income (loss), with a corresponding increase in equity reserves, for the six months ended June 30, 2022 and June 30, 2021, respectively.

Share Options

The exercise price of share options is determined at the time of grant by the Remuneration Committee in its absolute discretion, but in any event shall not be less than the higher of:

a) the closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant;
b) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
c) the nominal value of the shares.

The grant-date fair value of equity-settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity when such awards represent equity-settled awards, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For equity-settled share-based payment awards with market performance conditions or non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Holders of vested share options are entitled to buy newly issued ordinary shares of the Company at a purchase price per share equal to the exercise price of the options. The fair value of services received in return for share options granted is based on the fair value of share options granted measured using the Black-Scholes valuation model. The fair value calculated for share options is inherently subjective due to the assumptions made and the limitations of the model utilized. Shares underlying an award of share options that forfeit ("lapse") without the issuance of such shares upon the exercise of such options may be available for future grant under the Share Award Scheme.

Expected volatility is estimated taking into account the historic average share price volatility. The expected cash distributions are based on the Group’s history and expectation of cash distribution payouts.

On May 26, 2022, the Company granted premium-priced share options exercisable for 14,369,144 ordinary shares to the executive director of the Company and members of the senior management team with an exercise price of HK$17.97 per share, which represented an approximately 10% premium over the closing price of the Company's shares on the date of grant. Such options are subject to graded ("*pro rata*") vesting over a four-year period from the date of grant, with 25% of the options vesting on each anniversary of the date of the grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the applicable vesting date. Such options have a 10-year term.

The following inputs were used in the measurement of the fair value at grant date of the share-based payment for the share options exercisable for 14,369,144 shares that were granted on May 26, 2022:

Fair value at grant date	**HK$9.10**
Share price at grant date	**HK$16.34**
Exercise price	**HK$17.97**
Expected volatility (weighted average volatility)	**59.6%**
Option life (expected weighted average life)	**6.25 years**
Expected cash distributions	**0.0%**
Risk-free interest rate (based on government bonds)	**2.5%**

Particulars and movements of share options during the six months ended June 30, 2022 were as follows:

	Number of share options								
Name / category of grantee	**As of January 1, 2022**	**Granted during the period**	**Exercised during the period**	**Forfeited ("lapsed") during the period**	**As of June 30, 2022**	**Date of grant**	**Exercise period**	**Exercise price per share (HK$)**	**Closing price immediately preceding the date of grant (HK$)**
Directors									
Timothy Parker	2,368,749	—	—	—	2,368,749	January 8, 2013	January 8, 2014 - January 7, 2023	17.36	16.90
Timothy Parker	1,821,615	—	—	—	1,821,615	January 7, 2014	January 7, 2015 - January 6, 2024	23.30	23.30
Kyle Gendreau	2,506,600	—	—	—	2,506,600	January 7, 2015	January 7, 2018 - January 6, 2025	23.31	23.30
Kyle Gendreau	216,683	—	—	—	216,683	January 7, 2015	January 7, 2016 - January 6, 2025	23.31	23.30
Kyle Gendreau	1,230,464	—	—	—	1,230,464	May 6, 2016	May 6, 2017 - May 5, 2026	24.91	24.00
Kyle Gendreau	952,676	—	—	—	952,676	May 26, 2017	May 26, 2018 - May 25, 2027	31.10	30.45
Kyle Gendreau	1,336,988	—	—	—	1,336,988	October 11, 2018	October 11, 2019 - October 10, 2028	27.06	25.95
Kyle Gendreau	1,544,980	—	—	—	1,544,980	June 17, 2019	June 17, 2020 - June 16, 2029	16.04	16.18
Kyle Gendreau	7,346,180	—	—	—	7,346,180	November 18, 2020	November 18, 2021 - November 17, 2030	15.18	11.90
Kyle Gendreau	5,481,920	—	—	—	5,481,920	June 17, 2021	June 17, 2022 - June 16, 2031	20.76	17.40
Kyle Gendreau	—	5,659,328	—	—	5,659,328	May 26, 2022	May 26, 2023 - May 25, 2032	17.97	16.14
Tom Korbas	32,351	—	—	—	32,351	January 7, 2014	January 7, 2015 - January 6, 2024	23.30	23.30
Tom Korbas	714,182	—	—	—	714,182	January 7, 2015	January 7, 2016 - January 6, 2025	23.31	23.30
Total Directors	**25,553,388**	**5,659,328**	**—**	**—**	**31,212,716**				

Name / category of grantee	Number of share options: As of January 1, 2022	Granted during the period	Exercised during the period[(1)]	Lapsed during the period	As of June 30, 2022	Date of grant	Exercise period	Exercise price per share (HK$)	Closing price immediately preceding the date of grant (HK$)
Others									
Employees	1,386,418	—	—	(203,802)	1,182,616	January 8, 2013	January 8, 2014 - January 7, 2023	17.36	16.90
Employee	108,522	—	—	—	108,522	July 1, 2013	July 1, 2014 - June 30, 2023	18.68	18.68
Employees	2,597,714	—	—	(110,310)	2,487,404	January 7, 2014	January 7, 2015 - January 6, 2024	23.30	23.30
Employees	5,194,807	—	—	(121,908)	5,072,899	January 7, 2015	January 7, 2016 - January 6, 2025	23.31	23.30
Employees	3,906,005	—	—	—	3,906,005	January 7, 2015	January 7, 2018 - January 6, 2025	23.31	23.30
Employees	8,173,279	—	—	(181,500)	7,991,779	May 6, 2016	May 6, 2017 - May 5, 2026	24.91	24.00
Employees	2,213,466	—	—	—	2,213,466	May 6, 2016	May 6, 2019 - May 5, 2026	24.91	24.00
Employee	62,160	—	—	—	62,160	May 11, 2016	May 11, 2017 - May 10, 2026	24.23	24.05
Employee	74,979	—	—	—	74,979	June 16, 2016	June 16, 2017 - June 15, 2026	23.19	22.45
Employees	8,459,312	—	—	(230,668)	8,228,644	May 26, 2017	May 26, 2018 - May 25, 2027	31.10	30.45
Employees	3,897,128	—	—	(128,777)	3,768,351	October 11, 2018	October 11, 2019 - October 10, 2028	27.06	25.95
Employee	1,194,180	—	—	—	1,194,180	December 4, 2018	December 4, 2019 - December 3, 2028	25.00	25.00
Employees	6,046,768	—	(24,410)	(142,956)	5,879,402	June 17, 2019	June 17, 2020 - June 16, 2029	16.04	16.18
Employees	125,992	—	—	—	125,992	November 22, 2019	November 22, 2020 - November 21, 2029	16.62	16.44
Employees	9,296,628	—	—	(913,968)	8,382,660	November 18, 2020	November 18, 2021 - November 17, 2030	15.18	11.90
Employees	8,866,924	—	—	(959,336)	7,907,588	June 17, 2021	June 17, 2022 - June 16, 2031	20.76	17.40
Employees	—	8,709,816	—	(1,038,392)	7,671,424	May 26, 2022	May 26, 2023 - May 25, 2032	17.97	16.14
Total Employees	**61,604,282**	**8,709,816**	**(24,410)**	**(4,031,617)**	**66,258,071**				
Total	**87,157,670**	**14,369,144**	**(24,410)**	**(4,031,617)**	**97,470,787**				

Note
(1) The weighted average closing price of the shares immediately before the date of exercise by the participants was HK$17.29.

Restricted Share Units ("RSUs")

The Company may, from time to time, grant RSUs, including time-based RSUs ("TRSUs") and performance-based RSUs ("PRSUs"), to certain key management personnel and other employees of the Group. The vesting of the RSUs is subject to the continuing employment of the grantee and, in the case of PRSUs, to the Company's achievement of pre-established performance goals. The closing market price of the Company's shares on the date of grant is used to determine the grant date fair value. If the performance-based award incorporates a market condition, the grant-date fair value of such award is determined using a Monte Carlo simulation. These fair values are recognized as expense over the requisite service period, net of estimated forfeitures, based on expected attainment of pre-established performance goals for PRSUs with market conditions, or the passage of time for TRSUs. Actual distributed shares are calculated upon conclusion of the service and performance periods.

No RSUs were granted during the six months ended June 30, 2022 and June 30, 2021. Prior to 2020, two types of RSU awards have been granted by the Company: TRSUs and PRSUs.

Time-based Restricted Share Units

TRSUs granted by the Company are subject to *pro rata* vesting over a three-year period, with one-third of such TRSUs vesting on each anniversary of the date of the grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the applicable vesting date. Expense for TRSUs is based on the closing market price of the Company's shares on the date of grant, discounted by the present value of expected future dividends, and is recognized ratably over the vesting period, net of expected forfeitures.

Particulars and movements of TRSUs during the six months ended June 30, 2022 were as follows:

	Number of TRSUs						
Name / category of grantee	**As of January 1, 2022**	**Granted during the period**	**Vested and converted to ordinary shares during the period**	**Lapsed during the period**	**As of June 30, 2022**	**Date of grant**	**Vesting period**
Directors							
Kyle Gendreau	100,825	—	(100,825)	—	—	June 17, 2019	Remaining 1/3 of TRSUs vested on June 17, 2022
Total Directors	**100,825**	**—**	**(100,825)**	**—**	**—**		

	Number of TRSUs						
Name / category of grantee	**As of January 1, 2022**	**Granted during the period**	**Vested and converted to ordinary shares during the period**	**Lapsed during the period**	**As of June 30, 2022**	**Date of grant**	**Vesting period**
Others							
Employees	802,064	—	(796,472)	(5,592)	—	June 17, 2019	Remaining 1/3 of TRSUs vested on June 17, 2022
Employees	26,605	—	—	—	26,605	November 22, 2019	Remaining 1/3 of TRSUs will vest on November 22, 2022
Total Employees	**828,669**	**—**	**(796,472)**	**(5,592)**	**26,605**		
Total	**929,494**	**—**	**(897,297)**	**(5,592)**	**26,605**		

Performance-based Restricted Share Units

PRSUs vest in full on the third anniversary of the date of grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the vesting date, and only to the extent certain pre-established cumulative performance targets are met. Expense related to PRSUs with non-market performance criteria is recognized ratably over the performance period, net of estimated forfeitures, based on the probability of attainment of the related performance targets. The potential number of shares that may be issued upon vesting of the PRSUs ranges from 0% of the target number of shares subject to the PRSUs, if the minimum level of performance is not attained, to up to 200% of the target number of shares subject to the PRSUs, if the level of performance is at or above the predetermined maximum achievement level. For PRSUs subject to market conditions, the expense is recognized over the vesting period based on the fair value as determined on the grant date utilizing a Monte Carlo simulation.

Particulars and movements of PRSUs (at target level vesting) during the six months ended June 30, 2022 were as follows:

Name / category of grantee	As of January 1, 2022	Initial or target number of shares for PRSUs granted during the period	Change due to performance condition achievement	Vested during the period	Lapsed during the period	As of June 30, 2022	Date of grant	Vesting period(1)
	Number of PRSUs							
Directors								
Kyle Gendreau	604,945	—	—	—	(604,945)	—	June 17, 2019	PRSUs lapsed on June 17, 2022
Total Directors	**604,945**	**—**	**—**	**—**	**(604,945)**	**—**		

Name / category of grantee	As of January 1, 2022	Initial or target number of shares for PRSUs granted during the period	Change due to performance condition achievement	Vested during the period	Lapsed during the period	As of June 30, 2022	Date of grant	Vesting period(1)
	Number of PRSUs							
Others								
Employees	541,343	—	—	—	(541,343)	—	June 17, 2019	PRSUs lapsed on June 17, 2022
Total Employees	**541,343**	**—**	**—**	**—**	**(541,343)**	**—**		
Total	**1,146,288**	**—**	**—**	**—**	**(1,146,288)**	**—**		

Note
(1) Subject to satisfaction of applicable performance targets.

In the Company's circular to shareholders dated April 15, 2019 relating to, among other things, the grant of PRSUs, the Company stated that the final number of shares which would vest under the PRSUs would vary depending on the level of achievement of performance conditions applicable to the PRSUs, thereby ensuring that the actual payout would be linked to the Company's performance. The Remuneration Committee determined that in relation to the PRSUs which were granted on June 17, 2019, the performance conditions were based on (i) fiscal year 2019 to 2021 three-year adjusted earnings per share ("EPS") compound annual growth rate ("CAGR") (with a 50% weighting) and (ii) fiscal year 2019 to 2021 three-year relative total shareholders' return ("TSR") (with a 50% weighting). Relative TSR measures the Company's TSR to the TSR of a benchmark group, consisting of the Company's peer group companies.

As the actual fiscal year 2019 to 2021 three-year cumulative adjusted EPS CAGR was below the 90% threshold, and the actual fiscal year 2019 to 2021 three-year relative TSR performance was also below the threshold level, none of the outstanding PRSUs granted by the Company on June 17, 2019 vested and such PRSUs lapsed on June 17, 2022, which was the three-year anniversary of the grant date for such PRSUs.

Shares underlying an award of share options, TRSUs or PRSUs that lapse without the issuance of such shares upon vesting of such award may be available for future grant under the Share Award Scheme. During the six months ended June 30, 2022 and June 30, 2021, there were no cancellations of share options, TRSUs or PRSUs.

Human Resources and Remuneration

As of June 30, 2022, the Group had a full-time equivalent headcount of approximately 9,500 worldwide. The Group regularly reviews remuneration and benefits of its employees according to the relevant market practice, employee performance and the financial performance of the Group.

The Group is committed to helping its employees develop the knowledge, skills and abilities needed for continued success, and encourages professional development throughout each employee's career.

Dividends and Distributions to Equity Holders

The Company will evaluate its distribution policy and distributions made (by way of the Company's ad hoc distributable reserve, dividends or otherwise) in any particular year in light of its financial position, the prevailing economic climate and expectations about the future macro-economic environment and business performance. The determination to make distributions will be made upon the recommendation of the Board and the approval of the Company's shareholders and will be based upon the Group's earnings, cash flow, financial condition, capital and other reserve requirements and any other conditions which the Board deems relevant. The payment of distributions may also be limited by legal restrictions and by the Credit Agreement, the Indenture or other financing agreements that the Group may enter into in the future.

No cash distribution has been or will be made to the Company's shareholders in 2022.

Issue, Purchase, Sale, or Redemption of the Company's Listed Securities

During the six months ended June 30, 2022, the Company issued 24,410 ordinary shares at a weighted-average exercise price of HK$16.04 per share, or HK$0.4 million in aggregate, in connection with the exercise of vested share options that were granted under the Company's Share Award Scheme. During the six months ended June 30, 2022, the Company issued 897,297 ordinary shares in connection with the vesting of time-based restricted share awards that were awarded under the Company's Share Award Scheme. There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the six months ended June 30, 2022.

Publication of Interim Results and Interim Report

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.samsonite.com). The interim report for the six months ended June 30, 2022 will be dispatched to the shareholders and published on the websites of The Stock Exchange of Hong Kong Limited and the Company in due course.

By Order of the Board
SAMSONITE INTERNATIONAL S.A.
Timothy Charles Parker
Chairman

Hong Kong, August 17, 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 Claire Marie Bennett, Angela Iris Brav, Paul Kenneth Etchells, Jerome Squire Griffith, Tom Korbas and Ying Yeh.