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**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, 2023**

# Disclaimer

## Non-IFRS Measures

The Company has presented certain non-IFRS<sup>(1)</sup> 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 profit margin, operating profit, Adjusted Net Income, Adjusted EBITDA<sup>(2)</sup>, Adjusted EBITDA margin, cash flow, liquidity and capital resources, potential impairments, growth, strategies, plans, achievements, distributions, organizational structure, future store openings or closings, market opportunities and general market and industry conditions. The Company generally identifies forward-looking statements by words such as "expect", "seek", "believe", "plan", "intend", "estimate", "project", "anticipate", "may", "will", "would" and "could" or similar words or statements. Forward-looking statements are based on beliefs and assumptions made by management using currently available information. These statements are only predictions and are not guarantees of future performance, actions or events. Forward-looking statements are subject to risks and uncertainties.

If one or more of these risks or uncertainties materialize, or if management's underlying beliefs and assumptions prove to be incorrect, actual results may differ materially from those contemplated by a forward-looking statement. Among the factors that could cause actual results to differ materially are: the effect of worldwide economic conditions; the effect of political or social unrest and armed conflict; the effects of inflation; a general economic downturn or generally reduced consumer spending; the pace and extent of recovery following COVID-19; significant changes in consumer spending patterns or preferences; interruptions or delays in the supply of finished goods or key components; the performance of the Group's products within the prevailing retail environment; financial difficulties encountered by customers and related bankruptcy and collection issues; and risks related to the success of the Group's restructuring programs.

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

## Rounding

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

### Notes

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

## 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 present the unaudited condensed consolidated statement of financial position of the Group as of June 30, 2023, and the related condensed consolidated statements of income, comprehensive income, changes in equity, and cash flows for the six month periods ended June 30, 2023, and June 30, 2022, and the related notes (collectively, the "consolidated interim financial statements"). 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

The pace of recovery of the Group's business continued to accelerate during the first six months of 2023, when each of consolidated net sales, operating profit, profit for the period, Adjusted EBITDA, Adjusted EBITDA margin and Adjusted Net Income (as defined below) improved with a fundamentally enhanced profit profile.

In this interim results announcement, certain financial results for the six months ended June 30, 2023, are compared to both the six months ended June 30, 2022, and the six months ended June 30, 2019. Comparisons to the first half of 2019 are provided because it is the most recent comparable period during which the Company's results were not affected by COVID-19.

When evaluating the results for the six months ended June 30, 2023, certain factors impact comparability to the results for the six months ended June 30, 2022, and/or for the six months ended June 30, 2019, mainly the suspension and subsequent disposition of operations in Russia and the sale of Speculative Product Design, LLC ("Speck"). On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine, and the Group subsequently completed the disposition of its Russian operations on July 1, 2022, which impacts comparability to both the first half of 2022 and the first half of 2019. On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck, a designer and distributor of slim protective cases for personal electronic devices that were marketed under the Speck® brand, thereby affecting comparability to the first half of 2019.

### For the Six Months Ended June 30, 2023, and June 30, 2022

The following table sets forth a summary of consolidated financial results for the six months ended June 30, 2023, and June 30, 2022.

<i>(Expressed in millions of US Dollars, except per share data)</i>	<b>Six months ended June 30,</b>		Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects <sup>(1)</sup>
	<b>2023</b>	2022		
Net sales	<b>1,776.2</b>	1,270.2	39.8 %	44.5 %
Gross profit	<b>1,043.6</b>	707.4	47.5 %	52.9 %
Gross profit margin	<b>58.8 %</b>	55.7 %		
Operating profit	<b>312.1</b>	159.9	95.3 %	102.0 %
Profit for the period	<b>171.4</b>	68.5	150.7 %	162.0 %
Profit attributable to the equity holders	<b>152.5</b>	56.3	171.5 %	185.3 %
Adjusted Net Income <sup>(2)</sup>	<b>170.9</b>	83.3	104.9 %	114.6 %
Adjusted EBITDA <sup>(3)</sup>	<b>334.3</b>	195.6	70.9 %	78.8 %
Adjusted EBITDA margin <sup>(4)</sup>	<b>18.8 %</b>	15.4 %		
Basic earnings per share <i>(Expressed in US Dollars per share)</i>	<b>0.106</b>	0.039	170.4 %	184.1 %
Diluted earnings per share <i>(Expressed in US Dollars per share)</i>	<b>0.105</b>	0.039	169.3 %	183.0 %
Adjusted basic and diluted earnings per share <sup>(5)</sup> <i>(Expressed in US Dollars per share)</i>	<b>0.118</b>	0.058	103.6 %	112.9 %

#### 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 corresponding period in the year under comparison to current period local currency results.
- (2) Adjusted Net Income, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact the Group's reported profit attributable to the equity holders, which the Group believes helps to give securities analysts, investors and other interested parties a more complete understanding of the Group's underlying

financial performance. See Management Discussion and Analysis - Adjusted Net Income for a reconciliation from the Group's profit attributable to the equity holders to Adjusted Net Income.

- (3) Adjusted earnings before interest, taxes, depreciation and amortization of intangible assets ("Adjusted EBITDA"), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. The Group believes these measures provide additional information that is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business. See Management Discussion and Analysis - Adjusted EBITDA for a reconciliation from the Group's profit for the period to Adjusted EBITDA.
- (4) Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.
- (5) Adjusted basic and diluted earnings per share, both non-IFRS measures, are calculated by dividing Adjusted Net Income by the weighted average number of shares used in the basic and diluted earnings per share calculations, respectively.

## Financial Highlights

- Net sales were US\$1,776.2 million for the six months ended June 30, 2023, compared to US\$1,270.2 million for the six months ended June 30, 2022, an increase of 39.8% (+44.5% constant currency). When excluding the Russia Net Sales (as defined in Management Discussion and Analysis - Net Sales), consolidated net sales increased by US\$515.8 million, or 40.9% (+45.7% constant currency), for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. There was a noticeable acceleration in the Group's net sales recovery in all regions during the six months ended June 30, 2023, particularly in Asia where China, the last major market in the region to reopen, lifted restrictions at the beginning of 2023.
- The Group's consolidated net sales as reported increased by 1.2% (+10.9% constant currency) during the six months ended June 30, 2023, compared to the six months ended June 30, 2019. When excluding the Russia and Speck Net Sales (as defined in Management Discussion and Analysis - Net Sales), consolidated net sales increased by 6.0% (+16.2% constant currency) for the six months ended June 30, 2023, compared to the six months ended June 30, 2019.
- Gross profit margin was 58.8% for the six months ended June 30, 2023, compared to 55.7% for the corresponding period in 2022. The increase in gross profit margin was driven mainly by year-on-year gross profit margin increases in all regions and Asia, the region with the highest gross profit margin, increasing its share of net sales. This increase in gross profit margin was also driven by an increased proportion of total net sales attributable to the *Tumi* brand, changes in channel net sales mix, and overall lower promotional activity. See Management Discussion and Analysis - Cost of Sales and Gross Profit for further discussion.
- The Group spent US\$114.2 million on marketing during the six months ended June 30, 2023, compared to US\$57.7 million for the six months ended June 30, 2022, an increase of US\$56.5 million, or 97.8%. As a percentage of net sales, marketing expenses increased by 190 basis points to 6.4% for the six months ended June 30, 2023, from 4.5% for the six months ended June 30, 2022. Marketing expenses for the six months ended June 30, 2023, increased by 10.8% compared to the six months ended June 30, 2019. As a percentage of net sales, marketing expenses increased by 50 basis points from 5.9% for the six months ended June 30, 2019. The Group will continue with its investment in marketing to capitalize on the ongoing recovery in leisure and business travel and drive further net sales growth.
- The Group reported an operating profit of US\$312.1 million for the six months ended June 30, 2023, compared to US\$159.9 million for the corresponding period in 2022, an improvement of US\$152.3 million, or 95.3%.
- Profit for the six months ended June 30, 2023, was US\$171.4 million compared to US\$68.5 million for the six months ended June 30, 2022, an improvement of US\$103.0 million, or 150.7%.
- Profit attributable to the equity holders was US\$152.5 million for the six months ended June 30, 2023, compared to US\$56.3 million for the corresponding period in 2022, an improvement of US\$96.3 million, or 171.5%.
- Adjusted EBITDA, a non-IFRS measure, improved by US\$138.7 million, or 70.9%, to US\$334.3 million for the six months ended June 30, 2023, compared to US\$195.6 million for the six months ended June 30, 2022. Adjusted EBITDA margin was 18.8% for the six months ended June 30, 2023, compared to 15.4% for the six months ended June 30, 2022. The improvement in Adjusted EBITDA margin was primarily due to continued net sales improvement and the increase in gross profit margin, as well as disciplined expense management.
- On June 21, 2023, the Company completed the refinancing of its senior credit facilities. The refinancing provides for a new US\$800.0 million senior secured term loan A facility, a new US\$600.0 million senior secured term loan B facility and a new US\$850.0 million revolving credit facility. The Company reduced its outstanding debt by approximately US\$65.0 million and extended the maturities of the term loan A facility and revolving credit facility by approximately three years and of the term loan B facility by approximately five years (see Management Discussion and Analysis - Indebtedness for further discussion).
- As of June 30, 2023, the Group had cash and cash equivalents of US\$599.0 million and outstanding financial debt of US\$1,935.6 million (excluding deferred financing costs of US\$18.7 million), resulting in a net debt position of US\$1,336.7 million compared to a net debt position of US\$1,383.7 million as of December 31, 2022, and US\$1,305.3 million as of December 31, 2019.
- Total liquidity<sup>(1)</sup> as of June 30, 2023, was US\$1,344.3 million compared to US\$1,481.3 million as of December 31, 2022.

### Note

- (1) Total liquidity is calculated as the sum of cash and cash equivalents per the condensed consolidated statements of financial position plus available capacity under the revolving credit facility (see Management Discussion and Analysis - Indebtedness for further discussion). As of June 30, 2023, the Group had total liquidity of US\$1,344.3 million, comprising cash and cash equivalents of US\$599.0 million and US\$745.4 million available to be borrowed on the Group's revolving credit facility.

# Chairman's Statement

We are extremely pleased with Samsonite's performance in the first half of the year. With the reopening of China and the ongoing recovery in travel globally, Samsonite's net sales improved markedly across all of our regions. For the six months ended June 30, 2023, net sales in Asia rose by 86.7%<sup>(1)</sup>, driven by a 99.6%<sup>(1)</sup> increase in net sales in China due to the recovery in domestic travel following the lifting of COVID-related restrictions at the beginning of the year, while net sales in the rest of the region increased by 83.7%<sup>(1)</sup>, year-on-year. Net sales grew by 25.3%<sup>(1)</sup> in North America, by 30.3%<sup>(1), (2)</sup> in Europe and by 26.5%<sup>(1)</sup> in Latin America during the first half of 2023, year-on-year. Overall, the Group achieved consolidated net sales of US\$1,776.2 million for the first half of 2023, an increase of 45.7%<sup>(1), (2)</sup> year-on-year.

Compared to the first half of 2019, the Group's first half 2023 net sales increased by 16.2%<sup>(1), (2), (3)</sup>, a significant improvement compared to the second half of 2022 when net sales were lower by 0.8%<sup>(1), (2), (3)</sup> versus the corresponding period in 2019. The Group's net sales<sup>(1), (2), (3)</sup> surpassed pre-COVID levels across all regions during the six months ended June 30, 2023. First half 2023 net sales in Asia increased by 18.0%<sup>(1)</sup> versus the corresponding period in 2019, while first half 2023 net sales<sup>(1)</sup> in China were slightly lower by 0.1%<sup>(1)</sup> compared to the first half of 2019. This represents a meaningful improvement versus the second half of 2022, when net sales decreased by 44.2%<sup>(1)</sup> in China and by 4.5%<sup>(1)</sup> in the rest of Asia when compared to the second half of 2019. Meanwhile, net sales increased by 1.3%<sup>(1), (3)</sup> (and by 7.1%<sup>(1), (3)</sup> when adjusting for the discontinuation of third-party brand sales on the ebags e-commerce platform in 2020) in North America, 26.6%<sup>(1), (2)</sup> in Europe and 69.0%<sup>(1)</sup> in Latin America during the first half of 2023 versus the corresponding period in 2019.

Our gross profit margin expanded by 310 basis points to 58.8% for the first half of 2023, compared to 55.7% for the corresponding period in 2022. This increase was driven mainly by Asia, where we have the highest gross profit margin, increasing its share of net sales. This increased gross profit margin also was driven by a higher proportion of total net sales from the *Tumi* brand, changes in channel mix, and overall lower promotional activity.

We strategically increased our investment in marketing across all regions to US\$114.2 million, or 6.4% of net sales, during the first half of 2023, compared to US\$57.7 million, or 4.5% of net sales, for the first half of 2022. Samsonite's relentless commitment to innovation and sustainability has enabled us to develop best-in-class products across our brands, and we are leveraging our increased marketing spend to reach consumers and differentiate our brands from the competition. Our increased advertising is driving excitement around our brands globally, and we intend to continue to invest in marketing to capitalize on the ongoing recovery in leisure and business travel to drive further net sales growth.

Meanwhile, we remained vigilant in controlling our other expenses, particularly our fixed selling, general and administrative ("SG&A") expenses. As a percentage of net sales, fixed SG&A expenses were 23.0% for the first half of 2023, 320 basis points lower than the 26.2% in the first half of 2022, and 520 basis points lower than the 28.2% in the first half of 2019.

This combination of strong net sales and gross margin performance plus disciplined expense management helped the Group deliver a significant increase in profitability: our Adjusted EBITDA<sup>(4)</sup> increased to US\$334.3 million in the first half of 2023, US\$138.7 million higher than the US\$195.6 million recorded in the first half of 2022; our Adjusted EBITDA margin<sup>(5)</sup> expanded to 18.8% for the first half of 2023, compared to 15.4% for the corresponding period in 2022; and finally our Adjusted Net Income<sup>(6)</sup> increased to US\$170.9 million for the first half of 2023, up US\$87.6 million from the US\$83.3 million for the corresponding period in 2022.

In addition, our first half 2023 gross margin was 280 basis points higher than the 56.0% in the first half of 2019, and our first half 2023 Adjusted EBITDA margin<sup>(5)</sup> was 660 basis points higher than the 12.2% for the corresponding period in 2019. In dollar terms, compared to the corresponding period in 2019, first half 2023 Adjusted EBITDA<sup>(4)</sup> and Adjusted Net Income<sup>(6)</sup> increased by US\$120.8 million<sup>(7)</sup> and US\$73.8 million<sup>(7)</sup>, respectively, on reported net sales that were only US\$20.5 million<sup>(7)</sup> higher. This remarkable improvement from 2019 highlights the Group's strong positive operating leverage and fundamentally enhanced margin profile due to a highly efficient operating expense structure.

We continued to prioritize our liquidity and continued debt reduction. In June 2023, the Group refinanced its senior credit facilities, which extended debt maturities by several years, reduced aggregate principal amount of debt outstanding by US\$65.0 million, and lowered the annual cash interest payments by approximately US\$5 million in the first full year following the refinancing. As a result, we reduced our net debt to US\$1.3 billion<sup>(8)</sup> as of June 30, 2023, from US\$1.4 billion<sup>(8)</sup> at the end of 2022. At the same time, we continued to maintain substantial liquidity of US\$1.3 billion<sup>(9)</sup> as of June 30, 2023, and are well positioned to invest in future growth.

In view of the ongoing recovery in net sales and significantly enhanced profitability, the Company intends to resume annual cash distributions in 2024, subject to its Dividend and Distribution Policy.

Our first half results are a remarkable accomplishment, and I would like to express my appreciation to Kyle, our CEO, and our team members and business partners around the globe for their hard work and dedication. I also thank my fellow Board members for their continued support and wise counsel.

As we look to the second half of 2023, the robust growth in travel this summer underscores its enduring appeal for consumers, and we look forward to the continued demand for travel globally to drive our growth. I remain confident in Samsonite's strong financial position, talented and dedicated teams, portfolio of amazing brands, extensive global distribution and sourcing infrastructure, together with our ongoing sustainability initiatives. We look forward to continuing to deliver outstanding products to consumers and successfully capturing the opportunities with renewed travel growth, while investing for long-term growth and shareholder value creation.



**Timothy Charles Parker**  
Chairman

August 16, 2023

#### 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 corresponding 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, and the Group subsequently completed the disposition of its Russian operations on July 1, 2022. As such, when comparing the Group's net sales for the six months ended June 30, 2023, with its net sales for the corresponding periods in 2022 and 2019, net sales of the Group's former Russian operations for January through June 2022 and January through June 2019 are excluded.
- (3) On July 30, 2021, a wholly-owned subsidiary of the Company sold Speculative Product Design, LLC ("Speck"), including the *Speck* brand. As such, comparing the Group's net sales for the six months ended June 30, 2023, with its net sales for the corresponding period in 2019, net sales by Speck for January through June 2019 are excluded.
- (4) Adjusted earnings before interest, taxes, depreciation and amortization of intangible assets ("Adjusted EBITDA"), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. The Group believes these measures provide additional information that is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business.
- (5) Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.
- (6) Adjusted Net Income, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact the Group's reported profit attributable to the equity holders for the period, which the Group believes helps to give securities analysts, investors and other interested parties a more complete understanding of the Group's underlying financial performance.
- (7) For the six months ended June 30, 2019, the Group reported net sales, Adjusted EBITDA and Adjusted Net Income of US\$1,755.7 million, US\$213.5 million and US\$97.0 million, respectively.
- (8) As of June 30, 2023, the Group had cash and cash equivalents of US\$599.0 million and outstanding financial debt of US\$1,935.6 million (excluding deferred financing costs of US\$18.7 million), resulting in a net debt position of US\$1,336.7 million. In comparison, as of December 31, 2022, the Group had cash and cash equivalents of US\$635.9 million and outstanding financial debt of US\$2,019.6 million (excluding deferred financing costs of US\$7.8 million), resulting in a net debt position of US\$1,383.7 million.
- (9) As of June 30, 2023, the Group had total liquidity of US\$1,344.3 million, comprising cash and cash equivalents of US\$599.0 million and US\$745.4 million available to be borrowed on the Group's revolving credit facility.

# Chief Executive Officer's Statement

We are thrilled with Samsonite's performance in the first half of 2023. The lifting of COVID-related restrictions in China at the beginning of the year led to a rapid rebound in domestic travel there, while travel recovery in the rest of Asia remained strong. We also saw an acceleration in the recovery in international travel globally as long-haul flight capacity continued to grow. This positive backdrop, supported by our increased advertising investment, drove an increase in demand for our products across all regions and channels, with particular strength in the *Samsonite* and *Tumi* brands and the direct-to-consumer channel, enabling the Group to sustain its strong momentum throughout the first half of 2023 and achieve an outstanding set of results.

For the three months ended June 30, 2023, the Group registered consolidated net sales of US\$924.1 million, an increase of 36.1%<sup>(1), (2)</sup> compared to the second quarter of 2022. Our gross profit margin expanded to 59.4% in the second quarter of 2023, an increase of 290 basis points year-on-year, driven by increased net sales mix from Asia and the *Tumi* brand, and overall lower promotional activity. We increased our investment in marketing as planned, with marketing expenses rising to 6.9% of net sales in the second quarter of 2023 compared to 4.8% of net sales in the corresponding period in 2022. The team remained disciplined in managing fixed selling, general and administrative ("SG&A") expenses, enabling Samsonite to achieve a 45.4% increase in Adjusted EBITDA<sup>(3)</sup> to US\$177.9 million and a 170 basis point expansion in Adjusted EBITDA margin<sup>(4)</sup> to 19.3% during the second quarter of 2023, even as marketing spend as a percentage of net sales increased by 210 basis points compared to the corresponding period in 2022. Driven by the increase in Adjusted EBITDA<sup>(3)</sup>, Samsonite recorded Adjusted Net Income<sup>(5)</sup> of US\$89.6 million during the three months ended June 30, 2023, a 49.1% increase from the US\$60.0 million recorded in the second quarter of 2022.

Compared to the corresponding period in 2019, Samsonite's net sales for the second quarter of 2023 increased by 14.6%<sup>(1), (2), (6)</sup>; gross profit margin increased by 400 basis points; Adjusted EBITDA<sup>(3)</sup> and Adjusted EBITDA margin<sup>(4)</sup> by 38.1% and 540 basis points, respectively; and Adjusted Net Income<sup>(5)</sup> by 28.5%; despite marketing spend as a percentage of sales rising by 110 basis points. This remarkable outcome underscores the positive impact of the fixed SG&A cost savings from our restructuring actions, and our ongoing discipline in controlling expenses as net sales continued to recover.

Overall, for the six months ended June 30, 2023, the Group achieved consolidated net sales of US\$1,776.2 million, an increase of 45.7%<sup>(1), (2)</sup> year-on-year, as international travel continued to recover globally, particularly in Asia, and supported by substantial investments in marketing behind our industry-leading brands and product assortments, as well as the strength of our direct-to-consumer business. All of our regions registered strong year-on-year net sales gains, particularly Asia. In the first half of 2023, net sales in Asia increased by 86.7%<sup>(1)</sup>, with net sales in China rebounding by 99.6%<sup>(1)</sup> following the lifting of COVID-related restrictions at the beginning of the year, and net sales in the rest of Asia rising by 83.7%<sup>(1)</sup> compared to the corresponding period in 2022. This drove the share of total net sales of Asia, our most profitable region, to increase to 39.1% in the first half of 2023 versus 31.0% in the first half of 2022. Net sales in North America, Europe and Latin America advanced by 25.3%<sup>(1)</sup>, 30.3%<sup>(1), (2)</sup> and 26.5%<sup>(1)</sup>, year-on-year, respectively.

Samsonite's net sales recovery noticeably accelerated during the six months ended June 30, 2023, with net sales increasing by 16.2%<sup>(1), (2), (6)</sup> versus the first half of 2019. In comparison, the Group's net sales for the six months ended December 31, 2022, were 0.8%<sup>(1), (2), (6)</sup> below the corresponding period in 2019. Our comparable constant currency<sup>(1), (2), (6)</sup> net sales surpassed pre-COVID levels across all regions during the first half of 2023, rising in Asia by 18.0%<sup>(1)</sup>, in North America by 1.3%<sup>(1), (6)</sup> (and by 7.1%<sup>(1), (6)</sup> when adjusting for the discontinuation of third-party brand sales on the ebags e-commerce platform in 2020), in Europe by 26.6%<sup>(1), (2)</sup> and in Latin America by 69.0%<sup>(1)</sup>, when compared to the first half of 2019. During the first half of 2023, net sales in China were slightly lower by 0.1%<sup>(1)</sup> and increased by 23.2%<sup>(1)</sup> in the rest of Asia when compared to the first half of 2019. This was a substantial improvement versus the second half of 2022, when net sales were down by 44.2%<sup>(1)</sup> in China and by 4.5%<sup>(1)</sup> in the rest of Asia compared to the second half of 2019. Our strong net sales performance underscores not only consumers' enduring enthusiasm for travel, but also the potential upside for the business as travel continues to recover in China.

All of our core brands made strong gains during the six months ended June 30, 2023. Net sales of *Samsonite* grew by 47.1%<sup>(1)</sup> during the first half of 2023 versus the corresponding period in 2022. Net sales of the *Tumi* brand increased by 51.7%<sup>(1)</sup> year-on-year, causing its share of total net sales to increase to 23.7% in the first half of 2023 from 22.3% in the first half of 2022. Net sales of *American Tourister* grew by 42.5%<sup>(1)</sup> during the first half of 2023 versus the corresponding period in 2022. Compared to the first half of 2019, net sales of the *Samsonite*, *Tumi* and *American Tourister* brands increased by 22.8%<sup>(1)</sup>, 21.7%<sup>(1)</sup> and 10.5%<sup>(1)</sup> in the first half of 2023, respectively.

The Group's gross profit increased by US\$336.2 million, or 47.5%, to US\$1,043.6 million for the six months ended June 30, 2023, from US\$707.4 million for the first half of 2022. Gross profit margin expanded by 310 basis points to 58.8% for the first half of 2023 from 55.7% for the corresponding period in 2022, with all regions reporting year-on-year gross profit margin gains and Asia, the region with the highest gross profit margin, increasing its share of total net sales. This



increase in gross profit margin was also driven by an increased proportion of total net sales attributable to the *Tumi* brand, changes in channel mix, and overall lower promotional activity.

We substantially increased marketing activities across all regions as planned, spending US\$114.2 million on marketing during the six months ended June 30, 2023, an increase of US\$56.5 million, or 97.8%, compared to US\$57.7 million for the first half of 2022. As a percentage of net sales, marketing expenses increased by 190 basis points to 6.4% for the six months ended June 30, 2023, from 4.5% for the six months ended June 30, 2022. We intend to continue with our investment in marketing to capitalize on the ongoing recovery in leisure and business travel and drive further net sales growth. We are targeting to increase marketing spend to about 6.5% of net sales in 2023 from the 5.4% spent in 2022, and to deploy additional dollars in digital channels to support the *Tumi* and *Samsonite* brands, as well as accelerate growth of the Group's e-commerce business.

For the six months ended June 30, 2023, net sales rose by US\$506.1 million year-on-year to US\$1,776.2 million, but fixed SG&A expenses only increased by US\$75.3 million to US\$408.2 million due to our ongoing focus on controlling expenses. As a result, fixed SG&A expenses amounted to 23.0% of net sales in the first half of 2023, 320 basis points lower than the 26.2% in the first half of 2022. Together with the 310 basis point year-on-year increase in our gross profit margin, Samsonite's Adjusted EBITDA margin<sup>(4)</sup> expanded by 340 basis points to 18.8% in the first half of 2023 from 15.4% in the first half of 2022, despite marketing spend as a percentage of net sales increasing by 190 basis points year-on-year. As a result, for the six months ended June 30, 2023, Samsonite's Adjusted EBITDA<sup>(3)</sup> increased by US\$138.7 million to US\$334.3 million compared to US\$195.6 million for the first half of 2022, Adjusted Net Income<sup>(5)</sup> was US\$170.9 million for the first half of 2023, more than double the US\$83.3 million for the first half of 2022.

Compared to the first half of 2019, Samsonite's gross profit margin increased by 280 basis points, marketing expenses as a percentage of sales increased by 50 basis points, and fixed SG&A expenses as a percentage of net sales decreased by 520 basis points, resulting in our Adjusted EBITDA margin<sup>(4)</sup> increasing by 660 basis points for the first half of 2023. This remarkable improvement from 2019 highlights the Group's strong positive operating leverage and fundamentally enhanced margin profile.

The Group continued to invest in working capital, particularly inventories, to support net sales growth. Inventories as of June 30, 2023, were US\$740.4 million, an increase of US\$52.8 million compared to US\$687.6 million at the end of 2022, and US\$271.6 million higher than June 30, 2022. Inventories are expected to gradually decrease with continued strong sales and tapering product purchases.

During the first half of 2023, the Group selectively opened 32 new retail stores in locations that offer attractive opportunities for our brands, particularly in Asia and for the *Tumi* brand in Europe. In comparison, the Group opened 19 new retail stores in the first half of 2022. As a result, spending on capital expenditures (including software purchases) increased by US\$9.9 million year-on-year to US\$25.7 million<sup>(7)</sup> during the first half of 2023 compared to the US\$15.7 million<sup>(7)</sup> spent in the first half of 2022. The Group intends to continue to increase spending on capital expenditures and software during the rest of 2023 to upgrade and expand its retail store fleet and to invest in core strategic functions to support continued sales growth.

Even as we strategically increased investment in the business, the team remained focused on cash management and debt reduction. In June 2023, we refinanced the Group's senior credit facilities, which allowed us to extend debt maturities by several years, reduce the aggregate principal amount of debt outstanding by US\$65.0 million, and lower the annual cash interest payments by approximately US\$5 million in the first full year following the refinancing. The deal was well received in the debt markets and underscores investors' confidence in the strength of our business and its bright long-term prospects.

Following the completion of the refinancing, the Group had net debt of US\$1.3 billion<sup>(8)</sup> as of June 30, 2023, compared to US\$1.4 billion<sup>(8)</sup> at the end of 2022 and US\$1.3 billion<sup>(8)</sup> as of December 31, 2019. The reduction in net debt, together with the strong recovery in Adjusted EBITDA<sup>(3)</sup>, enabled the Group to significantly lower its net leverage ratio<sup>(9)</sup> to 2.15:1 as of June 30, 2023, compared to 2.85:1 as of December 31, 2022 and lower than the 2.63:1 as of December 31, 2019 before the pandemic.

The team is incredibly energized by Samsonite's strong performance during the first half, and we are excited about our growth prospects for the rest of 2023. This year's summer travel season in the Northern Hemisphere is expected to be strong due to robust pent-up demand in North America and Europe, the recent reopening of China and other major Asian markets, and the continued recovery in international flight capacity. In particular, the recovery in outbound travel from China is still in its early stages and is expected to accelerate in the coming months, driving further net sales growth in Asia, Europe and North America. Indeed, we've seen this positive momentum reflected in our net sales performance in July 2023.

In the second quarter of 2023, we welcomed Marina Dirks, our new VP, Global Head of Sustainability, and she will be taking the lead to help us take the next step on Our Responsible Journey. She is an experienced sustainability and ESG leader who most recently led the development of the first comprehensive, global sustainability strategy at Tiffany & Co. Starting in the third quarter of 2023, we will conduct a new sustainability materiality assessment that will include key stakeholders such as customers, investors, employees, suppliers, civil society, and others. The results of this assessment will inform our efforts to set new targets, define key performance indicators and identify key initiatives on product sustainability, climate, human rights, and other material topics. We will also further strengthen our systems and processes as we implement a new sustainability software system, and we will work towards achieving third-party limited assurance. Finally, we will continue to onboard and grow our internal ESG resources. These steps will position us well for the coming years and ensure continued progress towards the transformation of our sector to be more sustainable.

In closing, I would like to thank our Chairman, Tim Parker, and the Board for their ongoing counsel and support, and to commend our country, regional, brand and corporate teams, as well as our business partners, for their hard work and dedication. With substantial liquidity of US\$1.3 billion<sup>(10)</sup> as of June 30, 2023, we are confident that Samsonite has the financial capacity and flexibility to support its long-term growth. We intend to continue investing in product innovation and sustainability initiatives, additional enhancements to our global retail store network, and in marketing to capitalize on the ongoing travel recovery to drive net sales growth. We will also remain focused on managing discounting and promotional activity, as well as our non-marketing SG&A expenses, to drive positive operating leverage and grow net sales at a fundamentally higher margin profile. We are confident that our diverse geographic footprint, complementary brands, and commitment to sustainability and innovation will continue to help strengthen Samsonite's market position and drive sustainable and profitable long-term growth.



**Kyle Francis Gendreau**  
Chief Executive Officer

August 16, 2023

#### 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 corresponding 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, and the Group subsequently completed the disposition of its Russian operations on July 1, 2022. As such, when comparing the Group's net sales for the three months ended June 30, 2023, with its net sales for the corresponding periods in 2022 and 2019, net sales of the Group's former Russian operations for the second quarters of 2022 and 2019 are excluded. When comparing the Group's net sales for the six months ended June 30, 2023, with its net sales for the corresponding periods in 2022 and 2019, net sales of the Group's former Russian operations for January through June 2022 and January through June 2019 are excluded.
- (3) Adjusted earnings before interest, taxes, depreciation and amortization of intangible assets ("Adjusted EBITDA"), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. The Group believes these measures provide additional information that is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business.
- (4) Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.
- (5) Adjusted Net Income, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact the Group's reported profit attributable to the equity holders for the period, which the Group believes helps to give securities analysts, investors and other interested parties a better understanding of the Group's underlying financial performance.
- (6) On July 30, 2021, a wholly-owned subsidiary of the Company sold Speculative Product Design, LLC ("Speck"), including the *Speck* brand. As such, when comparing the Group's net sales for the three months ended June 30, 2023, with its net sales for the corresponding period in 2019, net sales by Speck for the second quarter of 2019 are excluded. When comparing the Group's net sales for the six months ended June 30, 2023, with its net sales for the corresponding period in 2019, net sales by Speck for January through June 2019 are excluded.
- (7) For the six months ended June 30, 2023, the Group spent US\$20.9 million and US\$4.8 million on capital expenditures and software purchases, respectively. In comparison, for the six months ended June 30, 2022, the Group spent US\$12.6 million and US\$3.1 million on capital expenditures and software purchases, respectively.
- (8) As of June 30, 2023, the Group had cash and cash equivalents of US\$599.0 million and outstanding financial debt of US\$1,935.6 million (excluding deferred financing costs of US\$18.7 million), resulting in a net debt position of US\$1,336.7 million. In comparison, as of December 31, 2022, the Group had cash and cash equivalents of US\$635.9 million and outstanding financial debt of US\$2,019.6 million (excluding deferred financing costs of US\$7.8 million), resulting in a net debt position of US\$1,383.7 million. As of December 31, 2019, the Group had cash and cash equivalents of US\$462.6 million and outstanding financial debt of US\$1,768.0 million (excluding deferred financing costs of US\$12.8 million), resulting in a net debt position of US\$1,305.3 million.
- (9) The total net leverage ratio is calculated by dividing total consolidated net debt minus the aggregate amount of unrestricted cash by the consolidated Adjusted EBITDA for the trailing four fiscal quarters on a pro forma basis as defined in the credit agreement.
- (10) As of June 30, 2023, the Group had total liquidity of US\$1,344.3 million, comprising cash and cash equivalents of US\$599.0 million and US\$745.4 million available to be borrowed on the Group's revolving credit facility.

# Independent Auditors' Review Report

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

## *Results of Review of Condensed Consolidated Interim Financial Information*

We have reviewed the accompanying condensed consolidated statement of financial position of Samsonite International S.A. and its subsidiaries (the Company) as of June 30, 2023, the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month periods ended June 30, 2023 and June 30, 2022, and the related notes (collectively referred to as the condensed consolidated interim financial information).

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying condensed consolidated interim financial information for it to be in accordance with IAS 34, *Interim Financial Reporting*, as 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 condensed consolidated interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of condensed 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 Condensed Consolidated Interim Financial Information*

Management is responsible for the preparation and fair presentation of the condensed consolidated interim financial information in accordance with IAS 34, *Interim Financial Reporting*, as 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 condensed consolidated interim financial information that is free from material misstatement, whether due to fraud or error.

KPMG LLP

Providence, Rhode Island  
August 16, 2023

## Condensed Consolidated Statements of Income (Unaudited)

<i>(Expressed in millions of US Dollars, except per share data)</i>	Note	Six months ended June 30,	
		2023	2022
Net sales	4	1,776.2	1,270.2
Cost of sales		(732.6)	(562.8)
Gross profit		1,043.6	707.4
Distribution expenses		(489.3)	(375.7)
Marketing expenses		(114.2)	(57.7)
General and administrative expenses		(127.1)	(104.8)
Impairment Charges	6 , 8 , 18(a)	—	(11.9)
Restructuring Reversals (Charges)	7	0.3	(1.4)
Other (expense) income	21	(1.2)	4.0
Operating profit		312.1	159.9
Finance income	20	5.5	2.6
Finance costs	20	(86.5)	(64.8)
Net finance costs	20	(81.0)	(62.2)
Profit before income tax		231.1	97.7
Income tax expense	19(a)	(59.7)	(29.2)
Profit for the period		171.4	68.5
Profit attributable to the equity holders		152.5	56.3
Profit attributable to non-controlling interests		18.9	12.2
Profit for the period		171.4	68.5
Earnings per share:			
Basic earnings per share	13	0.106	0.039
Diluted earnings per share	13	0.105	0.039

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

## Condensed Consolidated Statements of Comprehensive Income (Unaudited)

<i>(Expressed in millions of US Dollars)</i>	Note	Six months ended June 30,	
		2023	2022
Profit for the period		171.4	68.5
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	(3.8)	22.6
Foreign currency translation gains for foreign operations	19 (b) , 20	(3.0)	6.2
Other comprehensive income (loss)		(6.8)	28.8
Total comprehensive income for the period		164.6	97.3
Total comprehensive income attributable to the equity holders		145.8	87.7
Total comprehensive income attributable to non-controlling interests		18.8	9.6
Total comprehensive income for the period		164.6	97.3

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

## Condensed Consolidated Statements of Financial Position

<i>(Expressed in millions of US Dollars)</i>	Note	(Unaudited)	
		June 30, 2023	December 31, 2022
<b>Non-current Assets</b>			
Property, plant and equipment	8	165.9	161.5
Lease right-of-use assets	18 (a)	379.9	314.1
Goodwill	9	824.6	824.2
Other intangible assets	9	1,454.3	1,458.8
Deferred tax assets		174.9	173.6
Derivative financial instruments	14 (a) , 22 (b)	26.0	30.5
Other assets and receivables		63.8	63.8
Total non-current assets		<u>3,089.4</u>	<u>3,026.5</u>
<b>Current Assets</b>			
Inventories	10	740.4	687.6
Trade and other receivables	11	314.4	290.9
Prepaid expenses and other assets		96.2	80.2
Cash and cash equivalents	12	599.0	635.9
Total current assets		<u>1,750.0</u>	<u>1,694.6</u>
Total assets		<u>4,839.4</u>	<u>4,721.1</u>
<b>Equity and Liabilities</b>			
Equity:			
Share capital		14.4	14.4
Reserves		1,173.0	1,017.4
Total equity attributable to the equity holders		<u>1,187.4</u>	<u>1,031.8</u>
Non-controlling interests		59.9	47.8
Total equity		<u>1,247.3</u>	<u>1,079.6</u>
<b>Non-current Liabilities</b>			
Loans and borrowings	14 (a)	1,837.2	1,893.3
Lease liabilities	18 (b)	308.7	256.7
Employee benefits	15	25.2	26.6
Non-controlling interest put options	22 (b)	99.8	85.0
Deferred tax liabilities		171.7	161.7
Other liabilities		5.1	5.0
Total non-current liabilities		<u>2,447.7</u>	<u>2,428.3</u>
<b>Current Liabilities</b>			
Loans and borrowings	14 (b)	53.7	67.0
Current portion of long-term loans and borrowings	14 (b)	26.0	51.6
Current portion of lease liabilities	18 (b)	127.9	118.9
Employee benefits	15	101.7	120.1
Trade and other payables	16	749.5	778.5
Current tax liabilities		85.6	77.1
Total current liabilities		<u>1,144.4</u>	<u>1,213.2</u>
Total liabilities		<u>3,592.1</u>	<u>3,641.5</u>
Total equity and liabilities		<u>4,839.4</u>	<u>4,721.1</u>
Net current assets		<u>605.6</u>	<u>481.4</u>
Total assets less current liabilities		<u>3,695.0</u>	<u>3,507.9</u>

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

## Condensed Consolidated Statements of Changes in Equity (Unaudited)

(Expressed in millions of US Dollars, except number of shares)	Note	Reserves					Retained earnings / (accumulated deficit)	Total equity attributable to the equity holders	Non-controlling interests	Total equity
		Number of shares	Share capital	Additional paid-in capital	Translation reserve	Other reserves				
<b>Six months ended June 30, 2023</b>										
Balance, January 1, 2023		<b>1,438,900,432</b>	<b>14.4</b>	<b>1,071.4</b>	<b>(59.2)</b>	<b>115.0</b>	<b>(109.8)</b>	<b>1,031.8</b>	<b>47.8</b>	<b>1,079.6</b>
Profit for the period		—	—	—	—	—	<b>152.5</b>	<b>152.5</b>	<b>18.9</b>	<b>171.4</b>
Other comprehensive income (loss):										
Changes in fair value of hedges, net of tax	14 (a) , 19 (b)	—	—	—	—	<b>(3.9)</b>	—	<b>(3.9)</b>	<b>0.1</b>	<b>(3.8)</b>
Foreign currency translation losses for foreign operations	19 (b) , 20	—	—	—	<b>(2.8)</b>	—	—	<b>(2.8)</b>	<b>(0.2)</b>	<b>(3.0)</b>
Total comprehensive income (loss) for the period		—	—	—	<b>(2.8)</b>	<b>(3.9)</b>	<b>152.5</b>	<b>145.8</b>	<b>18.8</b>	<b>164.6</b>
Transactions with owners recorded directly in equity:										
Change in fair value of put options included in equity	22 (b)	—	—	—	—	—	<b>(6.6)</b>	<b>(6.6)</b>	—	<b>(6.6)</b>
Share-based compensation expense	15	—	—	—	—	<b>6.9</b>	—	<b>6.9</b>	—	<b>6.9</b>
Exercise of share options	15 (b)	<b>4,404,230</b>	<b>0.0</b>	<b>12.9</b>	—	<b>(3.4)</b>	—	<b>9.5</b>	—	<b>9.5</b>
Dividends paid to non-controlling interests	13 (c)	—	—	—	—	—	—	—	<b>(6.7)</b>	<b>(6.7)</b>
Balance, June 30, 2023		<b>1,443,304,662</b>	<b>14.4</b>	<b>1,084.3</b>	<b>(62.0)</b>	<b>114.6</b>	<b>36.1</b>	<b>1,187.4</b>	<b>59.9</b>	<b>1,247.3</b>

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

## Condensed Consolidated Statements of Changes in Equity (Unaudited) (continued)

(Expressed in millions of US Dollars, except number of shares)	Note	Reserves						Total equity attributable to the equity holders	Non-controlling interests	Total equity
		Number of shares	Share capital	Additional paid-in capital	Translation reserve	Other reserves	Retained earnings / (accumulated deficit)			
<b>Six months ended June 30, 2022</b>										
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.



## Condensed Consolidated Statements of Cash Flows (Unaudited)

<i>(Expressed in millions of US Dollars)</i>	Note	Six months ended June 30,	
		2023	2022
<b>Cash flows from operating activities:</b>			
Profit for the period		171.4	68.5
Adjustments to reconcile profit for the period to net cash generated from operating activities:			
Depreciation	8	18.1	18.1
Amortization of intangible assets	9	9.3	11.7
Amortization of lease right-of-use assets	18 (a)	64.5	59.4
Impairment Charges	6 , 8 , 18 (a)	—	11.9
Change in fair value of put options included in finance costs	20 , 22 (b)	8.2	6.1
Non-cash share-based compensation	15 (a)	6.9	6.2
Interest expense on borrowings and lease liabilities	14 , 20	66.5	54.4
Non-cash charge to derecognize deferred financing costs	14 , 20	4.4	—
Income tax expense	19 (a)	59.7	29.2
		<b>409.0</b>	<b>265.5</b>
Changes in operating assets and liabilities:			
Trade and other receivables		(25.6)	(54.9)
Inventories		(52.3)	(135.4)
Other current assets		0.8	(10.8)
Trade and other payables		(51.9)	77.8
Other assets and liabilities		(4.3)	(9.2)
Cash generated from operating activities		<b>275.7</b>	<b>133.0</b>
Interest paid on borrowings and lease liabilities		(62.4)	(50.9)
Income tax paid		(56.7)	(19.7)
Net cash generated from operating activities		<b>156.6</b>	<b>62.4</b>
<b>Cash flows from investing activities:</b>			
Purchases of property, plant and equipment	8	(20.9)	(12.6)
Other intangible asset additions		(4.8)	(3.1)
Net cash used in investing activities		<b>(25.7)</b>	<b>(15.7)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of New Senior Credit Facilities	14 (a)	1,500.0	—
Settlement of Prior Senior Credit Facilities	14 (a)	(1,565.1)	—
Payments on Prior Senior Credit Facilities prior to settlement	14 (a)	(12.9)	(220.8)
(Payments on) proceeds from other loans and borrowings	14 (a)	(11.2)	6.5
Principal payments on lease liabilities	18 (d)	(67.5)	(70.0)
Payment of deferred financing costs	14 (a)	(17.1)	—
Proceeds from the exercise of share options	15	9.5	0.0
Dividend payments to non-controlling interests	13 (c)	(6.7)	(3.3)
Net cash used in financing activities		<b>(171.0)</b>	<b>(287.6)</b>
Net decrease in cash and cash equivalents		<b>(40.1)</b>	<b>(240.9)</b>
Cash and cash equivalents, at beginning of period		<b>635.9</b>	1,324.8
Effect of exchange rate changes		3.2	(19.3)
Cash and cash equivalents, at end of period	12	<b>599.0</b>	<b>1,064.6</b>

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

# Notes to the Unaudited Condensed 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*<sup>®</sup>, *Tumi*<sup>®</sup>, *American Tourister*<sup>®</sup>, *Gregory*<sup>®</sup>, *High Sierra*<sup>®</sup>, *Kamiliant*<sup>®</sup>, *ebags*<sup>®</sup>, *Lipault*<sup>®</sup> and *Hartmann*<sup>®</sup> 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 completed the disposition of its Russian operations on July 1, 2022.

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 condensed consolidated interim financial information was authorized for issuance by the Company’s Board of Directors (the “Board”) on August 16, 2023, 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 condensed 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” or “consolidated interim financial information”). 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, 2022, 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, 2022.

Certain amounts presented in this document have been rounded up or down to the nearest tenth of a 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 interim 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, 2022. 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, 2023.

#### **(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, 2023, the following standards became effective for the current reporting period.

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. This amendment did not have a material impact on the consolidated interim 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 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. This amendment did not have a material impact on the consolidated interim 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. This amendment did not have a material impact on the consolidated interim financial statements of the Group.

In May 2023, the IASB issued *International Tax Reform - Pillar Two Model Rules* ("Tax Reform Amendments to IAS 12"). The Tax Reform Amendments to IAS 12 clarify how companies account for the recognition of deferred tax in relation to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for

Economic Co-operation and Development (the "OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules. Such tax law, and the income taxes arising from it, are hereafter referred to as Pillar Two income taxes. As an exception to the requirements of the Tax Reform Amendments to IAS 12, an entity shall neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The Tax Reform Amendments to IAS 12 added paragraphs 4A and 88A - 88D to IAS 12. An entity shall apply paragraphs 4A and 88A immediately upon the issuance of these amendments and retrospectively in accordance with IAS 8 and apply paragraphs 88B - 88D for annual reporting periods beginning on or after January 1, 2023. An entity is not required to disclose the information required by these paragraphs for any interim period ending on or before December 31, 2023. The Company has applied the exception to the requirements of the Tax Reform Amendments to IAS 12, noted above, as of June 30, 2023.

#### **(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, 2023, 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.

This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. The IASB confirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within twelve months after the reporting date.

The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The Group is in the process of assessing the impact these amendments to IAS 1 will have on its consolidated financial statements.

In September 2022 the IASB issued *Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)* ("Amendments to IFRS 16") relating to sale and leaseback transactions. Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. IFRS 16 includes requirements regarding the accounting treatment of a sale and leaseback at the date the transaction takes place. However, IFRS 16 did not specify the way the transaction is measured after that date. The Amendments to IFRS 16 are intended to improve the requirements for sale and leaseback transactions in IFRS 16, thus supporting the consistent application of the accounting standard. The Amendments to IFRS 16 will not change the accounting treatment for leases other than those arising from a sale and leaseback transaction. The Amendments to IFRS 16 apply retrospectively for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The Group does not anticipate that the Amendments to IFRS 16 will have any impact on its consolidated financial statements.

## **4. Segment Reporting**

The reportable segments for the six months ended June 30, 2023, are consistent with the reportable segments included within the annual consolidated financial statements as of and for the year ended December 31, 2022.

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, 2023, and June 30, 2022, is as follows:

Six months ended June 30, 2023						
<i>(Expressed in millions of US Dollars)</i>	Asia	North America	Europe	Latin America	Corporate <sup>(3)</sup>	Consolidated
External revenues	693.9	611.3	365.7	104.6	0.7	1,776.2
Operating profit (loss)	166.6	118.5	54.1	13.4	(40.5)	312.1
Depreciation and amortization <sup>(1)</sup>	28.0	34.3	21.0	7.0	1.4	91.8
Capital expenditures	6.3	5.0	7.9	1.7	0.1	20.9
Restructuring Reversals	(0.1)	—	(0.2)	—	—	(0.3)
Finance income	1.6	0.4	0.5	0.6	2.3	5.5
Finance costs <sup>(2)</sup>	(5.8)	(6.3)	(5.9)	(3.2)	(65.2)	(86.5)
Income tax (expense) benefit	(26.8)	(20.9)	(14.1)	(0.1)	2.1	(59.7)
Total assets	1,363.1	1,489.8	742.0	160.1	1,084.5	4,839.4
Total liabilities	651.9	931.4	426.2	89.7	1,493.0	3,592.1

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

Notes

- (1) Depreciation and amortization expense for the six months ended June 30, 2023, and June 30, 2022, 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, 2023, and June 30, 2022, included interest expense on financial liabilities, which included the amortization and derecognition 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.
- (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, 2023, and June 30, 2022:

<i>(Expressed in millions of US Dollars)</i>	<b>Six months ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
Net sales by brand:		
<i>Samsonite</i>	<b>880.3</b>	620.0
<i>Tumi</i>	<b>421.1</b>	283.5
<i>American Tourister</i>	<b>320.8</b>	234.5
Other <sup>(1)</sup>	<b>154.1</b>	132.2
Net sales	<b>1,776.2</b>	1,270.2

Note

(1) "Other" includes certain other brands owned by the Group, such as *Gregory, 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, 2023, and June 30, 2022:

<i>(Expressed in millions of US Dollars)</i>	<b>Six months ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
Net sales by product category:		
Travel	<b>1,173.9</b>	814.3
Non-travel <sup>(1)</sup>	<b>602.4</b>	455.8
Net sales	<b>1,776.2</b>	1,270.2

Note

(1) The non-travel product 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, 2023, and June 30, 2022:

<i>(Expressed in millions of US Dollars)</i>	<b>Six months ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
Net sales by distribution channel:		
Wholesale	<b>1,106.5</b>	812.3
Direct-to-consumer ("DTC") <sup>(1)</sup>	<b>669.0</b>	456.9
Other <sup>(2)</sup>	<b>0.8</b>	0.9
Net sales	<b>1,776.2</b>	1,270.2

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.

During the six months ended June 30, 2023, the Group determined there were no triggering events that indicated that its indefinite-lived intangible assets or other assets with finite lives were impaired or required review for potential reversal of previous impairments. There were no impairment charges or reversals for the six months ended June 30, 2023.

### 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 completed the disposition of its Russian operations 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 non-cash impairment charge, US\$4.0 million related to lease right-of use assets and US\$0.1 million related to 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.

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

<i>(Expressed in millions of US Dollars)</i>		<b>Six Months Ended June 30,</b>	
Impairment charges recognized on:	Line item in condensed consolidated statements of income where impairment charges recorded:	<b>2023</b>	2022
Lease right-of-use assets	Impairment Charges	—	4.0
Property, plant and equipment	Impairment Charges	—	0.1
Other <sup>(1)</sup>	Impairment Charges	—	7.8
<b>Total impairment charges</b>		<b>—</b>	<b>11.9</b>

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 condensed consolidated statements of income using the function of expense presentation method for the affected assets.

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

## 7. Restructuring (Reversals) Charges

The following table sets forth a breakdown of restructuring reversals for the six months ended June 30, 2023 (the "1H 2023 Restructuring Reversals") and restructuring charges for the six months ended June 30, 2022 (the "1H 2022 Restructuring Charges").

<i>(Expressed in millions of US Dollars)</i>		<b>Six Months Ended June 30,</b>	
Functional Area		<b>2023</b>	2022
		<b>1H 2023</b>	1H 2022
		<b>Restructuring Reversals</b>	Restructuring Charges
Restructuring (reversals) charges attributable to distribution function		<b>(0.3)</b>	0.9
Restructuring charges attributable to general and administrative function		—	0.5
<b>Total restructuring (reversals) charges</b>		<b>(0.3)</b>	<b>1.4</b>

During the six months ended June 30, 2023, the Group determined that a portion of its restructuring accrual was no longer needed and US\$0.3 million was reversed.

In conjunction with the suspension of operations in Russia, the Group recognized 1H 2022 Restructuring Charges of US\$1.4 million during the six months ended June 30, 2022.

## Restructuring Accrual Activity

The following table presents the activity associated with the restructuring accrual at June 30, 2023, and June 30, 2022:

<i>(Expressed in millions of US Dollars)</i>	Six Months Ended June 30,	
	2023	2022
Balance at January 1	7.2	16.0
Restructuring expense recognized during the period	—	1.4
Amounts paid during the period	(0.6)	(6.5)
Restructuring expense reversed during the period	(0.3)	—
Foreign exchange/other changes during the period	0.0	(0.6)
Balance at June 30	6.4	10.4

## 8. Property, Plant and Equipment

For the six months ended June 30, 2023, and June 30, 2022, the cost of additions to property, plant and equipment was US\$20.9 million and US\$12.6 million, respectively. Depreciation expense for the six months ended June 30, 2023, and June 30, 2022, amounted to US\$18.1 million and US\$18.1 million, respectively. Of these amounts, US\$3.5 million and US\$3.3 million was included in cost of sales during the six months ended June 30, 2023, and June 30, 2022, 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.

During the six months ended June 30, 2023, the Group determined there were no triggering events that indicated that its property, plant and equipment, including leasehold improvements, were impaired.

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.

Expenses related to property, plant and equipment, including leasehold improvements related to stores, have historically been classified as distribution expenses on the condensed consolidated statements of income 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 condensed consolidated statements of income in the line item "Impairment Charges" (see also note 6 Impairment Charges and note 18 Leases, for further discussion).

## Capital Commitments

Capital commitments outstanding as of June 30, 2023, and December 31, 2022, were US\$17.0 million and US\$13.6 million, respectively, which were not recognized as liabilities in the condensed 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, 2023, and June 30, 2022, amounted to US\$9.3 million and US\$11.7 million, respectively, which was included within distribution expenses on the condensed consolidated statements of income.

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, 2023, and June 30, 2022, the Group determined there were no triggering events that indicated that its goodwill and other intangible assets were impaired.



## 10. Inventories

Inventories consisted of the following:

<i>(Expressed in millions of US Dollars)</i>	<b>June 30, 2023</b>	December 31, 2022
Raw materials	<b>28.8</b>	25.8
Work in process	<b>5.1</b>	2.7
Finished goods	<b>706.5</b>	659.1
Total inventories	<b>740.4</b>	687.6

The amounts above as of June 30, 2023, and December 31, 2022, 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\$75.9 million and US\$70.9 million, respectively. During the six months ended June 30, 2023, and June 30, 2022, the write-down of inventories to net realizable value amounted to US\$25.3 million and US\$17.7 million, respectively. During the six months ended June 30, 2023, and June 30, 2022, the reversal of previously recognized write-downs amounted to US\$8.8 million and US\$12.4 million, respectively.

## 11. Trade and Other Receivables

Trade and other receivables are presented net of related allowances for credit losses of US\$24.5 million and US\$25.9 million as of June 30, 2023, and December 31, 2022, respectively.

### (a) Aging Analysis

Included in trade and other receivables are trade receivables (net of allowance for credit losses) of US\$304.1 million and US\$281.7 million as of June 30, 2023, and December 31, 2022, respectively, with the following aging analysis by due date of the respective invoice:

<i>(Expressed in millions of US Dollars)</i>	<b>June 30, 2023</b>	December 31, 2022
Current	<b>257.1</b>	231.2
0 - 30 days past due	<b>37.4</b>	42.8
Greater than 30 days past due	<b>9.7</b>	7.7
Total trade receivables, net of allowance	<b>304.1</b>	281.7

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:

<i>(Expressed in millions of US Dollars)</i>	<b>June 30, 2023</b>	December 31, 2022
As of January 1	<b>25.9</b>	31.8
Impairment loss recognized	<b>2.4</b>	2.5
Impairment loss written back or off	<b>(3.8)</b>	(8.4)
As of end of period <sup>(1)</sup>	<b>24.5</b>	25.9

#### Note

(1) The movements in the allowance for credit losses as of June 30, 2023, and December 31, 2022, were for the period January 1, 2023, through June 30, 2023, and January 1, 2022, through December 31, 2022, respectively.

## 12. Cash and Cash Equivalents

<i>(Expressed in millions of US Dollars)</i>	<b>June 30, 2023</b>	December 31, 2022
Bank balances	<b>574.2</b>	612.6
Overnight sweep accounts and deposits	<b>24.8</b>	23.3
Total cash and cash equivalents	<b>599.0</b>	635.9

Cash and cash equivalents are comprised of bank balances and deposits and 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, 2023, and December 31, 2022.

## 13. Earnings Per Share and Share Capital

### (a) Basic Earnings per Share

The calculation of basic earnings per share is based on the profit attributable to the equity holders of the Company for the six months ended June 30, 2023, and June 30, 2022.

<i>(Expressed in millions of US Dollars, except share and per share data)</i>	<b>Six months ended June 30,</b>	
	<b>2023</b>	2022
Issued ordinary shares at January 1	<b>1,438,900,432</b>	1,436,905,063
Weighted-average impact of share options exercised and restricted share units vested during the period	<b>4,076,135</b>	75,726
Weighted-average number of ordinary shares at June 30	<b>1,442,976,567</b>	1,436,980,789
Profit attributable to the equity holders	<b>152.5</b>	56.3
Basic earnings per share <i>(Expressed in US Dollars per share)</i>	<b>0.106</b>	0.039

### (b) Diluted Earnings per Share

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

<i>(Expressed in millions of US Dollars, except share and per share data)</i>	<b>Six months ended June 30,</b>	
	<b>2023</b>	2022
Weighted-average number of ordinary shares (basic) at the end of the period	<b>1,442,976,567</b>	1,436,980,789
Effect of dilutive potential ordinary shares related to share options and RSUs	<b>7,394,581</b>	1,758,745
Weighted-average number of shares for the period	<b>1,450,371,148</b>	1,438,739,534
Profit attributable to the equity holders	<b>152.5</b>	56.3
Diluted earnings per share <i>(Expressed in US Dollars per share)</i>	<b>0.105</b>	0.039

At June 30, 2023, and June 30, 2022, 66,437,918 and 91,911,857 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 2023 or 2022.

Dividend payments to non-controlling interests amounted to US\$6.7 million and US\$3.3 million during the six months ended June 30, 2023, and June 30, 2022, respectively.

### (d) Share Capital

During the six months ended June 30, 2023, the Company issued 4,404,230 ordinary shares at a weighted-average exercise price of HK\$16.90 per share in connection with the exercise of vested share options that were granted under the Company's 2012 Share Award Scheme (as defined in note 15(b) Share-based Payment Arrangements). There were no other movements in the share capital of the Company during the six months ended June 30, 2023.

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 2012 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 2012 Share Award Scheme. There were no other movements in the share capital of the Company during the six months ended June 30, 2022.

## 14. Loans and Borrowings

### (a) Non-current Obligations

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

<i>(Expressed in millions of US Dollars)</i>	<b>June 30, 2023</b>	December 31, 2022
New Term Loan A Facility	<b>800.0</b>	—
New Term Loan B Facility	<b>600.0</b>	—
New Revolving Credit Facility	<b>100.0</b>	—
New Senior Credit Facilities	<b>1,500.0</b>	—
Prior Term Loan A Facility	—	580.0
Prior Term Loan B Facility	—	534.9
2021 Incremental Term Loan B Facility	—	463.1
Prior Senior Credit Facilities	—	1,578.0
Total Senior Credit Facilities	<b>1,500.0</b>	1,578.0
Senior Notes <sup>(1)</sup>	<b>381.9</b>	374.6
Other borrowings and obligations	<b>53.7</b>	67.0
Total loans and borrowings	<b>1,935.6</b>	2,019.6
Less deferred financing costs	<b>(18.7)</b>	(7.8)
Total loans and borrowings less deferred financing costs	<b>1,917.0</b>	2,011.8
Less current portion of long-term borrowings and obligations	<b>(79.7)</b>	(118.6)
Non-current loans and borrowings	<b>1,837.2</b>	1,893.3

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.

### Amended and Restated Senior Credit Facilities Agreement

On June 21, 2023 (the "Closing Date"), the Company and certain of its direct and indirect wholly owned subsidiaries entered into the Second Amended and Restated Credit Agreement (the "New Credit Agreement"). The New Credit Agreement amends and restates in its entirety the Amended and Restated Credit Agreement dated April 25, 2018 (as amended from time to time prior to the Closing Date (the "Prior Credit Agreement")), and provides for (1) a new US\$800.0 million senior secured term loan A facility (the "New Term Loan A Facility"), (2) a new US\$600.0 million senior secured term loan B facility (the "New Term Loan B Facility" and, together with the New Term Loan A Facility, the "New Term Loan Credit Facilities") and (3) a new US\$850.0 million revolving credit facility (the "New Revolving Credit Facility"). The credit facilities provided under the New Credit Agreement are referred to herein as the "New Senior Credit Facilities."

The Prior Credit Agreement provided for (1) a US\$800.0 million senior secured term loan A facility (the "Prior Term Loan A Facility"), (2) a US\$665.0 million senior secured term loan B facility (the "Prior Term Loan B Facility"), (3) a US\$495.5 million term loan B facility (the "2021 Incremental Term Loan B Facility" and, together with the Prior Term Loan A Facility and the Prior Term Loan B Facility, the "Prior Term Loan Credit Facilities") and (4) a US\$850.0 million revolving credit facility (the "Prior Revolving Credit Facility"). The credit facilities provided under the Prior Credit Agreement are referred to herein as the "Prior Senior Credit Facilities."

On the Closing Date, the Group borrowed US\$100.0 million under the New Revolving Credit Facility and used the proceeds of such borrowing, plus the proceeds from the New Term Loan A Facility and the New Term Loan B Facility, along with cash on hand, to repay the entire principal amount of its outstanding borrowings under the Prior Credit Agreement, plus transaction expenses (the transactions entered into on the Closing Date pursuant to and in connection with the New Credit Agreement are collectively referred to herein as the "Refinancing").

### **Interest Rate and Fees**

Interest on the borrowings under the New Term Loan A Facility, the New Revolving Credit Facility and the New Term Loan B Facility began to accrue on the Closing Date.

In respect of the New Term Loan A Facility and the New Revolving Credit Facility, the interest rate payable from the Closing Date until the delivery of the financial statements for the first full fiscal quarter commencing on or after the Closing Date is based on the Secured Overnight Financing Rate ("SOFR"), with a SOFR floor of 0%, plus a 10 basis-point credit spread adjustment, plus 1.375% per annum (or a base rate plus 0.375% per annum), and thereafter shall be 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.

In respect of the New Term Loan B Facility, the interest rate payable with effect from the Closing Date is based on SOFR, with a SOFR floor of 0.50%, plus 2.750% per annum (or a base rate plus 1.750% per annum).

In addition to paying interest on the outstanding principal amount of borrowings under the New Senior Credit Facilities, the borrowers pay customary agency fees and a commitment fee equal to 0.2% per annum in respect of the unutilized commitments under the New Revolving Facility from the Closing Date until the delivery of the financial statements for the first full fiscal quarter commencing on or after the Closing Date and thereafter shall be 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.

### **Amortization and Final Maturity**

The New Term Loan A Facility requires scheduled quarterly payments commencing on the last day of the first full fiscal quarter ended after the Closing Date, with an annual amortization of 2.5% of the original principal amount of the loans under the New 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, with the balance due and payable on the maturity date for the New Term Loan A Facility. There is no scheduled amortization of any principal amounts outstanding under the New Revolving Credit Facility. The balance then outstanding under the New Term Loan A Facility and the New Revolving Credit Facility will be due and payable on June 21, 2028.

If (i) on the date that is 91 days prior to the maturity date of the Senior Notes, more than €150.0 million in aggregate principal amount of the Senior Notes has not been repaid and/or refinanced with indebtedness having a maturity date at least 90 days later than the then-stated maturity date of the New Term Loan A Facility and the New Revolving Credit Facility and the total net leverage ratio of the Company and its restricted subsidiaries on such date is greater than 3.00:1.00 or (ii) on the date that is 90 days prior to the maturity date of the Senior Notes (as defined below), more than US\$150 million in aggregate principal amount of the loans outstanding under the New Term Loan B Facility have matured pursuant to the Term Loan B Maturity Springer (as defined below), then the maturity date with respect to the New Term Loan A Facility and the New Revolving Credit Facility will spring to a date that is 90 days prior to the maturity date of the Senior Notes.

The New Term Loan B Facility requires scheduled quarterly payments commencing on the last day of the first full fiscal quarter ended after the Closing Date, each equal to 0.25% of the original principal amount of the loans under the New Term Loan B Facility, with the balance due and payable on June 21, 2030.

If (i) on the date that is 91 days prior to the maturity date of Senior Notes, more than €150.0 million in aggregate principal amount of the Senior Notes has not been repaid and/or refinanced with indebtedness having a maturity date at least 90 days later than the then-stated maturity date of the New Term Loan B Facility and after giving effect to a refinancing of the Senior Notes, the Company and its restricted subsidiaries have liquidity of less than US\$350 million during the period from the 91st day prior to the maturity date applicable to the Senior Notes until the maturity date applicable to the Senior Notes, the maturity date with respect to the New Term Loan B Facility will spring to the date that is 90 days prior to the maturity date of the Senior Notes (such circumstances resulting in the such earlier maturity date being the "Term Loan B Maturity Springer").

### **Guarantees and Security**

The obligations of the borrowers under the New 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 New 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 New 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 New Credit Agreement requires the Company and its subsidiaries to meet certain quarterly financial covenants. For test periods commencing with the first full fiscal quarter ended after the Closing Date and thereafter, the Company and its subsidiaries are required to maintain (i) a pro forma total net leverage ratio of not greater than 4.50:1.00; provided that such maximum pro forma total net leverage ratio is subject to a step up of 0.50x from the otherwise applicable ratio 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 New Term Loan A Facility and the lenders under the New Revolving Credit Facility. 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).

### **Other Information**

The Group incurred US\$17.1 million of new deferred financing costs in conjunction with the Refinancing. Deferred financing costs incurred in conjunction with 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 Total Senior Credit Facilities and Senior Notes. Total deferred financing costs included within total loans and borrowings amounted to US\$18.7 million and US\$7.8 million as of June 30, 2023, and December 31, 2022, respectively.

The amortization of deferred financing costs, which is included in interest expense, amounted to US\$1.8 million and US\$2.6 million for the six months ended June 30, 2023, and June 30, 2022, respectively.

During the six months ended June 30, 2023, the Group recorded a non-cash charge in interest expense in the amount of US\$4.4 million related to unamortized deferred financing costs which were part of the net carrying value of the Prior Senior Credit Facilities which was settled.

### **Interest Rate Swaps**

The Group maintains interest rate swaps to hedge a portion of its interest rate exposure under the floating-rate New 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.

On June 21, 2023, the Group amended the interest rate swap agreements by replacing references to the London Interbank Offered Rate ("LIBOR") with references to SOFR. As a result, the Group's interest rate swaps have effectively fixed SOFR at approximately 1.1305% with respect to an amount equal to approximately 37% of the principal amount of the New Senior Credit Facilities as of June 30, 2023, which reduces a portion of the Company's exposure to interest rate increases. The interest rate swap agreements have fixed payments due monthly that commenced September 30, 2019. The interest rate swap transactions qualify as cash flow hedges. As of June 30, 2023, the interest rate swaps were marked-to-market, resulting in a net asset position to the Group in the amount of US\$26.0 million which was recorded as an asset with the effective portion of the gain deferred to other comprehensive income.

Prior to the amendments to the interest rate swap agreements on June 21, 2023, the Group's interest rate swaps had LIBOR fixed at approximately 1.208% with respect to an amount equal to approximately 35% of the principal amount of the Prior Senior Credit Facilities. As of December 31, 2022, the interest rate swaps were marked-to-market, resulting in a net asset position to the Group in the amount of US\$30.5 million which was recorded as an asset with the effective portion of the gain (loss) deferred to other comprehensive income.

### **€350.0 Million 3.500% Senior Notes Due 2026**

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

### **Maturity, Interest and Redemption**

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

The Issuer may redeem all, or from time to time a part, of the Senior Notes at a redemption price equal to 100.000% of the principal amount of the Senior Notes redeemed 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).

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

### **Guarantee and Security**

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

<i>(Expressed in millions of US Dollars)</i>	<b>June 30, 2023</b>	December 31, 2022
Current portion of long-term borrowings and obligations	<b>26.0</b>	51.6
Other loans and borrowings	<b>53.7</b>	67.0
Total current obligations	<b>79.7</b>	118.6

### **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\$53.7 million and US\$67.0 million as of June 30, 2023, and December 31, 2022, respectively.

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

	Liabilities		Equity			Total
	Loans and borrowings <sup>(2)</sup>	Lease liabilities	Share capital	Reserves	Non-controlling interests	
<i>(Expressed in millions of US Dollars)</i>						
<b>Balance at January 1, 2023</b>	<b>2,014.2</b>	<b>375.6</b>	<b>14.4</b>	<b>1,017.4</b>	<b>47.8</b>	<b>3,469.4</b>
<b>Changes from financing cash flows:</b>						
Proceeds from issuance of New Senior Credit Facilities	1,500.0	—	—	—	—	1,500.0
Settlement of Prior Senior Credit Facilities	(1,565.1)	—	—	—	—	(1,565.1)
Payments on Prior Senior Credit Facilities prior to settlement	(12.9)	—	—	—	—	(12.9)
Payments on other loans and borrowings	(11.2)	—	—	—	—	(11.2)
Principal payments on lease liabilities	—	(67.5)	—	—	—	(67.5)
Payment of deferred financing costs	(17.1)	—	—	—	—	(17.1)
Proceeds from the exercise of share options	—	—	0.0	9.5	—	9.5
Dividend payments to non-controlling interests	—	—	—	—	(6.7)	(6.7)
<b>Total changes from financing cash flows</b>	<b>(106.2)</b>	<b>(67.5)</b>	<b>0.0</b>	<b>9.5</b>	<b>(6.7)</b>	<b>(171.0)</b>
<b>The effect of changes in foreign exchange rates / other</b>	<b>5.0</b>	<b>128.6</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>133.6</b>
<b>Other changes:</b>						
<i>Liability-related</i>						
Interest expense on borrowings and lease liabilities	51.8	13.0	—	—	—	64.8
Interest paid on borrowings and lease liabilities	(49.4)	(13.0)	—	—	—	(62.4)
Amortization of deferred financing costs	1.8	—	—	—	—	1.8
Non-cash charge to derecognize deferred financing costs	4.4	—	—	—	—	4.4
<b>Total other changes</b>	<b>8.6</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>8.6</b>
<b>Other movements in equity<sup>(1)</sup></b>	<b>—</b>	<b>—</b>	<b>0.0</b>	<b>146.1</b>	<b>18.7</b>	<b>164.8</b>
<b>Balance at June 30, 2023</b>	<b>1,921.6</b>	<b>436.6</b>	<b>14.4</b>	<b>1,173.0</b>	<b>59.9</b>	<b>3,605.5</b>

Notes

(1) See condensed 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 condensed consolidated statements of financial position.

	Liabilities		Equity			Total
	Loans and borrowings <sup>(2)</sup>	Lease liabilities	Share capital	Reserves	Non-controlling interests	
<i>(Expressed in millions of US Dollars)</i>						
<b>Balance at January 1, 2022</b>	2,791.6	434.0	14.4	675.3	36.9	3,952.1
<b>Changes from financing cash flows:</b>						
Payments on Prior Senior Credit Facilities prior to settlement	(220.8)	—	—	—	—	(220.8)
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	—	0.0
Dividend payments to non-controlling interests	—	—	—	—	(3.3)	(3.3)
<b>Total changes from financing cash flows</b>	<b>(214.3)</b>	<b>(70.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>(3.3)</b>	<b>(287.6)</b>
<b>The effect of changes in foreign exchange rates / other</b>	<b>(46.0)</b>	<b>21.3</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(24.7)</b>
<b>Other changes:</b>						
<i>Liability-related</i>						
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
<b>Total other changes</b>	<b>3.6</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3.6</b>
<b>Other movements in equity<sup>(1)</sup></b>	<b>—</b>	<b>—</b>	<b>0.0</b>	<b>85.5</b>	<b>9.6</b>	<b>95.1</b>
<b>Balance at June 30, 2022</b>	<b>2,534.9</b>	<b>385.2</b>	<b>14.4</b>	<b>760.8</b>	<b>43.2</b>	<b>3,738.5</b>

Notes

(1) See condensed 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 condensed 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\$252.6 million and US\$206.9 million for the six months ended June 30, 2023, and June 30, 2022, respectively. Of these amounts, US\$17.3 million and US\$15.0 million were included in cost of sales during the six months ended June 30, 2023, and June 30, 2022, respectively. The remaining amounts were presented in distribution expenses and general and administrative expenses.

Share-based compensation cost of US\$6.9 million and US\$6.2 million was recognized in the condensed consolidated statements of income, with a corresponding increase in equity reserves, for the six months ended June 30, 2023, and June 30, 2022, respectively.

### (b) Share-based Payment Arrangements

On September 14, 2012, the Company's shareholders approved the 2012 Share Award Scheme (as amended from time to time), which was valid for a term of 10 years from October 26, 2012 (being the adoption date under the terms of the 2012 Share Award Scheme) until its expiration on October 26, 2022. No further awards may be granted under the 2012 Share Award Scheme, but all outstanding awards granted thereunder prior to its expiration remain outstanding in accordance with their terms.

On December 21, 2022, the Company's shareholders approved the 2022 Share Award Scheme, which is valid for a term of 10 years from January 5, 2023 (being the adoption date under the terms of the 2022 Share Award Scheme) until its expiration on January 5, 2033.

The purpose of both the 2012 Share Award Scheme and the 2022 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 both the 2012 Share Award Scheme and the 2022 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.

### **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 Company may, at its discretion, require a grantee to pay a remittance of HK\$1.00 (or such other amount in any other currency as the Remuneration Committee may determine) as consideration for the grant of an option at the time of acceptance of an option grant.

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.

Particulars and movements of share options during the six months ended June 30, 2023, and June 30, 2022, were as follows:

	Number of options	Weighted- average exercise price
Outstanding at January 1, 2023	96,726,144	HK\$21.30
Exercised during the period	(4,404,230)	HK\$16.90
Lapsed during the period	(131,545)	HK\$26.38
Outstanding at June 30, 2023	92,190,369	HK\$21.50
Exercisable at June 30, 2023	67,066,097	HK\$22.86

	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

At June 30, 2023, the range of exercise prices for outstanding share options was HK\$15.18 to HK\$31.10 with a weighted average contractual life of 5.5 years. 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.

### **Restricted Share Units ("RSUs")**

The Company may, from time to time, grant RSUs, including time-based restricted share units ("TRSUs") and performance-based restricted share units ("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. The Company has historically granted PRSUs with either (a) market-based performance conditions or (b) non-market-based performance conditions. Where the performance-based award incorporates a market-based performance 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-based performance conditions, or the passage of time for TRSUs. For awards with market-based performance conditions, the expense is recognized over the requisite service period with no adjustment to the expense recognized for actual achievement. For awards with non-market-based performance conditions, the expense is recognized over the requisite service period with an adjustment to the total expense recognized for actual shares vested. Actual distributed shares are calculated upon conclusion of the service and performance periods.

No amount is payable to the Company for the grant or acceptance of RSU awards.

RSU awards in the form of TRSUs and PRSUs were granted during the six months ended June 30, 2023, and is discussed further below. No RSUs were granted during the six months ended June 30, 2022.

### **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.

On June 8, 2023, the Company awarded TRSUs with respect to 2,628,576 shares to an executive director of the Company and certain key management personnel and other employees of the Group.

A summary of TRSU activity during the six months ended June 30, 2023, and June 30, 2022, was as follows:

	Number of TRSUs	Weighted- average fair value per TRSU
Outstanding at January 1, 2023	—	—
Granted during the period	2,628,576	HK\$20.89
Outstanding at June 30, 2023	2,628,576	HK\$20.89

	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

### **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 performance targets are met. Expense related to PRSUs with non-market-based performance conditions 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 any PRSUs granted with market-based performance 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.

On June 8, 2023, the Group granted PRSUs with respect to a target number of 2,628,576 shares to an executive director and certain members of the Company's senior management team assuming target level achievement of the performance conditions applicable to the PRSU grants. The performance targets cover the three-year period ending December 31, 2026 and are comprised of annual long-term incentive plan ("LTIP") Adjusted EBITDA growth rate targets for each year included in the three-year performance period. The actual number of shares that will vest under the PRSUs will vary depending on the level of achievement of the performance conditions applicable to the PRSU grants made to the relevant grantees, thereby ensuring that the actual payout is linked to the Company's performance. The maximum number of shares underlying the PRSUs granted is 5,257,152 shares. The PRSUs granted on June 8, 2023 will vest on June 8, 2026, subject to the level of achievement of the annual performance targets included in the three-year performance period and subject to the applicable grantee continuing to be employed by, or continuing to provide services to, the Group on the vesting date.

A summary of PRSU activity (at target level vesting) during the six months ended June 30, 2023, and June 30, 2022, was as follows:

	Number of PRSUs	Weighted- average fair value per PRSU
Outstanding at January 1, 2023	—	—
Granted during the period	<b>2,628,576</b>	<b>HK\$20.17</b>
Outstanding at June 30, 2023	<b>2,628,576</b>	<b>HK\$20.17</b>

	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	—	—

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 2022 Share Award Scheme. During the six months ended June 30, 2023, and June 30, 2022, there were no cancellations of share options, TRSUs or PRSUs.

## 16. Trade and Other Payables

<i>(Expressed in millions of US Dollars)</i>	<b>June 30, 2023</b>	December 31, 2022
Accounts payable	<b>537.5</b>	583.3
Accrued restructuring	<b>6.4</b>	7.2
Other payables and accruals	<b>190.4</b>	173.4
Other tax payables	<b>15.1</b>	14.5
<b>Total trade and other payables</b>	<b>749.5</b>	<b>778.5</b>

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

<i>(Expressed in millions of US Dollars)</i>	<b>June 30, 2023</b>	December 31, 2022
Current	<b>414.5</b>	456.7
0 - 30 days past due	<b>15.2</b>	18.3
Greater than 30 days past due	<b>4.4</b>	2.7
<b>Total trade payables</b>	<b>434.1</b>	<b>477.8</b>

## 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 condensed consolidated statements of income. 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, 2023, and June 30, 2022.

## 18. Leases

### (a) Lease Right-of-use Assets

The following table sets forth a breakdown of IFRS 16 lease right-of-use asset additions, amortization expenses and impairment charges for the six months ended June 30, 2023, and June 30, 2022, and the carrying amount of lease right-of-use assets by class of underlying asset as of June 30, 2023, and June 30, 2022.

<i>(Expressed in millions of US Dollars)</i>	<b>Real Estate</b>	<b>Other</b>	<b>Total</b>
<b>For the six months ended June 30, 2023:</b>			
Additions of lease right-of-use assets	<b>98.9</b>	<b>1.6</b>	<b>100.6</b>
Amortization expense of lease right-of-use assets	<b>63.0</b>	<b>1.5</b>	<b>64.5</b>
<b>Balance at June 30, 2023:</b>			
Carrying value of lease right-of-use assets	<b>374.1</b>	<b>5.8</b>	<b>379.9</b>

<i>(Expressed in millions of US Dollars)</i>	<b>Real Estate</b>	<b>Other</b>	<b>Total</b>
<b>For the six months ended June 30, 2022:</b>			
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
<b>Balance at June 30, 2022:</b>			
Carrying value of lease right-of-use assets	310.4	5.1	315.6

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.

During the six months ended June 30, 2023, the Group determined there were no impairments of its lease right of use assets.

### 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 completed the disposition of its Russian operations 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.

Expenses related to lease right-of-use assets have historically been classified as distribution expenses on the condensed consolidated statements of income using the function of expense presentation method. The impairment charges for the six months ended June 30, 2022, were recorded in the Group's condensed consolidated statements of income in the line item "Impairment Charges" (see also note 6 Impairment Charges and note 8 Property, Plant and Equipment, 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, 2023, and December 31, 2022, future minimum contractual payments under lease liabilities were as follows:

<i>(Expressed in millions of US Dollars)</i>	<b>June 30, 2023</b>	<b>December 31, 2022</b>
Within one year	<b>153.4</b>	134.8
After one year but within two years	<b>114.8</b>	97.7
After two years but within five years	<b>180.9</b>	142.5
More than five years	<b>63.4</b>	49.3
Total future minimum payments under lease liabilities <sup>(1)</sup>	<b>512.6</b>	424.3

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 condensed 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 condensed 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\$30.7 million for the six months ended June 30, 2023. For the six months ended June 30, 2022, the rental cost for short-term, low-value and current expense for variable lease payments amounted to US\$18.1 million, net of rent concessions of US\$1.9 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\$21.5 million and US\$13.0 million for the six months ended June 30, 2023, and June 30, 2022, respectively.

As of June 30, 2023, and December 31, 2022, future minimum contractual payments under short-term and low-value lease payments were as follows:

<i>(Expressed in millions of US Dollars)</i>	<b>June 30, 2023</b>	December 31, 2022
Within one year	<b>3.6</b>	3.1
Total future minimum payments under short-term and low-value leases	<b>3.6</b>	3.1

#### **(d) Total Cash Outflows for Leases**

The following table sets forth a breakdown of total cash outflows for the six months ended June 30, 2023, and June 30, 2022, related to IFRS 16 lease liabilities and those leases exempt from capitalization under IFRS 16.

<i>(Expressed in millions of US Dollars)</i>	<b>Six months ended June 30, 2023</b>		
	<b>Lease liabilities</b>	<b>Short-term, low-value and variable leases</b>	<b>Total cash outflow for leases</b>
Principal payments on lease liabilities	<b>67.5</b>	—	<b>67.5</b>
Interest paid on lease liabilities	<b>13.0</b>	—	<b>13.0</b>
Rent expense - short-term, variable and low value leases <sup>(1)</sup>	—	<b>30.7</b>	<b>30.7</b>
Contingent rent	—	<b>21.5</b>	<b>21.5</b>
Total cash outflow	<b>80.5</b>	<b>52.2</b>	<b>132.7</b>

<i>(Expressed in millions of US Dollars)</i>	<b>Six months ended June 30, 2022</b>		
	<b>Lease liabilities</b>	<b>Short-term, low-value and variable leases</b>	<b>Total cash outflow for leases</b>
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 <sup>(1)</sup>	—	18.1	18.1
Contingent rent	—	13.0	13.0
Total cash outflow	79.6	31.1	110.7

Note

(1) Reflects costs for leases that did not qualify for capitalization under IFRS 16 and, for the six months ended June 30, 2022, are net of rent concessions (see discussion below).

#### **(e) Rent Concessions under IFRS 16**

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 for the six months ended June 30, 2022, to variable rent expense, primarily presented in distribution expenses, in the condensed consolidated statements of income. 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 Condensed Consolidated Statements of Income**

For interim reporting purposes, the Group applied the effective tax rate to profit 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 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 for the interim period, adjusted for certain discrete items for the period.

The Group's consolidated effective tax rate for operations was 25.9% and 29.9% for the six months ended June 30, 2023, and June 30, 2022, respectively. The decrease in the Group's effective tax rate during the first half of 2023 was mainly the result of changes in unrecognized deferred tax assets, changes in reserves and changes in the profit mix between high and low tax jurisdictions. 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 during the first half of 2022, the consolidated effective tax rate for operations would have been 26.2% for the six months ended June 30, 2023, and 26.6% for the six months ended June 30, 2022.

Taxation in the condensed consolidated statements of income for the six months ended June 30, 2023, and June 30, 2022, consisted of the following:

<i>(Expressed in millions of US Dollars)</i>	<b>Six months ended June 30,</b>	
	<b>2023</b>	2022
Hong Kong profits tax expense	<b>(1.1)</b>	(1.1)
Foreign profits tax expense	<b>(58.6)</b>	(28.1)
Income tax expense	<b>(59.7)</b>	(29.2)

The provision for Hong Kong Profits Tax for the six months ended June 30, 2023, and June 30, 2022, 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)**

<i>(Expressed in millions of US Dollars)</i>	<b>Six months ended June 30, 2023</b>			Six months ended June 30, 2022		
	<b>Before tax</b>	<b>Income tax benefit (expense)</b>	<b>Net of tax</b>	Before tax	Income tax benefit (expense)	Net of tax
Changes in fair value of hedges	<b>(5.3)</b>	<b>1.5</b>	<b>(3.8)</b>	29.5	(6.9)	22.6
Foreign currency translation gains (losses) for foreign operations	<b>(3.0)</b>	<b>—</b>	<b>(3.0)</b>	6.2	—	6.2
	<b>(8.3)</b>	<b>1.5</b>	<b>(6.8)</b>	35.7	(6.9)	28.8

## 20. Finance Income and Finance Costs

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

<i>(Expressed in millions of US Dollars)</i>	<b>Six months ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>Recognized in income or loss:</b>		
Interest income	5.5	2.6
Total finance income	<u>5.5</u>	<u>2.6</u>
Interest expense on loans and borrowings	(51.8)	(42.3)
Derecognition of deferred financing costs associated with the Refinancing	(4.4)	—
Amortization of deferred financing costs	(1.8)	(2.6)
Interest expense on lease liabilities	(13.0)	(9.6)
Change in fair value of put options	(8.2)	(6.1)
Net foreign exchange loss	(5.7)	(3.2)
Other finance costs	(1.6)	(1.0)
Total finance costs	<u>(86.5)</u>	<u>(64.8)</u>
Net finance costs recognized in profit or loss	<u>(81.0)</u>	<u>(62.2)</u>
<b>Recognized in other comprehensive income (loss):</b>		
Foreign currency translation (losses) gains for foreign operations	(3.0)	6.2
Changes in fair value of hedges	(5.3)	29.5
Income tax benefit (expense) on finance income and finance costs recognized in other comprehensive income	1.5	(6.9)
Net finance costs recognized in total other comprehensive income, net of tax	<u>(6.8)</u>	<u>28.8</u>
<b>Attributable to:</b>		
Equity holders of the Company	(6.7)	31.4
Non-controlling interests	(0.1)	(2.6)

## 21. Additional Disclosure of Certain Expenses

Profit before income tax was arrived at after recognizing the following expenses for the six months ended June 30, 2023, and June 30, 2022:

<i>(Expressed in millions of US Dollars)</i>	<b>Six months ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
Depreciation of fixed assets	18.1	18.1
Amortization of intangible assets	9.3	11.7
Amortization of lease right-of-use assets	64.5	59.4
Impairment Charges	—	11.9
Restructuring (Reversals) Charges	(0.3)	1.4
Employee benefits expense	252.6	206.9
Other expense (income) <sup>(1)</sup>	1.2	(4.0)
Research and development	9.6	7.9
Rent expense <sup>(2)</sup>	36.6	23.9

### Notes

(1) The Group recorded other expense of US\$1.2 million for the six months ended June 30, 2023, and other income of US\$4.0 million for the six months ended June 30, 2022. Other expense for the six months ended June 30, 2023, included losses on the disposal of property, plant and equipment along with certain other miscellaneous expense items. 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.



- (2) Rent expense for the six months ended June 30, 2023, and June 30, 2022, represents those contracts/agreements which are not recognized on the condensed 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, 2023.

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, 2023, the fair value of the New Term Loan A Facility, New Term Loan B Facility and Senior Notes (see note 14 Loans and Borrowings, for further discussion), including their respective current portions, was US\$1,769.6 million. The difference between the fair value and carrying value of the New Term Loan A Facility, New 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 New Term Loan A Facility, New 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 New Term Loan A Facility, New Term Loan B Facility and Senior Notes as of June 30, 2023, and the Prior Term Loan A Facility, Prior Term Loan B Facility, 2021 Incremental Term Loan B Facility and Senior Notes as of December 31, 2022:

<i>(Expressed in millions of US Dollars)</i>	<b>Fair value measurements at reporting date using</b>				
	<b>Carrying Amount</b>	<b>Fair Value</b>	<b>Quoted prices in active markets for identical assets (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>
<b>June 30, 2023</b>					
New Term Loan A Facility	800.0	800.0	—	800.0	—
New Term Loan B Facility	600.0	601.5	—	601.5	—
Senior Notes <sup>(1)</sup>	381.9	368.1	—	368.1	—
<b>Total</b>	<b>1,781.9</b>	<b>1,769.6</b>	<b>—</b>	<b>1,769.6</b>	<b>—</b>
<b>December 31, 2022</b>					
Prior Term Loan A Facility	580.0	569.4	—	569.4	—
Prior Term Loan B Facility	534.9	521.8	—	521.8	—
2021 Incremental Term Loan B Facility	463.1	457.9	—	457.9	—
Senior Notes <sup>(1)</sup>	374.6	348.4	—	348.4	—
<b>Total</b>	<b>1,952.6</b>	<b>1,897.4</b>	<b>—</b>	<b>1,897.4</b>	<b>—</b>

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, 2023, and December 31, 2022:

<i>(Expressed in millions of US Dollars)</i>	<b>Fair value measurements at reporting date using</b>			
	<b>June 30, 2023</b>	<b>Quoted prices in active markets for identical assets (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>
<b>Assets:</b>				
Interest rate swap agreements	26.0	—	26.0	—
<b>Total assets</b>	<b>26.0</b>	<b>—</b>	<b>26.0</b>	<b>—</b>
<b>Liabilities:</b>				
Non-controlling interest put options	99.8	—	—	99.8
Foreign currency forward contracts	2.5	2.5	—	—
<b>Total liabilities</b>	<b>102.3</b>	<b>2.5</b>	<b>—</b>	<b>99.8</b>

	Fair value measurements at reporting date using			
	December 31, 2022	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<i>(Expressed in millions of US Dollars)</i>				
<b>Assets:</b>				
Interest rate swap agreements	30.5	—	30.5	—
Total assets	30.5	—	30.5	—
<b>Liabilities:</b>				
Non-controlling interest put options	85.0	—	—	85.0
Foreign currency forward contracts	4.3	4.3	—	—
Total liabilities	89.3	4.3	—	85.0

The fair value of interest rate 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 its 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.

### 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 a liability of US\$2.5 million and a liability of US\$4.3 million as of June 30, 2023, and December 31, 2022, 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	<i>Income approach</i> - 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:

<i>(Expressed in millions of US Dollars)</i>	
Balance at January 1, 2023	<b>85.0</b>
Change in fair value included in equity	<b>6.6</b>
Change in fair value included in finance costs	<b>8.2</b>
<b>Balance at June 30, 2023</b>	<b>99.8</b>

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, 2023:

<i>(Expressed in millions of US Dollars)</i>	Profit or Loss		Shareholders' Equity	
	Increase	Decrease	Increase	Decrease
EBITDA multiple (movement of 0.1x)	1.5	(1.5)	1.3	(1.3)

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, 2023, and June 30, 2022, comprised:

<i>(Expressed in millions of US Dollars)</i>	Six months ended June 30,	
	2023	2022
Director's fees	0.7	0.7
Salaries, allowances and other benefits in kind	3.6	3.3
Bonus <sup>(1)</sup>	9.6	7.5
Share-based compensation <sup>(2)</sup>	7.2	6.1
Contributions to post-employment plans	0.3	—
Total compensation	21.4	17.6

#### Notes

- (1) Bonus or other approved compensation arrangements reflect amounts paid during the period and is generally based on the performance of the Group for the previous year.
- (2) Share-based compensation amounts reported represent the expense taken during the period of awards granted previously.

## 24. Subsequent Events

The Group has evaluated events occurring subsequent to June 30, 2023, the reporting date, through August 16, 2023, the date this financial information was authorized for issuance by the Board.

The Company issued 85,875 ordinary shares from July 1, 2023, through July 31, 2023, upon the exercise of share options that were outstanding and exercisable as of June 30, 2023.

# 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*<sup>®</sup>, *Tumi*<sup>®</sup>, *American Tourister*<sup>®</sup>, *Gregory*<sup>®</sup>, *High Sierra*<sup>®</sup>, *Kamiliant*<sup>®</sup>, *ebags*<sup>®</sup>, *Lipault*<sup>®</sup> and *Hartmann*<sup>®</sup> 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 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.

## Net Sales

The Group's net sales increased by US\$506.1 million, or 39.8% (+44.5% constant currency), during the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The Group's net sales improvement was driven by a robust recovery in leisure and business travel and the resulting increased demand for the Group's products. There was a noticeable acceleration in the Group's net sales recovery in all regions during the six months ended June 30, 2023, particularly in Asia where China, the last major market in the region to reopen, lifted restrictions at the beginning of 2023.

When evaluating the results for the six months ended June 30, 2023, certain factors impact comparability to the results for the six months ended June 30, 2022, and/or for the six months ended June 30, 2019, mainly the suspension and subsequent disposition of operations in Russia and the sale of Speck. On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine, and the Group subsequently completed the disposition of its Russian operations on July 1, 2022, which impacts comparability to both the first half of 2022 and the first half of 2019. On July 30, 2021, a wholly-owned subsidiary of the Company sold Speck, a designer and distributor of slim protective cases for personal electronic devices that were marketed under the *Speck*<sup>®</sup> brand, thereby affecting comparability to the first half of 2019.

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

When excluding the Russia Net Sales, consolidated net sales increased by US\$515.8 million, or 40.9% (+45.7% constant currency), for the six months ended June 30, 2023, compared to the six months ended June 30, 2022.

The Group's consolidated net sales as reported increased by 1.2% (+10.9% constant currency) during the six months ended June 30, 2023, compared to the six months ended June 30, 2019. When excluding the Russia and Speck Net Sales, consolidated net sales increased by 6.0% (+16.2% constant currency) for the six months ended June 30, 2023, compared to the six months ended June 30, 2019.

## Net Sales by Region

The following table sets forth a breakdown of net sales by region for the six months ended June 30, 2023, and June 30, 2022, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				2023 vs 2022	
	2023		2022		Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects <sup>(4)</sup>
	US\$ millions	Percentage of net sales	US\$ millions	Percentage of net sales		
Net sales by region <sup>(1)</sup> :						
Asia	693.9	39.1 %	393.3	31.0 %	76.4 %	86.7 %
North America	611.3	34.4 %	489.8	38.5 %	24.8 %	25.3 %
Europe <sup>(2)</sup>	365.7	20.6 %	301.2	23.7 %	21.4 %	26.1 %
Latin America	104.6	5.9 %	85.0	6.7 %	23.2 %	26.5 %
Corporate	0.7	0.0 %	0.9	0.1 %	(25.5)%	(25.5)%
Net sales <sup>(3)</sup>	1,776.2	100.0 %	1,270.2	100.0 %	39.8 %	44.5 %

### Notes

- (1) The geographic location of the Group's net sales generally reflects the country/territory from which its products were sold and does not necessarily indicate the country/territory in which its end customers were actually located.
- (2) On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine, and the Group subsequently completed the disposition of its Russian operations on July 1, 2022. When excluding the Russia Net Sales, net sales in Europe increased by US\$74.2 million, or 25.5% (+30.3% constant currency), for the six months ended June 30, 2023, compared to the corresponding period in 2022.
- (3) When excluding the Russia Net Sales, consolidated net sales increased by US\$515.8 million, or 40.9% (+45.7% constant currency), for the six months ended June 30, 2023, compared to the corresponding period in 2022.
- (4) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the corresponding 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, 2023, and June 30, 2022, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				2023 vs 2022	
	2023		2022		Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects <sup>(2)</sup>
	US\$ millions	Percentage of net sales	US\$ millions	Percentage of net sales		
Net sales by brand:						
<i>Samsonite</i>	880.3	49.6 %	620.0	48.8 %	42.0 %	47.1 %
<i>Tumi</i>	421.1	23.7 %	283.5	22.3 %	48.5 %	51.7 %
<i>American Tourister</i>	320.8	18.0 %	234.5	18.5 %	36.8 %	42.5 %
Other <sup>(1)</sup>	154.1	8.7 %	132.2	10.4 %	16.5 %	20.6 %
Net sales	1,776.2	100.0 %	1,270.2	100.0 %	39.8 %	44.5 %

### Notes

- (1) "Other" includes certain other brands owned by the Group, such as *Gregory*, *High Sierra*, *Kamiliant*, *ebags*, *Xtrem*, *Lipault*, *Hartmann*, *Saxoline* and *Secret*, as well as third-party brands sold through the Group's Rolling Luggage and Chic Accent retail stores.
- (2) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the corresponding 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, 2023, compared to the six months ended June 30, 2022. Net sales of the *Samsonite* brand increased by US\$260.3 million, or 42.0% (+47.1% constant currency), year-on-year. Net sales of the *Tumi* brand increased by US\$137.6 million, or 48.5% (+51.7% constant currency), year-on-year. Net sales of the *American Tourister* brand increased by US\$86.3 million, or 36.8% (+42.5% constant currency), for the six months ended June 30, 2023, compared to the six months ended June 30, 2022.

## Product Categories

The Group sells products in two principal product categories: travel and non-travel. The following table sets forth a breakdown of net sales by product category for the six months ended June 30, 2023, and June 30, 2022, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,					
	2023		2022		2023 vs 2022	
	US\$ millions	Percentage of net sales	US\$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects <sup>(2)</sup>
Net sales by product category:						
Travel	<b>1,173.9</b>	<b>66.1 %</b>	814.3	64.1 %	44.2 %	48.9 %
Non-travel <sup>(1)</sup>	<b>602.4</b>	<b>33.9 %</b>	455.8	35.9 %	32.1 %	36.8 %
Net sales	<b>1,776.2</b>	<b>100.0 %</b>	1,270.2	100.0 %	39.8 %	44.5 %

### Notes

- (1) The non-travel product category comprises business, casual, accessories and other products.
- (2) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the corresponding 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, 2023, increased by US\$359.5 million, or 44.2% (+48.9% constant currency), compared to the six months ended June 30, 2022. The Group's net sales in the travel product category continued to improve as the effects of the COVID-19 pandemic further receded, which led to a robust recovery in leisure and business travel and increased demand for the Group's products. Total non-travel product category net sales, which comprises business, casual, accessories and other products, increased by US\$146.5 million, or 32.1% (+36.8% constant currency), for the six months ended June 30, 2023, compared to the six months ended June 30, 2022.

Net sales of business products increased by US\$90.6 million, or 37.3% (+42.3% constant currency), for the six months ended June 30, 2023, compared to the corresponding period in 2022. Net sales of casual products increased by US\$35.0 million, or 28.1% (+32.9% constant currency), year-on-year. Net sales of accessories products increased by US\$16.9 million, or 24.1% (+26.2% constant currency), year-on-year.

## Distribution Channels

The Group sells its products through two primary distribution channels: wholesale and direct-to-consumer. The following table sets forth a breakdown of net sales by distribution channel for the six months ended June 30, 2023, and June 30, 2022, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,					
	2023		2022		2023 vs 2022	
	US\$ millions	Percentage of net sales	US\$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects <sup>(3)</sup>
Net sales by distribution channel:						
Wholesale	<b>1,106.5</b>	<b>62.3 %</b>	812.3	63.9 %	36.2 %	41.0 %
DTC <sup>(1)</sup>	<b>669.0</b>	<b>37.7 %</b>	456.9	36.0 %	46.4 %	51.0 %
Other <sup>(2)</sup>	<b>0.8</b>	<b>0.0 %</b>	0.9	0.1 %	(18.3)%	(18.3)%
Net sales	<b>1,776.2</b>	<b>100.0 %</b>	1,270.2	100.0 %	39.8 %	44.5 %

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

Net sales in the wholesale channel increased by US\$294.2 million, or 36.2% (+41.0% constant currency), during the six months ended June 30, 2023, compared to the six months ended June 30, 2022. Net sales to e-retailers, which are included in the Group's wholesale channel, increased by US\$24.9 million, or 23.1% (+26.8% constant currency), during

the six months ended June 30, 2023, compared to the corresponding period in 2022.

Net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, increased by US\$212.1 million, or 46.4% (+51.0% constant currency), to US\$669.0 million (representing 37.7% of net sales) for the six months ended June 30, 2023, from US\$456.9 million (representing 36.0% of net sales) for the six months ended June 30, 2022.

Net sales in the DTC retail channel increased by US\$153.1 million, or 45.6% (+50.0% constant currency), during the six months ended June 30, 2023, compared to the corresponding period in 2022 primarily due to an increase in consumer demand. During the six months ended June 30, 2023, the Group added 32 company-operated retail stores. This was partially offset by the permanent closure of 16 company-operated retail stores. This resulted in a net addition of 16 company-operated retail stores during the six months ended June 30, 2023, compared to a net reduction of 42 company-operated retail stores during the six months ended June 30, 2022 (including 37 company-operated retail stores that were located in Russia). The total number of company-operated retail stores was 1,001 as of June 30, 2023, compared to 963 as of June 30, 2022, and 1,278 as of June 30, 2019. On a same store, constant currency basis, retail net sales grew by 45.7% for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. This was due to constant currency same store net sales increases of 88.4%, 31.4%, 48.4% and 20.5% in Asia, North America, Europe and Latin America, respectively. The Group's same store analysis includes existing company operated retail stores which have been open for at least 12 months before the end of the relevant financial period.

Total DTC e-commerce net sales increased by US\$58.9 million, or 48.7% (+53.7% constant currency), to US\$180.0 million (representing 10.1% of net sales) for the six months ended June 30, 2023, from US\$121.1 million (representing 9.5% of net sales) for the six months ended June 30, 2022.

During the six months ended June 30, 2023, US\$312.7 million of the Group's net sales were through e-commerce channels (comprising US\$180.0 million of net sales from the Group's DTC e-commerce website, which are included within the DTC channel, and US\$132.7 million of net sales to e-retailers, which are included within the wholesale channel). This represented a year-on-year increase of US\$83.9 million, or 36.7% (+41.0% constant currency), compared to the six months ended June 30, 2022, when e-commerce comprised US\$228.8 million of the Group's net sales. During the six months ended June 30, 2023, the Group's net sales through e-commerce channels represented 17.6% of total net sales compared to 18.0% of total net sales for the six months ended June 30, 2022.

## Regions

### Asia

#### **First Half 2023 vs. First Half 2022**

The Group's net sales in Asia increased by US\$300.6 million, or 76.4% (+86.7% constant currency), for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. There was a noticeable acceleration in the Group's net sales recovery in Asia during the six months ended June 30, 2023, as China, the last major market in the region to reopen, lifted restrictions at the beginning of 2023.

#### **First Half 2023 vs. First Half 2019**

The Group's net sales improved by 7.8% (+18.0% constant currency) in Asia during the six months ended June 30, 2023, compared to the six months ended June 30, 2019.



### Countries/Territories

The following table sets forth a breakdown of net sales in Asia by geographic location for the six months ended June 30, 2023, and June 30, 2022, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	2023		2022		2023 vs 2022	
	US\$ millions	Percentage of net sales	US\$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects <sup>(4)</sup>
Net sales by geographic location <sup>(1)</sup> :						
China	140.9	20.3 %	75.7	19.3 %	86.1 %	99.6 %
India	126.2	18.2 %	98.5	25.1 %	28.1 %	38.4 %
Japan	91.1	13.1 %	53.2	13.5 %	71.4 %	89.3 %
South Korea	79.0	11.4 %	47.2	12.0 %	67.2 %	77.3 %
Hong Kong <sup>(2), (3)</sup>	59.5	8.6 %	27.7	7.0 %	114.7 %	114.9 %
Singapore <sup>(2)</sup>	40.1	5.8 %	12.2	3.1 %	229.0 %	224.3 %
Australia	35.9	5.2 %	22.1	5.6 %	62.2 %	74.0 %
Other	121.1	17.4 %	56.6	14.4 %	113.9 %	120.7 %
Net sales	693.9	100.0 %	393.3	100.0 %	76.4 %	86.7 %

#### Notes

- (1) The geographic location of the Group's net sales generally reflects the country/territory from which its products were sold and does not necessarily indicate the country/territory in which its end customers were actually located.
- (2) Includes net sales made domestically as well as net sales to distributors in certain other Asian markets.
- (3) Net sales reported for Hong Kong include net sales made in Macau.
- (4) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the corresponding period in the year under comparison to current period local currency results.

Net sales in China increased by US\$65.2 million, or 86.1% (+99.6% constant currency), for the six months ended June 30, 2023, compared to the corresponding period in 2022, due to the lifting of travel restrictions and the relaxing of social distancing measures. Net sales in India increased by US\$27.7 million, or 28.1% (+38.4% constant currency), for the six months ended June 30, 2023, compared to the corresponding period in 2022. Net sales in Japan increased by US\$38.0 million, or 71.4% (+89.3% constant currency), year-on-year. Net sales in South Korea increased by US\$31.8 million, or 67.2% (+77.3% constant currency), year-on-year. Total net sales reported for Hong Kong increased by US\$31.8 million, or 114.7% (+114.9% constant currency), for the six months ended June 30, 2023, compared to the corresponding period in 2022. Net sales reported for Singapore increased by US\$27.9 million, or 229.0% (+224.3% constant currency), compared to the corresponding period in 2022. Net sales in Australia increased by US\$13.8 million, or 62.2% (+74.0% constant currency), compared to the corresponding period in 2022.

Compared to the first half of 2019, most markets in Asia continued to see strong net sales increases in the first half of 2023, with increases in Singapore of 107.2% (+104.9% constant currency), India of 52.4% (+79.3% constant currency), Indonesia of 64.1% (+73.8% constant currency), Thailand of 52.8% (+66.0% constant currency), the Middle East of 27.7% (+27.7% constant currency) and Australia of 9.0% (+14.9% constant currency). While net sales in China were still down 2.8% (-0.1% constant currency) compared to the first half of 2019, the rebound in net sales in China accelerated during the first half of 2023. The net sales performances in Japan (-12.2%, +8.2% constant currency), South Korea (-19.4%; -8.4% constant currency) and Hong Kong (-26.0%, -26.0% constant currency) are expected to improve as Chinese group travel recovers.

### Brands

For the six months ended June 30, 2023, net sales of the *Samsonite* brand in Asia increased by US\$143.9 million, or 91.2% (+102.4% constant currency), compared to the corresponding period in 2022. Net sales of the *Tumi* brand in Asia increased by US\$59.6 million, or 77.8% (+86.6% constant currency), year-on-year. Net sales of the *American Tourister* brand in Asia increased by US\$83.4 million, or 74.5% (+84.8% constant currency), compared to the six months ended June 30, 2022.

### Product Categories

Net sales in the travel product category for the six months ended June 30, 2023, increased by US\$219.9 million, or 98.9% (+110.3% constant currency), compared to the six months ended June 30, 2022. Total non-travel product

category net sales six months ended June 30, 2023, increased by US\$80.7 million, or 47.2% (+56.1% constant currency), compared to the six months ended June 30, 2022.

Net sales of business products increased by US\$50.9 million, or 50.3% (+58.9% constant currency), year-on-year. Net sales of casual products increased by US\$18.3 million, or 34.6% (+43.8% constant currency), compared to the corresponding period in 2022. Net sales of accessories products increased by US\$7.3 million, or 60.9% (+68.2% constant currency), year-on-year.

### **Distribution Channels**

Net sales in the wholesale channel increased by US\$197.2 million, or 67.8% (+77.8% constant currency), for the six months ended June 30, 2023, compared to the six months ended June 30, 2022.

Net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, increased by US\$103.4 million, or 100.8% (+112.0% constant currency), to US\$205.9 million for the six months ended June 30, 2023, from US\$102.6 million for the six months ended June 30, 2022.

Net sales in the DTC retail channel increased by US\$69.3 million, or 101.9% (+112.6% constant currency), during the six months ended June 30, 2023, compared to the six months ended June 30, 2022. During the six months ended June 30, 2023, the Group added 19 new company-operated retail stores in Asia. This was partially offset by the permanent closure of 11 company-operated retail stores. This resulted in a net addition of 8 company-operated retail stores during the six months ended June 30, 2023, compared to a net reduction of 6 company-operated retail stores during the six months ended June 30, 2022. The total number of company-operated retail stores in Asia was 369 as of June 30, 2023, compared to 339 as of June 30, 2022, and 404 as of June 30, 2019. On a same store, constant currency basis, retail net sales in Asia increased by 88.4% for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The Group's same store analysis includes existing company-operated retail stores that have been open for at least 12 months before the end of the relevant financial period.

Total DTC e-commerce net sales increased by US\$34.0 million, or 98.5% (+110.8% constant currency), to US\$68.6 million for the six months ended June 30, 2023, from US\$34.5 million for the six months ended June 30, 2022.

## **North America**

### **First Half 2023 vs. First Half 2022**

The Group's net sales in North America increased by US\$121.5 million, or 24.8% (+25.3% constant currency), for the six months ended June 30, 2023, compared to the six months ended June 30, 2022, as travel continued to rebound in both the United States and Canada.

### **First Half 2023 vs. First Half 2019**

When excluding the Speck Net Sales, net sales in North America increased by 1.2% (+1.3% constant currency) for the six months ended June 30, 2023, compared to the six months ended June 30, 2019. Further adjusting for the discontinuation of third-party brand sales on the ebags e-commerce platform in 2020, net sales in North America for the six months ended June 30, 2023, increased by 7.0% (+7.1% constant currency) compared to the corresponding period in 2019. When compared to the six months ended June 30, 2019, the Group's net sales, as reported, declined by 6.6% (-6.5% constant currency) in North America during the six months ended June 30, 2023.

### **Countries**

The following table sets forth a breakdown of net sales in North America by geographic location for the six months ended June 30, 2023, and June 30, 2022, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,				2023 vs 2022	
	2023		2022		Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects <sup>(2)</sup>
	US\$ millions	Percentage of net sales	US\$ millions	Percentage of net sales		
Net sales by geographic location <sup>(1)</sup> :						
United States	576.3	94.3 %	467.1	95.4 %	23.4 %	23.4 %
Canada	35.0	5.7 %	22.6	4.6 %	54.8 %	64.7 %
Net sales	611.3	100.0 %	489.8	100.0 %	24.8 %	25.3 %

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

For the six months ended June 30, 2023, net sales in the United States increased by US\$109.1 million, or 23.4%, compared to the corresponding period in 2022. For the six months ended June 30, 2023, net sales in Canada increased by US\$12.4 million, or 54.8% (+64.7% constant currency), year-on-year.

When excluding the Speck Net Sales, net sales in the United States increased by 0.3% for the six months ended June 30, 2023, compared to the six months ended June 30, 2019. Further adjusting for the discontinuation of third-party brand sales on the ebags e-commerce platform in 2020, net sales in the United States increased by 6.4% for the six months ended June 30, 2023, compared to the corresponding period in 2019. Net sales in Canada increased by 18.5% (+20.1% constant currency) during the six months ended June 30, 2023, compared to the six months ended June 30, 2019.

#### **Brands**

For the six months ended June 30, 2023, net sales of the *Samsonite* brand in North America increased by US\$64.8 million, or 28.3% (+28.9% constant currency), compared to the corresponding period in 2022. Net sales of the *Tumi* brand in North America increased by US\$58.5 million, or 33.1% (+33.5% constant currency), driven by strong performance in the Group's company-operated retail stores and DTC e-commerce sales. Net sales of the *American Tourister* brand in North America decreased by US\$2.7 million, or 5.3% (-5.1% constant currency), due to a shift in timing of shipments to certain wholesale customers.

#### **Product Categories**

Net sales in the travel product category for the six months ended June 30, 2023, increased by US\$89.9 million, or 26.4% (+26.9% constant currency), compared to the six months ended June 30, 2022, as travel continued to rebound in both the United States and Canada. Total non-travel product category net sales increased by US\$31.6 million, or 21.2% (+21.6% constant currency), year-on-year.

Net sales of business products increased by US\$23.7 million, or 25.9% (+26.3% constant currency), compared to the six months ended June 30, 2022. Net sales of casual products increased by US\$1.7 million, or 5.9% (+6.0% constant currency), year-on-year. Net sales of accessories products increased by US\$6.2 million, or 21.7% (+22.2% constant currency), year-on-year.

#### **Distribution Channels**

Net sales in the wholesale channel increased by US\$57.0 million, or 20.4% (+20.8% constant currency), for the six months ended June 30, 2023, compared to the six months ended June 30, 2022.

Net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, increased by US\$64.5 million, or 30.7% (+31.2% constant currency), year-on-year to US\$274.5 million for the six months ended June 30, 2023, from US\$210.0 million for the six months ended June 30, 2022.

Net sales in the DTC retail channel increased by US\$47.4 million, or 31.0% (+31.6% constant currency), during the six months ended June 30, 2023, compared to the corresponding period in 2022 primarily due to an increase in in-person shopping following the pandemic. During the six months ended June 30, 2023, the Group added 3 new company-operated retail stores in North America. This was partially offset by the permanent closure of 2 company-operated retail stores. This resulted in a net addition of 1 company-operated retail store during the six months ended June 30, 2023, compared to a net reduction of 2 company-operated retail stores during the six months ended June 30, 2022. The total number of company-operated retail stores in North America was 269 as of June 30, 2023, compared to 270 as of June 30, 2022, and 340 as of June 30, 2019. On a same store, constant currency basis, retail net sales in North America increased by 31.4% for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The Group's same store analysis includes existing company-operated retail stores that have been open for at least 12 months before the end of the relevant financial period.

Total DTC e-commerce net sales increased by US\$17.0 million, or 29.8% (+30.1% constant currency), to US\$74.2 million for the six months ended June 30, 2023, from US\$57.1 million for the six months ended June 30, 2022.

#### **Europe**

##### **First Half 2023 vs. First Half 2022**

The Group's net sales in Europe increased by US\$64.5 million, or 21.4% (+26.1% constant currency), for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. On March 14, 2022, the Group suspended all

commercial activities in Russia due to the armed conflict in Ukraine, and the Group subsequently completed the disposition of its Russian operations on July 1, 2022. When excluding the Russia Net Sales, the Group's net sales in Europe increased by US\$74.2 million, or 25.5% (+30.3% constant currency), year-on-year.

### **First Half 2023 vs. First Half 2019**

When compared to the six months ended June 30, 2019, the Group's reported net sales declined by 1.5% but increased by 16.4% on a constant currency basis in Europe during the six months ended June 30, 2023. When excluding the Russia Net Sales, the Group's net sales in Europe increased by 7.1% (+26.6% constant currency) during the six months ended June 30, 2023, compared to the six months ended June 30, 2019.

### **Countries**

The following table sets forth a breakdown of net sales in Europe by geographic location for the six months ended June 30, 2023, and June 30, 2022, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	2023		2022		2023 vs 2022	
	US\$ millions	Percentage of net sales	US\$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects <sup>(5)</sup>
Net sales by geographic location <sup>(1)</sup> :						
Belgium <sup>(2)</sup>	85.2	23.3 %	71.7	23.8 %	18.8 %	20.6 %
Germany	49.2	13.4 %	37.6	12.5 %	30.7 %	32.6 %
Italy	39.4	10.8 %	27.5	9.1 %	43.0 %	45.2 %
France	36.9	10.1 %	27.9	9.3 %	32.3 %	34.0 %
United Kingdom <sup>(3)</sup>	33.9	9.3 %	31.4	10.4 %	8.0 %	13.3 %
Spain	31.3	8.5 %	25.3	8.4 %	23.4 %	25.1 %
Russia <sup>(4)</sup>	—	— %	9.8	3.2 %	(100.0)%	(100.0)%
Other	89.9	24.6 %	70.0	23.3 %	28.4 %	41.2 %
Net sales <sup>(4)</sup>	365.7	100.0 %	301.2	100.0 %	21.4 %	26.1 %

#### 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 customers were actually located.
- (2) Net sales in Belgium were US\$12.1 million and US\$8.7 million for the six months ended June 30, 2023, and June 30, 2022, respectively, an increase of US\$3.4 million, or 38.9% (+40.8% 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) On March 14, 2022, the Group suspended all commercial activities in Russia due to the armed conflict in Ukraine, and the Group subsequently completed the disposition of its Russian operations on July 1, 2022. When excluding the Russia Net Sales, net sales in Europe increased by US\$74.2 million, or 25.5% (+30.3% constant currency), for the six months ended June 30, 2023, compared to the corresponding period in 2022.
- (5) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the corresponding period in the year under comparison to current period local currency results.

Net sales in Germany increased by US\$11.6 million, or 30.7% (+32.6% constant currency), for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. Net sales in Italy increased by US\$11.8 million, or 43.0% (+45.2% constant currency), compared to the corresponding period in 2022. Net sales in France increased by US\$9.0 million, or 32.3% (+34.0% constant currency), compared to the six months ended June 30, 2022. Net sales in the United Kingdom (net sales reported for the United Kingdom include net sales made in Ireland) increased by US\$2.5 million, or 8.0% (+13.3% constant currency), year-on-year. Net sales in Spain increased by US\$5.9 million, or 23.4% (+25.1% constant currency), year-on-year.

Most of the Group's key markets in Europe recorded net sales increases on a constant currency basis when comparing the six months ended June 30, 2023, to the six months ended June 30, 2019, including: Spain (+8.2%, +13.3% constant currency), Italy (+1.0%, +5.8% constant currency), France (-1.3%, +3.3% constant currency) and the United Kingdom (-4.1%, +0.5% constant currency). These constant currency net sales increases were partially offset by a constant currency net sales decrease in Germany (-12.1%, -7.9% constant currency) when comparing the six months ended June 30, 2023, to the six months ended June 30, 2019.

## **Brands**

For the six months ended June 30, 2023, net sales of the *Samsonite* brand in Europe increased by US\$44.5 million, or 22.4% (+27.6% constant currency), compared to the corresponding period in 2022. Net sales of the *Tumi* brand in Europe increased by US\$17.2 million, or 63.0% (+69.5% constant currency), year-on-year. Net sales of the *American Tourister* brand in Europe increased by US\$2.7 million, or 4.6% (+7.1% constant currency), compared to the six months ended June 30, 2022.

## **Product Categories**

Net sales in the travel product category for the six months ended June 30, 2023, increased by US\$41.2 million, or 19.5% (+24.0% constant currency), compared to the six months ended June 30, 2022. Total non-travel product category net sales increased by US\$23.3 million, or 25.8% (+31.0% constant currency), compared to the corresponding period in 2022.

Net sales of business products increased by US\$11.5 million, or 27.7% (+34.1% constant currency), year-on-year. Net sales of casual products increased by US\$11.2 million, or 60.6% (+65.3% constant currency), compared to the corresponding period in 2022. Net sales of accessories products increased by US\$4.4 million, or 23.3% (+27.7% constant currency), year-on-year.

## **Distribution Channels**

Net sales in the wholesale channel increased by US\$27.1 million, or 14.0% (+18.6% constant currency), during the six months ended June 30, 2023, compared to the six months ended June 30, 2022.

Net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, increased by US\$37.4 million, or 34.9% (+39.7% constant currency), to US\$144.3 million for the six months ended June 30, 2023, from US\$107.0 million for the six months ended June 30, 2022.

Net sales in the DTC retail channel increased by US\$31.3 million, or 38.5% (+43.8% constant currency), during the six months ended June 30, 2023, compared to the six months ended June 30, 2022. During the six months ended June 30, 2023, the Group added 5 new company-operated retail stores in Europe. No company-operated retail stores were permanently closed in Europe during the six months ended June 30, 2023. This resulted in a net addition of 5 company-operated retail stores during the six months ended June 30, 2023. In comparison, during the six months ended June 30, 2022, the Group permanently closed 37 company-operated retail stores in Russia, which resulted in a net reduction of 33 company-operated retail stores during the first half of 2022. The total number of company-operated retail stores in Europe was 192 as of June 30, 2023, compared to 185 as of June 30, 2022, and 313 as of June 30, 2019. On a same store, constant currency basis, retail net sales in Europe increased by 48.4% for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The Group's same store analysis includes existing company-operated retail stores that have been open for at least 12 months before the end of the relevant financial period.

Total DTC e-commerce net sales increased by US\$6.1 million, or 23.6% (+26.8% constant currency), to US\$31.9 million for the six months ended June 30, 2023, from US\$25.8 million for the six months ended June 30, 2022.

## **Latin America**

### **First Half 2023 vs. First Half 2022**

The Group's net sales in Latin America increased by US\$19.7 million, or 23.2% (+26.5% constant currency), for the six months ended June 30, 2023, compared to the six months ended June 30, 2022.

### **First Half 2023 vs. First Half 2019**

The Group's net sales in Latin America increased by 23.5% (+69.0% constant currency) during the six months ended June 30, 2023, compared to the six months ended June 30, 2019.

## Countries

The following table sets forth a breakdown of net sales in Latin America by geographic location for the six months ended June 30, 2023, and June 30, 2022, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	2023		2022		2023 vs 2022	
	US\$ millions	Percentage of net sales	US\$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects <sup>(4)</sup>
Net sales by geographic location <sup>(1)</sup> :						
Chile	37.0	35.4 %	32.1	37.8 %	15.2 %	14.1 %
Mexico	32.6	31.2 %	22.2	26.1 %	47.0 %	31.8 %
Brazil <sup>(2)</sup>	12.3	11.8 %	10.7	12.6 %	15.3 %	16.1 %
Other <sup>(3)</sup>	22.6	21.6 %	19.9	23.5 %	13.7 %	46.4 %
Net sales	104.6	100.0 %	85.0	100.0 %	23.2 %	26.5 %

### 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 customers 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 corresponding period in the year under comparison to current period local currency results.

Net sales in Chile increased by US\$4.9 million, or 15.2% (+14.1% constant currency), during the six months ended June 30, 2023, compared to the corresponding period in 2022. Net sales in Mexico increased by US\$10.4 million, or 47.0% (+31.8% constant currency), year-on-year. Net sales in Brazil increased by US\$1.6 million, or 15.3% (+16.1% constant currency), year-on-year.

When compared to the six months ended June 30, 2019, all of the Group's key markets in Latin America recorded net sales increases for the six months ended June 30, 2023, including: Chile (+11.0%, +33.8% constant currency), Mexico (+22.3%, +14.7% constant currency) and Brazil (+43.2%, +89.1% constant currency).

## Brands

For the six months ended June 30, 2023, net sales of the *Samsonite* brand in Latin America increased by US\$7.2 million, or 20.8% (+27.6% constant currency), compared to the corresponding period in 2022. Net sales of the *Tumi* brand in Latin America increased by US\$2.3 million, or 87.7% (+76.4% constant currency), year-on-year. Net sales of the *American Tourister* brand in Latin America increased by US\$3.0 million, or 23.4% (+27.0% constant currency), year-on-year. Net sales of the *Saxoline* brand increased by US\$2.9 million, or 33.4% (+32.3% constant currency), year-on-year. Net sales of the *Xtrem* brand increased by US\$4.1 million, or 20.8% (+24.1% constant currency), compared to the corresponding period in 2022.

## Product Categories

Net sales in the travel product category for the six months ended June 30, 2023, increased by US\$8.6 million, or 21.0% (+26.4% constant currency), compared to the corresponding period in 2022. Total non-travel product category net sales increased by US\$11.1 million, or 25.2% (+26.7% constant currency), compared to the six months ended June 30, 2022.

Net sales of business products increased by US\$4.5 million, or 51.1% (+55.0% constant currency), year-on-year. Net sales of casual products increased by US\$3.8 million, or 15.6% (+16.6% constant currency), year-on-year. Net sales of accessories products decreased by US\$0.9 million, or 8.6% (-11.4% constant currency), compared to the corresponding period in 2022.

## Distribution Channels

Net sales in the wholesale channel increased by US\$12.8 million, or 26.9% (+26.2% constant currency), for the six months ended June 30, 2023, compared to the six months ended June 30, 2022.

Net sales in the DTC channel, which includes company-operated retail stores and DTC e-commerce, increased by US\$6.9 million, or 18.4% (+26.9% constant currency), to US\$44.3 million for the six months ended June 30, 2023, from US\$37.4 million for the six months ended June 30, 2022.

Net sales in the DTC retail channel increased by US\$5.1 million, or 15.0% (+22.2% constant currency), during the six months ended June 30, 2023, compared to the corresponding period in 2022. During the six months ended June 30, 2023, the Group added 5 new company-operated retail stores in Latin America. This was partially offset by the permanent closure of 3 company-operated retail stores. This resulted in a net addition of 2 company-operated retail stores during the six months ended June 30, 2023, compared to a net reduction of 1 company-operated retail store during the six months ended June 30, 2022. The total number of company-operated retail stores in Latin America was 171 as of June 30, 2023, compared to 169 as of June 30, 2022, and 221 as of June 30, 2019. On a same store, constant currency basis, retail net sales in Latin America increased by 20.5% for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The Group's same store analysis includes existing company-operated retail stores that have been open for at least 12 months before the end of the relevant financial period.

Total DTC e-commerce net sales increased by US\$1.8 million, or 49.6% (+71.2% constant currency), to US\$5.4 million for the six months ended June 30, 2023, from US\$3.6 million for the six months ended June 30, 2022.

### **Cost of Sales and Gross Profit**

Cost of sales increased by US\$169.8 million, or 30.2%, to US\$732.6 million (representing 41.2% of net sales) for the six months ended June 30, 2023, from US\$562.8 million (representing 44.3% of net sales) for the six months ended June 30, 2022.

Gross profit increased by US\$336.2 million, or 47.5%, to US\$1,043.6 million for the six months ended June 30, 2023, from US\$707.4 million for the six months ended June 30, 2022, due to increased net sales year-on-year and higher gross profit margin. The gross profit margin was 58.8% for the six months ended June 30, 2023, compared to 55.7% for the corresponding period in 2022. The 310 basis point increase in gross profit margin was driven mainly by year-on-year gross profit margin increases in all regions and Asia, the region with the highest gross profit margin, increasing its share of net sales. This increase in gross profit margin was also driven by an increased proportion of total net sales attributable to the *Tumi* brand, changes in channel net sales mix, and overall lower promotional activity.

### **Distribution Expenses**

Distribution expenses increased by US\$113.6 million, or 30.2%, to US\$489.3 million (representing 27.5% of net sales) for the six months ended June 30, 2023, from US\$375.7 million (representing 29.6% of net sales) for the six months ended June 30, 2022. Distribution expenses as a percentage of net sales decreased primarily due to the increase in net sales as well as disciplined expense management.

### **Marketing Expenses**

The Group spent US\$114.2 million on marketing during the six months ended June 30, 2023, compared to US\$57.7 million for the six months ended June 30, 2022, an increase of US\$56.5 million, or 97.8%. As a percentage of net sales, marketing expenses increased by 190 basis points to 6.4% for the six months ended June 30, 2023, from 4.5% for the six months ended June 30, 2022. Marketing expenses for the six months ended June 30, 2023, increased by 10.8% compared to the six months ended June 30, 2019. As a percentage of net sales, marketing expenses increased by 50 basis points from 5.9% for the six months ended June 30, 2019. The Group will continue with its investment in marketing to capitalize on the ongoing recovery in leisure and business travel and drive further net sales growth.

### **General and Administrative Expenses**

General and administrative expenses increased by US\$22.3 million, or 21.3%, to US\$127.1 million (representing 7.2% of net sales) for the six months ended June 30, 2023, from US\$104.8 million (representing 8.2% of net sales) for the six months ended June 30, 2022. The decrease in general and administrative expenses as a percentage of net sales reflects the increase in net sales year-on-year.

## Impairment Charges

There were no impairment charges or reversals for the six months ended June 30, 2023. 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").

<i>(Expressed in millions of US Dollars)</i>		<b>Six months ended June 30,</b>	
Impairment charges recognized on:	Functional Area	<b>2023</b>	2022
Lease right-of-use assets	Distribution	—	4.0
Property, plant and equipment	Distribution	—	0.1
Other <sup>(1)</sup>	Distribution	—	7.8
<b>Total impairment charges</b>		<b>—</b>	<b>11.9</b>

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.

During the six months ended June 30, 2023, the Group determined there were no triggering events that indicated that its indefinite-lived intangible assets or other assets with finite lives were impaired or required review for potential reversal of previous impairments.

### 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 completed the disposition of its Russian operations 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 related to 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.

## Restructuring (Reversals) Charges

The following table sets forth a breakdown of restructuring reversals for the six months ended June 30, 2023 (the "1H 2023 Restructuring Reversals") and restructuring charges for the six months ended June 30, 2022 (the "1H 2022 Restructuring Charges").

<i>(Expressed in millions of US Dollars)</i>	<b>Six months ended June 30,</b>	
	<b>2023</b>	2022
Functional Area	<b>1H 2023 Restructuring Reversals</b>	1H 2022 Restructuring Charges
Restructuring (reversals) charges attributable to distribution function	<b>(0.3)</b>	0.9
Restructuring charges attributable to general and administrative function	—	0.5
<b>Total restructuring (reversals) charges</b>	<b>(0.3)</b>	<b>1.4</b>

During the six months ended June 30, 2023, the Group determined that a portion of its restructuring accrual was no longer needed and US\$0.3 million was reversed.



In conjunction with the suspension of operations in Russia, the Group recognized 1H 2022 Restructuring Charges of US\$1.4 million during the six months ended June 30, 2022.

### Other Expense (Income)

The Group recorded other expense of US\$1.2 million for the six months ended June 30, 2023, and other income of US\$4.0 million for the six months ended June 30, 2022. Other expense for the six months ended June 30, 2023, included losses on the disposal of property, plant and equipment along with certain other miscellaneous expense items. 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.

### Operating Profit

The Group reported an operating profit of US\$312.1 million for the six months ended June 30, 2023, compared to US\$159.9 million for the corresponding period in 2022, an improvement of US\$152.3 million, or 95.3%.

The following table presents the reconciliation from the Group's operating profit, as reported, to operating profit, as adjusted, for the six months ended June 30, 2023, and June 30, 2022.

	Six months ended June 30,		Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects <sup>(1)</sup>
	2023	2022		
<i>(Expressed in millions of US Dollars)</i>				
Operating profit, as reported	<b>312.1</b>	159.9	95.3 %	102.0 %
Impairment Charges	—	11.9	(100.0)%	(100.0)%
Restructuring (Reversals) Charges	<b>(0.3)</b>	1.4	<i>nm</i>	<i>nm</i>
Operating profit, as adjusted	<b>311.8</b>	173.2	80.0 %	86.2 %

Note

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

*nm* Not meaningful.

### Net Finance Costs

Net finance costs increased by US\$18.8 million, or 30.2%, to US\$81.0 million for the six months ended June 30, 2023, from US\$62.2 million for the six months ended June 30, 2022. This increase was primarily attributable to a US\$9.5 million increase in interest expense on loans and borrowings driven by higher interest rates year-on-year, a non-cash charge of US\$4.4 million to derecognize the deferred financing costs associated with the Refinancing (as defined in Management Discussion and Analysis - Indebtedness), an increase in foreign exchange losses of US\$2.5 million and an increase in redeemable non-controlling interest put option expenses of US\$2.2 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 Group refinanced its senior credit facilities in June 2023. See Management Discussion and Analysis - Indebtedness for a detailed discussion.

The following table sets forth a breakdown of total finance costs for the six months ended June 30, 2023, and June 30, 2022.

<i>(Expressed in millions of US Dollars)</i>	<b>Six months ended June 30,</b>	
	<b>2023</b>	2022
<b>Recognized in profit or loss:</b>		
Interest income	<b>5.5</b>	2.6
Total finance income	<b>5.5</b>	2.6
Interest expense on loans and borrowings	<b>(51.8)</b>	(42.3)
Derecognition of deferred financing costs associated with the Refinancing	<b>(4.4)</b>	—
Amortization of deferred financing costs	<b>(1.8)</b>	(2.6)
Interest expense on lease liabilities	<b>(13.0)</b>	(9.6)
Change in fair value of put options	<b>(8.2)</b>	(6.1)
Net foreign exchange loss	<b>(5.7)</b>	(3.2)
Other finance costs	<b>(1.6)</b>	(1.0)
Total finance costs	<b>(86.5)</b>	(64.8)
Net finance costs recognized in profit or loss	<b>(81.0)</b>	(62.2)

### Profit before Income Tax

The Group recorded a profit before income tax of US\$231.1 million for the six months ended June 30, 2023, compared to a profit before income tax of US\$97.7 million for the corresponding period in 2022, an improvement of US\$133.5 million, or 136.8%.

The following table presents the reconciliation from the Group's profit before income tax, as reported, to profit before income tax, as adjusted, for the six months ended June 30, 2023, and June 30, 2022.

### PROFIT BEFORE INCOME TAX

<i>(Expressed in millions of US Dollars)</i>	<b>Six months ended June 30,</b>		Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects <sup>(1)</sup>
	<b>2023</b>	2022		
Profit before income tax, as reported	<b>231.1</b>	97.7	136.8 %	146.3 %
Impairment Charges	—	11.9	(100.0)%	(100.0)%
Restructuring (Reversals) Charges	<b>(0.3)</b>	1.4	<i>nm</i>	<i>nm</i>
Derecognition of deferred finance costs associated with the Refinancing	<b>4.4</b>	—	<i>n/a</i>	<i>n/a</i>
Profit before income tax, as adjusted	<b>235.2</b>	111.0	112.0 %	120.3 %

Notes

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

n/a Not applicable.

*nm* Not meaningful.

### Income Tax Expense

The Group recorded income tax expense of US\$59.7 million for the six months ended June 30, 2023, compared to income tax expense of US\$29.2 million for the six months ended June 30, 2022. The income tax expense recorded during the six months ended June 30, 2023, was due mainly to the US\$231.1 million reported profit before income tax, combined with the profit mix between high and low tax jurisdictions. 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 the profit mix between high and low tax jurisdictions.

The Group's consolidated effective tax rate for operations was 25.9% and 29.9% for the six months ended June 30, 2023, and June 30, 2022, respectively. The decrease in the Group's effective tax rate during the first half of 2023 was

mainly the result of changes in unrecognized deferred tax assets, changes in reserves and changes in the profit mix between high and low tax jurisdictions. 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 during the first half of 2022, the consolidated effective tax rate for operations would have been 26.2% for the six months ended June 30, 2023, and 26.6% for the six months ended June 30, 2022.

For interim reporting purposes, the Group applied the effective tax rate to income 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 for the period adjusted for certain discrete items for the period.

## Profit

### Profit for the Period

Profit for the six months ended June 30, 2023, was US\$171.4 million compared to US\$68.5 million for the six months ended June 30, 2022, an improvement of US\$103.0 million, or 150.7%.

The following table presents the reconciliation from the Group's profit for the period, as reported, to profit for the period, as adjusted, for the six months ended June 30, 2023, and June 30, 2022.

<i>(Expressed in millions of US Dollars)</i>	<b>Six months ended June 30,</b>		Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects <sup>(1)</sup>
	<b>2023</b>	2022		
Profit for the period, as reported	<b>171.4</b>	68.5	150.7 %	162.0 %
Impairment Charges	—	11.9	(100.0)%	(100.0)%
Restructuring (Reversals) Charges	<b>(0.3)</b>	1.4	<i>nm</i>	<i>nm</i>
Derecognition of deferred finance costs associated with the Refinancing	<b>4.4</b>	—	n/a	n/a
Tax impact	<b>(1.0)</b>	(1.1)	(11.5)%	(11.6)%
Profit for the period, as adjusted	<b>174.5</b>	80.6	116.5 %	126.1 %

#### Notes

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

n/a Not applicable.  
*nm* Not meaningful.

### Profit Attributable to the Equity Holders

Profit attributable to the equity holders was US\$152.5 million for the six months ended June 30, 2023, compared to US\$56.3 million for the corresponding period in 2022, an improvement of US\$96.3 million, or 171.5%.

The following table presents the reconciliation from the Group's profit attributable to the equity holders, as reported, to profit attributable to the equity holders, as adjusted, for the six months ended June 30, 2023, and June 30, 2022.

## PROFIT ATTRIBUTABLE TO THE EQUITY HOLDERS

<i>(Expressed in millions of US Dollars)</i>	Six months ended June 30,		Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects <sup>(1)</sup>
	2023	2022		
Profit attributable to the equity holders, as reported	152.5	56.3	171.5 %	185.3 %
Impairment Charges	—	11.9	(100.0)%	(100.0)%
Restructuring (Reversals) Charges	(0.3)	1.4	<i>nm</i>	<i>nm</i>
Derecognition of deferred finance costs associated with the Refinancing	4.4	—	n/a	n/a
Tax impact	(1.0)	(1.1)	(11.5)%	(11.6)%
Profit attributable to the equity holders, as adjusted	155.6	68.4	127.5 %	138.8 %

Notes

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

n/a Not applicable.

*nm* Not meaningful.

### Basic and Diluted Earnings per Share

Basic earnings per share were US\$0.106 for the six months ended June 30, 2023, compared to US\$0.039 for the six months ended June 30, 2022. The weighted average number of shares used in the basic earnings per share calculation was 1,442,976,567 shares for the six months ended June 30, 2023, compared to 1,436,980,789 shares for the six months ended June 30, 2022. Diluted earnings per share were US\$0.105 for the six months ended June 30, 2023, compared to US\$0.039 for the six months ended June 30, 2022. The weighted average number of shares outstanding used in the diluted earnings per share calculation was 1,450,371,148 shares for the six months ended June 30, 2023, compared to 1,438,739,534 shares for the six months ended June 30, 2022.

### Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization of intangible assets ("Adjusted EBITDA"), a non-IFRS measure, improved by US\$138.7 million, or 70.9%, to US\$334.3 million for the six months ended June 30, 2023, compared to US\$195.6 million for the six months ended June 30, 2022. Adjusted EBITDA margin was 18.8% for the six months ended June 30, 2023, compared to 15.4% for the six months ended June 30, 2022. The improvement in Adjusted EBITDA margin was primarily due to continued net sales improvement and the increase in gross profit margin, as well as disciplined expense management.

The following table presents the reconciliation from the Group's profit for the period to Adjusted EBITDA for the six months ended June 30, 2023, and June 30, 2022:

<i>(Expressed in millions of US Dollars)</i>	<b>Six months ended June 30,</b>		Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects <sup>(4)</sup>
	<b>2023</b>	2022		
Profit for the period	<b>171.4</b>	68.5	150.7 %	162.0 %
Plus (minus):				
Income tax expense	<b>59.7</b>	29.2	104.4 %	109.6 %
Finance costs	<b>86.5</b>	64.8	33.5 %	36.5 %
Finance income	<b>(5.5)</b>	(2.6)	113.7 %	134.3 %
Depreciation	<b>18.1</b>	18.1	(0.4)%	2.4 %
Total amortization	<b>73.8</b>	71.1	3.8 %	6.2 %
EBITDA	<b>403.9</b>	249.0	62.2 %	67.4 %
Plus (minus):				
Share-based compensation expense	<b>6.9</b>	6.2	11.4 %	12.0 %
Impairment Charges	<b>—</b>	11.9	(100.0)%	(100.0)%
Restructuring (Reversals) Charges	<b>(0.3)</b>	1.4	<i>nm</i>	<i>nm</i>
Amortization of lease right-of-use assets	<b>(64.5)</b>	(59.4)	8.5 %	11.2 %
Interest expense on lease liabilities	<b>(13.0)</b>	(9.6)	36.0 %	39.5 %
Other adjustments <sup>(1)</sup>	<b>1.2</b>	(4.0)	<i>nm</i>	<i>nm</i>
Adjusted EBITDA <sup>(2)</sup>	<b>334.3</b>	195.6	70.9 %	78.8 %
Adjusted EBITDA margin <sup>(3)</sup>	<b>18.8 %</b>	15.4 %		

Notes

- (1) Other adjustments primarily comprised 'Other expense (income)' per the condensed consolidated statements of income.
  - (2) Adjusted EBITDA, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. Adjusted EBITDA includes the lease interest and amortization expense as a result of the Group's adoption of IFRS 16, *Leases* ("IFRS 16") to account for operational rent expenses.
  - (3) Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.
  - (4) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the corresponding 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, 2023, and June 30, 2022:

<i>(Expressed in millions of US Dollars)</i>	Six months ended June 30, 2023					Total
	Asia	North America	Europe	Latin America	Corporate	
Profit (loss) for the period	101.8	73.0	36.2	8.7	(48.4)	171.4
Plus (minus):						
Income tax expense (benefit)	26.8	20.9	14.1	0.1	(2.1)	59.7
Finance costs	5.8	6.3	5.9	3.2	65.2	86.5
Finance income	(1.6)	(0.4)	(0.5)	(0.6)	(2.3)	(5.5)
Depreciation	7.0	4.6	5.2	1.1	0.1	18.1
Total amortization	21.0	29.7	15.8	5.9	1.3	73.8
EBITDA	160.9	134.0	76.8	18.4	13.9	403.9
Plus (minus):						
Share-based compensation expense	0.0	1.0	1.4	0.0	4.6	6.9
Restructuring Reversals	(0.1)	—	(0.2)	—	—	(0.3)
Amortization of lease right-of-use assets	(19.2)	(25.6)	(13.7)	(5.9)	(0.1)	(64.5)
Interest expense on lease liabilities	(2.8)	(6.0)	(2.6)	(1.5)	(0.0)	(13.0)
Inter-company charges (income) <sup>(1)</sup>	33.8	18.8	(1.6)	2.0	(53.0)	—
Other adjustments <sup>(2)</sup>	(0.3)	(0.3)	0.0	1.3	0.4	1.2
Adjusted EBITDA <sup>(3)</sup>	172.4	121.9	60.0	14.3	(34.2)	334.3
Adjusted EBITDA margin <sup>(4)</sup>	24.8 %	19.9 %	16.4 %	13.7 %	<i>nm</i>	18.8 %

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 expense (income)' per the condensed consolidated statements of income.
  - (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.
  - (4) Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.
- nm* Not meaningful.

	Six months ended June 30, 2022					
<i>(Expressed in millions of US Dollars)</i>	Asia	North America	Europe	Latin America	Corporate	Total
Profit (loss) for the period	25.1	47.6	23.9	11.1	(39.3)	68.5
Plus (minus):						
Income tax (benefit) expense	8.7	18.8	4.5	0.8	(3.5)	29.2
Finance costs	4.2	5.1	5.7	(0.1)	49.8	64.8
Finance income	(0.7)	(0.0)	(0.3)	(0.4)	(1.1)	(2.6)
Depreciation	6.5	4.9	5.4	1.1	0.1	18.1
Total amortization	21.6	28.3	14.8	5.0	1.3	71.1
EBITDA	65.3	104.7	54.1	17.5	7.3	249.0
Plus (minus):						
Share-based compensation expense	0.0	0.8	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	(17.5)	(24.2)	(12.5)	(5.0)	(0.1)	(59.4)
Interest expense on lease liabilities	(2.1)	(4.8)	(1.8)	(0.9)	(0.0)	(9.6)
Inter-company charges (income) <sup>(1)</sup>	25.9	15.5	(0.7)	1.2	(41.9)	—
Other adjustments <sup>(2)</sup>	(4.9)	(1.1)	0.0	0.2	1.8	(4.0)
Adjusted EBITDA <sup>(3)</sup>	66.8	90.9	53.0	13.0	(28.0)	195.6
Adjusted EBITDA margin <sup>(4)</sup>	17.0 %	18.5 %	17.6 %	15.3 %	<i>nm</i>	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 expense (income)' per the condensed consolidated statements of income.
  - (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.
  - (4) Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.
- 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 for the period, these measures provide additional information that is useful in gaining a more complete understanding of its operational performance and of the trends impacting its business. EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are important metrics the Group uses to evaluate its operating performance and cash generation.

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

### Adjusted Net Income

Adjusted Net Income, a non-IFRS measure, increased by US\$87.6 million, or 104.9%, to US\$170.9 million for the six months ended June 30, 2023, compared to US\$83.3 million for the six months ended June 30, 2022. The US\$87.6 million improvement in Adjusted Net Income was primarily due to improved net sales and gross profit as well as disciplined expense management.

Adjusted basic and diluted earnings per share, which are non-IFRS measures, were US\$0.118 per share for the six months ended June 30, 2023, compared to US\$0.058 for the six months ended June 30, 2022. Adjusted basic and diluted earnings per share are calculated by dividing Adjusted Net Income by the weighted average number of shares used in the basic and diluted earnings per share calculations, respectively.

The following table presents the reconciliation from the Group's profit attributable to the equity holders to Adjusted Net Income for the six months ended June 30, 2023, and June 30, 2022:

<i>(Expressed in millions of US Dollars)</i>	<b>Six months ended June 30,</b>		Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects <sup>(3)</sup>
	<b>2023</b>	2022		
Profit attributable to the equity holders	<b>152.5</b>	56.3	171.5 %	185.3 %
Plus (minus):				
Change in fair value of put options included in finance costs	<b>8.2</b>	6.1	35.9 %	35.9 %
Amortization of intangible assets	<b>9.3</b>	11.7	(20.3)%	(19.2)%
Derecognition of deferred finance costs associated with the Refinancing	<b>4.4</b>	—	n/a	n/a
Impairment Charges	<b>—</b>	11.9	(100.0)%	(100.0)%
Restructuring (Reversals) Charges	<b>(0.3)</b>	1.4	nm	nm
Tax adjustments <sup>(1)</sup>	<b>(3.3)</b>	(4.0)	(17.6)%	(16.8)%
<b>Adjusted Net Income<sup>(2)</sup></b>	<b>170.9</b>	83.3	104.9 %	114.6 %

#### Notes

- (1) Tax adjustments represent the tax effect of the reconciling line items as included in the condensed consolidated statements of income based on the applicable tax rate in the jurisdiction where such costs were incurred.
  - (2) Represents Adjusted Net Income attributable to the equity holders of the Company.
  - (3) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the corresponding period in the year under comparison to current period local currency results.
- n/a Not applicable.  
nm Not meaningful.

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

Adjusted Net Income and adjusted basic and diluted earnings per share are non-IFRS financial measures and as calculated herein may not be comparable to similarly named measures used by other companies and should not be considered comparable to profit attributable to the equity holders or basic and diluted earnings per share presented in the Company's condensed consolidated statements of income. Adjusted Net Income and the related adjusted basic and diluted earnings per share calculations have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Company's results of operations as reported under IFRS.

## 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, 2024.

## Cash Flows

Cash flows generated from operating activities improved by 150.5% to US\$156.6 million for the six months ended June 30, 2023, compared to cash flows generated from operating activities of US\$62.4 million for the six months ended June 30, 2022. The US\$94.1 million increase in cash flows generated from operating activities year-on-year primarily relates to the improvement in Adjusted Net Income as compared to the six months ended June 30, 2022.

For the six months ended June 30, 2023, net cash flows used in investing activities were US\$25.7 million and were primarily related to US\$20.9 million of capital expenditures for property, plant and equipment. The Group selectively added new retail locations, remodeled certain existing retail locations and made investments in machinery and equipment to support new product innovation. For the 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 intends to continue to spend on capital expenditures and software to upgrade and expand its retail store fleet as well as to invest in core strategic functions to support continued sales growth.

Net cash flows used in financing activities were US\$171.0 million for the six months ended June 30, 2023, and were largely attributable to cash flows associated with the Refinancing (as defined in Management Discussion and Analysis – Indebtedness). In conjunction with the Refinancing, the Group paid US\$17.1 million in deferred financing costs that will be recognized over the term of the borrowings. Net cash flows used in financing activities also included US\$67.5 million in principal payments on lease liabilities. The cash flows used in financing activities during the six months ended June 30, 2023, were partially offset by proceeds from stock option exercises of US\$9.5 million.

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 Prior 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. Net cash flows used in financing activities also included US\$70.0 million in principal payments on lease liabilities.

The Group had US\$599.0 million in cash and cash equivalents as of June 30, 2023, compared to US\$635.9 million as of December 31, 2022. Cash and cash equivalents are generally denominated in the functional currency of the applicable Group entity.

## Indebtedness

The following table sets forth the carrying amount of the Group's loans and borrowings as of June 30, 2023, and December 31, 2022:

<i>(Expressed in millions of US Dollars)</i>	<b>June 30, 2023</b>	December 31, 2022
New Term Loan A Facility	<b>800.0</b>	—
New Term Loan B Facility	<b>600.0</b>	—
New Revolving Credit Facility	<b>100.0</b>	—
New Senior Credit Facilities	<b>1,500.0</b>	—
Prior Term Loan A Facility	—	580.0
Prior Term Loan B Facility	—	534.9
2021 Incremental Term Loan B Facility	—	463.1
Prior Senior Credit Facilities	—	1,578.0
Total Senior Credit Facilities	<b>1,500.0</b>	1,578.0
Senior Notes <sup>(1)</sup>	<b>381.9</b>	374.6
Other borrowings and obligations	<b>53.7</b>	67.0
Total loans and borrowings	<b>1,935.6</b>	2,019.6
Less deferred financing costs	<b>(18.7)</b>	(7.8)
Total loans and borrowings less deferred financing costs	<b>1,917.0</b>	2,011.8

Note

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

## Amended and Restated Senior Credit Facilities Agreement

On June 21, 2023 (the "Closing Date"), the Company and certain of its direct and indirect wholly owned subsidiaries entered into the Second Amended and Restated Credit Agreement (the "New Credit Agreement"). The New Credit Agreement amends and restates in its entirety the Amended and Restated Credit Agreement dated April 25, 2018 (as amended from time to time prior to the Closing Date (the "Prior Credit Agreement")), and provides for (1) a new US\$800.0 million senior secured term loan A facility (the "New Term Loan A Facility"), (2) a new US\$600.0 million senior secured term loan B facility (the "New Term Loan B Facility" and, together with the New Term Loan A Facility, the "New Term Loan Credit Facilities") and (3) a new US\$850.0 million revolving credit facility (the "New Revolving Credit Facility"). The credit facilities provided under the New Credit Agreement are referred to herein as the "New Senior Credit Facilities."

The Prior Credit Agreement provided for (1) a US\$800.0 million senior secured term loan A facility (the "Prior Term Loan A Facility"), (2) a US\$665.0 million senior secured term loan B facility (the "Prior Term Loan B Facility"), (3) a US\$495.5 million term loan B facility (the "2021 Incremental Term Loan B Facility" and, together with the Prior Term Loan A Facility

and the Prior Term Loan B Facility, the “Prior Term Loan Credit Facilities”) and (4) a US\$850.0 million revolving credit facility (the “Prior Revolving Credit Facility”). The credit facilities provided under the Prior Credit Agreement are referred to herein as the “Prior Senior Credit Facilities.”

On the Closing Date, the Group borrowed US\$100.0 million under the New Revolving Credit Facility and used the proceeds of such borrowing, plus the proceeds from the New Term Loan A Facility and the New Term Loan B Facility, along with cash on hand, to repay the entire principal amount of its outstanding borrowings under the Prior Credit Agreement, plus transaction expenses (the transactions entered into on the Closing Date pursuant to and in connection with the New Credit Agreement are collectively referred to herein as the “Refinancing”).

### **Interest Rate and Fees**

Interest on the borrowings under the New Term Loan A Facility, the New Revolving Credit Facility and the New Term Loan B Facility began to accrue on the Closing Date.

In respect of the New Term Loan A Facility and the New Revolving Credit Facility, the interest rate payable from the Closing Date until the delivery of the financial statements for the first full fiscal quarter commencing on or after the Closing Date is based on the Secured Overnight Financing Rate (“SOFR”), with a SOFR floor of 0%, plus a 10 basis-point credit spread adjustment, plus 1.375% per annum (or a base rate plus 0.375% per annum), and thereafter shall be 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.

In respect of the New Term Loan B Facility, the interest rate payable with effect from the Closing Date is based on SOFR, with a SOFR floor of 0.50%, plus 2.750% per annum (or a base rate plus 1.750% per annum).

In addition to paying interest on the outstanding principal amount of borrowings under the New Senior Credit Facilities, the borrowers pay customary agency fees and a commitment fee equal to 0.2% per annum in respect of the unutilized commitments under the New Revolving Facility from the Closing Date until the delivery of the financial statements for the first full fiscal quarter commencing on or after the Closing Date and thereafter shall be 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.

### **Amortization and Final Maturity**

The New Term Loan A Facility requires scheduled quarterly payments commencing on the last day of the first full fiscal quarter ended after the Closing Date, with an annual amortization of 2.5% of the original principal amount of the loans under the New 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, with the balance due and payable on the maturity date for the New Term Loan A Facility. There is no scheduled amortization of any principal amounts outstanding under the New Revolving Credit Facility. The balance then outstanding under the New Term Loan A Facility and the New Revolving Credit Facility will be due and payable on June 21, 2028.

If (i) on the date that is 91 days prior to the maturity date of the Senior Notes, more than €150.0 million in aggregate principal amount of the Senior Notes has not been repaid and/or refinanced with indebtedness having a maturity date at least 90 days later than the then-stated maturity date of the New Term Loan A Facility and the New Revolving Credit Facility and the total net leverage ratio of the Company and its restricted subsidiaries on such date is greater than 3.00:1.00 or (ii) on the date that is 90 days prior to the maturity date of the Senior Notes (as defined below), more than US\$150 million in aggregate principal amount of the loans outstanding under the New Term Loan B Facility have matured pursuant to the Term Loan B Maturity Springer (as defined below), then the maturity date with respect to the New Term Loan A Facility and the New Revolving Credit Facility will spring to a date that is 90 days prior to the maturity date of the Senior Notes.

The New Term Loan B Facility requires scheduled quarterly payments commencing on the last day of the first full fiscal quarter ended after the Closing Date, each equal to 0.25% of the original principal amount of the loans under the New Term Loan B Facility, with the balance due and payable on June 21, 2030.

If (i) on the date that is 91 days prior to the maturity date of Senior Notes, more than €150.0 million in aggregate principal amount of the Senior Notes has not been repaid and/or refinanced with indebtedness having a maturity date at least 90 days later than the then-stated maturity date of the New Term Loan B Facility and after giving effect to a refinancing of the Senior Notes, the Company and its restricted subsidiaries have liquidity of less than US\$350 million during the period from the 91st day prior to the maturity date applicable to the Senior Notes until the maturity date applicable to the Senior Notes, the maturity date with respect to the New Term Loan B Facility will spring to the date that is 90 days prior to the maturity date of the Senior Notes (such circumstances resulting in the such earlier maturity date being the “Term Loan B Maturity Springer”).

## **Guarantees and Security**

The obligations of the borrowers under the New 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 New 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 New 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 New Credit Agreement requires the Company and its subsidiaries to meet certain quarterly financial covenants. For test periods commencing with the first full fiscal quarter ended after the Closing Date and thereafter, the Company and its subsidiaries are required to maintain (i) a pro forma total net leverage ratio of not greater than 4.50:1.00; provided that such maximum pro forma total net leverage ratio is subject to a step up of 0.50x from the otherwise applicable ratio 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 New Term Loan A Facility and the lenders under the New Revolving Credit Facility. 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).

## **Other Information**

The Group incurred US\$17.1 million of new deferred financing costs in conjunction with the Refinancing. Deferred financing costs incurred in conjunction with 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 Total Senior Credit Facilities and Senior Notes. Total deferred financing costs included within total loans and borrowings amounted to US\$18.7 million and US\$7.8 million as of June 30, 2023, and December 31, 2022, respectively.

The amortization of deferred financing costs, which is included in interest expense, amounted to US\$1.8 million and US\$2.6 million for the six months ended June 30, 2023, and June 30, 2022, respectively.

During the six months ended June 30, 2023, the Group recorded a non-cash charge in interest expense in the amount of US\$4.4 million related to unamortized deferred financing costs which were part of the net carrying value of the Prior Senior Credit Facilities which was settled.

## **Interest Rate Swaps**

The Group maintains interest rate swaps to hedge a portion of its interest rate exposure under the floating-rate New 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.

On June 21, 2023, the Group amended the interest rate swap agreements by replacing references to the London Interbank Offered Rate ("LIBOR") with references to SOFR. As a result, the Group's interest rate swaps have effectively fixed SOFR at approximately 1.1305% with respect to an amount equal to approximately 37% of the principal amount of the New Senior Credit Facilities as of June 30, 2023, which reduces a portion of the Company's exposure to interest rate increases. The interest rate swap agreements have fixed payments due monthly that commenced September 30, 2019. The interest rate swap transactions qualify as cash flow hedges. As of June 30, 2023, the interest rate swaps were marked-to-market, resulting in a net asset position to the Group in the amount of US\$26.0 million which was recorded as an asset with the effective portion of the gain deferred to other comprehensive income.

Prior to the amendments to the interest rate swap agreements on June 21, 2023, the Group's interest rate swaps had LIBOR fixed at approximately 1.208% with respect to an amount equal to approximately 35% of the principal amount of the Prior Senior Credit Facilities. As of December 31, 2022, the interest rate swaps were marked-to-market, resulting in

a net asset position to the Group in the amount of US\$30.5 million which was recorded as an asset with the effective portion of the gain (loss) deferred to other comprehensive income.

### **€350.0 Million 3.500% Senior Notes Due 2026**

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

#### **Maturity, Interest and Redemption**

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

The Issuer may redeem all, or from time to time a part, of the Senior Notes at a redemption price equal to 100.000% of the principal amount of the Senior Notes redeemed 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).

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

#### **Guarantee and Security**

The Senior Notes are guaranteed by the Guarantors on a senior subordinated basis. The Senior Notes are secured by a second-ranking pledge over the shares of the Issuer and a second-ranking pledge over the Issuer’s rights in the proceeds loan in respect of the proceeds of the offering of the Senior Notes (the “Shared Collateral”). The Shared Collateral also secures the borrowings under the New 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\$53.7 million and US\$67.0 million as of June 30, 2023, and December 31, 2022, respectively.

The following represents the contractual maturity dates of the Group’s loans and borrowings as of June 30, 2023, and December 31, 2022:

<i>(Expressed in millions of US Dollars)</i>	<b>June 30, 2023</b>	December 31, 2022
On demand or within one year	<b>79.7</b>	118.6
After one year but within two years	<b>26.0</b>	66.6
After two years but within five years	<b>1,259.9</b>	1,834.4
More than five years	<b>570.0</b>	—
	<b>1,935.6</b>	2,019.6

## 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, 2023, are expected to be US\$89.5 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, 2023, and June 30, 2022:

<i>(Expressed in millions of US Dollars)</i>	Six months ended June 30,	
	2023	2022
Average inventories <sup>(1)</sup>	714.0	408.6
Cost of sales	732.6	562.8
Average inventory turnover days <sup>(2)</sup>	178	133

#### 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 increased in the first half of 2023 (US\$740.4 million as of June 30, 2023, compared to US\$687.6 million as of December 31, 2022) compared to 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) to meet increased customer demand.

#### 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, 2023, and June 30, 2022:

<i>(Expressed in millions of US Dollars)</i>	Six months ended June 30,	
	2023	2022
Average trade and other receivables <sup>(1)</sup>	302.7	229.8
Net sales	1,776.2	1,270.2
Turnover days of trade and other receivables <sup>(2)</sup>	31	33

#### 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 2023 (US\$314.4 million as of June 30, 2023, compared to US\$290.9 million as of December 31, 2022) compared to 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) due to increased net sales and timing of receipts compared to the corresponding period in the previous year. The turnover days of trade and other receivables for the six months ended June 30, 2023, has improved slightly compared to the six months ended June 30, 2022, due to improved timing of collections.

Trade receivables as of June 30, 2023, 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, 2023, and June 30, 2022:

<i>(Expressed in millions of US Dollars)</i>	<b>Six months ended June 30,</b>	
	<b>2023</b>	2022
Average trade and other payables <sup>(1)</sup>	<b>764.0</b>	562.9
Cost of sales	<b>732.6</b>	562.8
Turnover days of trade and other payables <sup>(2)</sup>	<b>190</b>	183

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 2023 (US\$749.5 million as of June 30, 2023, compared to US\$778.5 million as of December 31, 2022) compared to 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) due to inventory purchases to support the ongoing sales recovery.

Trade payables as of June 30, 2023, 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, 2023, and December 31, 2022:

<i>(Expressed in millions of US Dollars)</i>	<b>June 30, 2023</b>	December 31, 2022
Loans and borrowings (excluding deferred financing costs)	<b>1,935.6</b>	2,019.6
Total equity	<b>1,247.3</b>	1,079.6
Gearing ratio <sup>(1)</sup>	<b>155.2 %</b>	187.1 %

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, 2023:

<i>(Expressed in millions of US Dollars)</i>	<b>Total</b>	<b>Within 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
Loans and borrowings	<b>1,935.6</b>	<b>79.7</b>	<b>26.0</b>	<b>1,259.9</b>	<b>570.0</b>
Open inventory purchase orders	<b>500.1</b>	<b>497.7</b>	<b>2.3</b>	<b>0.1</b>	—
Future minimum contractual payments under lease liabilities	<b>512.6</b>	<b>153.4</b>	<b>114.8</b>	<b>180.9</b>	<b>63.4</b>
Future minimum payments under short-term and low-value leases	<b>3.6</b>	<b>3.6</b>	—	—	—
Total	<b>2,951.9</b>	<b>734.5</b>	<b>143.2</b>	<b>1,440.9</b>	<b>633.4</b>

As of June 30, 2023, 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, 2023.

### 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, 2023, are set out in note 24 to the consolidated interim financial statements.

## Other Information

Total current assets were US\$1,750.0 million and US\$1,694.6 million, and total assets less current liabilities were US\$3,695.0 million and US\$3,507.9 million, as of June 30, 2023, and December 31, 2022, respectively.

## Strategic Review and Full-year Prospects

Financial results of the Group during the first six months ended June 30, 2023 were as follows:

### Financial Results

Key Group metrics for the six months ended June 30, 2023, compared to the six months ended June 30, 2022, were as follows:

- Net sales were US\$1,776.2 million for the six months ended June 30, 2023, compared to US\$1,270.2 million for the six months ended June 30, 2022, an increase of 39.8% (+44.5% constant currency). When excluding the Russia Net Sales, consolidated net sales increased by US\$515.8 million, or 40.9% (+45.7% constant currency), for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. There was a noticeable acceleration in the Group's net sales recovery in all regions during the six months ended June 30, 2023, particularly in Asia where China, the last major market in the region to reopen, lifted restrictions at the beginning of 2023.
- The Group's consolidated net sales as reported increased by 1.2% (+10.9% constant currency) during the six months ended June 30, 2023, compared to the six months ended June 30, 2019. When excluding the Russia and Speck Net Sales, consolidated net sales increased by 6.0% (+16.2% constant currency) for the six months ended June 30, 2023, compared to the six months ended June 30, 2019.
- Gross profit margin was 58.8% for the six months ended June 30, 2023, compared to 55.7% for the corresponding period in 2022. The increase in gross profit margin was driven mainly by year-on-year gross profit margin increases in all regions and Asia, the region with the highest gross profit margin, increasing its share of net sales. This increase in gross profit margin was also driven by an increased proportion of total net sales attributable to the *Tumi* brand, changes in channel net sales mix, and overall lower promotional activity.
- The Group spent US\$114.2 million on marketing during the six months ended June 30, 2023, compared to US\$57.7 million for the six months ended June 30, 2022, an increase of US\$56.5 million, or 97.8%. As a percentage of net sales, marketing expenses increased by 190 basis points to 6.4% for the six months ended June 30, 2023, from 4.5% for the six months ended June 30, 2022. Marketing expenses for the six months ended June 30, 2023, increased by 10.8% compared to the six months ended June 30, 2019. As a percentage of net sales, marketing expenses increased by 50 basis points from 5.9% for the six months ended June 30, 2019. The Group will continue with its investment in marketing to capitalize on the ongoing recovery in leisure and business travel and drive further net sales growth.
- The Group reported an operating profit of US\$312.1 million for the six months ended June 30, 2023, compared to US\$159.9 million for the corresponding period in 2022, an improvement of US\$152.3 million, or 95.3%.
- Profit for the six months ended June 30, 2023, was US\$171.4 million compared to US\$68.5 million for the six months ended June 30, 2022, an improvement of US\$103.0 million, or 150.7%.
- Profit attributable to the equity holders was US\$152.5 million for the six months ended June 30, 2023, compared to US\$56.3 million for the corresponding period in 2022, an improvement of US\$96.3 million, or 171.5%.
- Adjusted EBITDA, a non-IFRS measure, improved by US\$138.7 million, or 70.9%, to US\$334.3 million for the six months ended June 30, 2023, compared to US\$195.6 million for the six months ended June 30, 2022. Adjusted EBITDA margin was 18.8% for the six months ended June 30, 2023, compared to 15.4% for the six months ended June 30, 2022. The improvement in Adjusted EBITDA margin was primarily due to continued net sales improvement and the increase in gross profit margin, as well as disciplined expense management.
- On June 21, 2023, the Company completed the Refinancing of its senior credit facilities. The Refinancing provides for a new US\$800.0 million senior secured term loan A facility, a new US\$600.0 million senior secured term loan B facility and a new US\$850.0 million revolving credit facility. The Company reduced its outstanding debt by approximately US\$65.0 million and extended the maturities of the term loan A facility and revolving credit facility by approximately three years and of the term loan B facility by approximately five years.
- As of June 30, 2023, the Group had cash and cash equivalents of US\$599.0 million and outstanding financial debt of US\$1,935.6 million (excluding deferred financing costs of US\$18.7 million), resulting in a net debt position of US\$1,336.7 million compared to a net debt position of US\$1,383.7 million as of December 31, 2022, and US\$1,305.3 million as of December 31, 2019.
- Total liquidity as of June 30, 2023, was US\$1,344.3 million compared to US\$1,481.3 million as of December 31, 2022.

### **Investment in Advertising and Promotion**

The Group spent US\$114.2 million on marketing during the six months ended June 30, 2023, compared to US\$57.7 million for the six months ended June 30, 2022, an increase of US\$56.5 million, or 97.8%. As a percentage of net sales, marketing expenses increased by 190 basis points to 6.4% for the six months ended June 30, 2023, from 4.5% for the six months ended June 30, 2022. Marketing expenses for the six months ended June 30, 2023, increased by 10.8% compared to the six months ended June 30, 2019. As a percentage of net sales, marketing expenses increased by 50 basis points from 5.9% for the six months ended June 30, 2019. The Group will continue with its investment in marketing to capitalize on the ongoing recovery in leisure and business travel and drive further net sales growth.

### **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.
- Increase 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 more 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.

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

### **Near-term Focus:**

- With such a strong performance in the first half of 2023, the Group is excited about its growth prospects for the rest of the year. As travel continues to rebound, the Group is well positioned to further grow its net sales at a fundamentally higher operating margin.
- The Group is seeing a quick recovery in its business in China and Asia. Outbound travel from China is expected to accelerate in the coming months and will provide additional opportunity for growth in the Group's business in Asia and the rest of the world.
- The Group is expecting an acceleration in the recovery in international travel globally as long-haul flight capacity continues to be added.
- The Group intends to continue its investment in marketing during 2023, and is targeting advertising spend close to 6.5% of its consolidated net sales, to capitalize on the continued recovery in travel and drive further net sales growth across all brands.
- The Group will maintain disciplined expense management on its fixed selling, general and administrative expenses. The Group is now making selective investments in core strategic functions to support its continued net sales growth.
- The Group's ongoing commitment to sustainability and innovation, along with its amazing teams around the world, will continue to strengthen its long-term market position as travel grows beyond pre-COVID-19 levels.
- With significant liquidity<sup>(1)</sup> of US\$1.3 billion at June 30, 2023, and total net leverage ratio<sup>(2)</sup> below pre-pandemic levels, the Group is confident that it has the capacity to support the growth of its business in the years to come.
- The Company's intent is to resume annual cash distributions in 2024, subject to its Dividend and Distribution Policy.

#### Notes

(1) Total liquidity is calculated as the sum of cash and cash equivalents per the condensed consolidated statements of financial position plus available capacity under the revolving credit facility (see Management Discussion and Analysis - Indebtedness for further discussion). As of June 30, 2023, the Group had total liquidity of US\$1,344.3 million, comprising cash and cash equivalents of US\$599.0 million and US\$745.4 million available to be borrowed on the Group's revolving credit facility.

(2) The total net leverage ratio is calculated by dividing total consolidated net debt minus the aggregate amount of unrestricted cash by the consolidated Adjusted EBITDA (as defined below) for the trailing four fiscal quarters on a pro forma basis as defined in the credit agreement (see Management Discussion and Analysis - Indebtedness for further discussion).



# Corporate Governance and Other Information

## Directors

At June 30, 2023, 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 Korbass  
Ying Yeh

At June 30, 2023, 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 Korbass (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, 2023, 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.

Except as described below, the Company complied with all applicable code provisions set out in Part 2 of the CG Code throughout the period from January 1, 2023, to June 30, 2023.

The Company maintains its Code Business Ethics Reporting Line and Website, which are administered by a third-party service provider and which facilitate reporting by directors of the Company and employees of the Group of known or suspected violations of the Company's Code of Conduct. The Company is working on implementing an updated whistleblower policy and system that will be available to employees and those who deal with the Group (such as customers and suppliers). The roll-out of such policy and system is planned to be completed in the third quarter of 2023.

## 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. Jerome Squire Griffith was appointed President and Chief Executive Officer, and as a director, of Brown Jordan, Inc., a privately held, leading manufacturer of outdoor and indoor furniture, in June 2023. In June 2023 Mr. Griffith retired as Executive Vice Chairman, and as a director, of Lands' End, Inc., a multi-channel retailer of clothing, accessories, footwear and home products that is listed on NASDAQ.

## Company Secretaries and Authorized Representatives

Mr. John Bayard Livingston and Ms. Ho Wing Tsz, Wendy ("Ms. Ho") are the joint company secretaries of the Company while Mr. Kyle Francis Gendreau and Ms. Ho 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, 2023.

## Share Award Schemes

On September 14, 2012, the Company's shareholders approved the 2012 Share Award Scheme (as amended from time to time), which was valid for a term of 10 years from October 26, 2012 (being the adoption date under the terms of the 2012 Share Award Scheme) until its expiration on October 26, 2022. No further awards may be granted under the

2012 Share Award Scheme, but all outstanding awards granted thereunder prior to its expiration remain outstanding in accordance with their terms.

On December 21, 2022, the Company's shareholders approved the 2022 Share Award Scheme, which is valid for a term of 10 years from January 5, 2023 (being the adoption date under the terms of the 2022 Share Award Scheme) until its expiration on January 5, 2033.

The purpose of both the 2012 Share Award Scheme and the 2022 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 both the 2012 Share Award Scheme and the 2022 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 January 1, 2023, no awards could be granted pursuant to the 2022 Share Award Scheme because the adoption date under the terms of the 2022 Share Award Scheme was January 5, 2023, and therefore the term of the 2022 Share Award Scheme had not yet commenced. As of June 30, 2023, the maximum aggregate number of shares in respect of which awards could be granted pursuant to the 2022 Share Award Scheme was 44,254,369 shares, representing approximately 3.07% of the issued share capital of the Company at that date. Under both the 2012 Share Award Scheme and the 2022 Share Award Scheme, an individual participant may be granted awards pursuant to the 2022 Share Award Scheme in respect of a maximum of 1.00% 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 shareholders' approval.

As of July 31, 2023, being the Latest Practicable Date, the number of shares that may be issued in respect to outstanding awards granted under all of the Share Award Schemes (being the 2012 Share Award Scheme and the 2022 Share Award Scheme) is 99,990,222 shares (assuming maximum level vesting of outstanding PRSUs (as defined below)). The dilutive effect of such is 6.93%, being the number of shares divided by the weighted average number of shares for the same period.

Share-based compensation cost of US\$6.9 million and US\$6.2 million was recognized in the condensed consolidated statements of income, with a corresponding increase in equity reserves, for the six months ended June 30, 2023, and June 30, 2022, respectively.

### **Remuneration Committee**

During the six months ended June 30, 2023, the material matter relating to Share Award Schemes that was reviewed and/or approved by the Remuneration Committee was the approval of the restricted share units granted during such period under the 2022 Share Award Scheme. In respect of the time-based restricted share units ("TRSUs") granted during the six months ended June 30, 2023, the Remuneration Committee determined that it was appropriate for the TRSUs to not be subject to any performance vesting targets because TRSUs aid in the retention of the grantees since they vest over a period of time. Long-term performance is incentivized, and the interests of the grantees and the Company's shareholders are aligned, as the value of the TRSUs depends on the market value of the Company's shares and the shares underlying TRSUs help the relevant grantees to meet their applicable share ownership levels under the Company's Share Ownership Guidelines.

The performance-based restricted share units ("PRSUs") granted during the six months ended June 30, 2023, are subject to performance vesting targets.

### **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 Company may, at its discretion, require a grantee to pay a remittance of HK\$1.00 (or such other amount in any other currency as the Remuneration Committee may determine) as consideration for the grant of an option at the time of acceptance of an option grant.

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.

Holder 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.

Particulars and movements of share options during the six months ended June 30, 2023, were as follows:

Name / category of grantee	Number of share options					Date of grant	Vesting period	Exercise period	Exercise price per share (HK\$)	Closing price immediately preceding the date of grant (HK\$)
	As of January 1, 2023	Granted during the period	Exercised during the period <sup>(3)</sup>	Lapsed during the period	As of June 30, 2023					
<b>CONNECTED PERSONS</b>										
<b><i>Directors</i></b>										
Timothy Parker	2,368,749	—	(2,368,749)	—	—	January 8, 2013	January 8, 2014 - January 7, 2017	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, 2018	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, 2020	January 7, 2018 - January 6, 2025	23.31	23.30
Kyle Gendreau	216,683	—	—	—	216,683	January 7, 2015	January 7, 2016 - January 6, 2019	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, 2020	May 6, 2017 - May 5, 2026	24.91	24.00
Kyle Gendreau	952,676	—	—	—	952,676	May 26, 2017	May 26, 2018 - May 25, 2021	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, 2022	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, 2023	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, 2024	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, 2025	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, 2026	May 26, 2023 - May 25, 2032	17.97	16.14
Tom Korbas	32,351	—	—	—	32,351	January 7, 2014	January 7, 2015 - January 6, 2018	January 7, 2015 - January 6, 2024	23.30	23.30
Tom Korbas	714,182	—	—	—	714,182	January 7, 2015	January 7, 2016 - January 6, 2019	January 7, 2016 - January 6, 2025	23.31	23.30
<b>Total Directors</b>	<b>31,212,716</b>	<b>—</b>	<b>(2,368,749)</b>	<b>—</b>	<b>28,843,967</b>					

Name / category of grantee	Number of share options					Date of grant	Vesting Period	Exercise period	Exercise price per share (HK\$)	Closing price immediately preceding the date of grant (HK\$)
	As of January 1, 2023	Granted during the period	Exercised during the period <sup>(1)</sup>	Lapsed during the period	As of June 30, 2023					
<b>OTHERS</b>										
Employees	305,250	—	(305,249)	(1)	—	January 8, 2013	January 8, 2014 - January 7, 2017	January 8, 2014 - January 7, 2023	17.36	16.90
Employee	108,522	—	(108,522)	—	—	July 1, 2013	July 1, 2014 - June 30, 2017	July 1, 2014 - June 30, 2023	18.68	18.68
Employees	2,487,404	—	(54,510)	—	2,432,894	January 7, 2014	January 7, 2015 - January 6, 2018	January 7, 2015 - January 6, 2024	23.30	23.30
Employees	5,014,678	—	(19,847)	—	4,994,831	January 7, 2015	January 7, 2016 - January 6, 2019	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, 2020	January 7, 2018 - January 6, 2025	23.31	23.30
Employees	7,912,191	—	—	(46,050)	7,866,141	May 6, 2016	May 6, 2017 - May 5, 2020	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, 2021	May 6, 2019 - May 5, 2026	24.91	24.00
Employee	62,160	—	—	—	62,160	May 11, 2016	May 11, 2017 - May 10, 2020	May 11, 2017 - May 10, 2026	24.23	24.05
Employee	74,979	—	—	—	74,979	June 16, 2016	June 16, 2017 - June 15, 2020	June 16, 2017 - June 15, 2026	23.19	22.45
Employees	8,161,880	—	—	(46,176)	8,115,704	May 26, 2017	May 26, 2018 - May 25, 2021	May 26, 2018 - May 25, 2027	31.10	30.45
Employees	3,747,960	—	—	(23,236)	3,724,724	October 11, 2018	October 11, 2019 - October 10, 2022	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, 2022	December 4, 2019 - December 3, 2028	25.00	25.00
Employees	5,701,553	—	(897,895)	(16,082)	4,787,576	June 17, 2019	June 17, 2020 - June 16, 2023	June 17, 2020 - June 16, 2029	16.04	16.18
Employees	125,992	—	—	—	125,992	November 22, 2019	November 22, 2020 - November 21, 2023	November 22, 2020 - November 21, 2029	16.62	16.44
Employees	8,382,660	—	(649,458)	—	7,733,202	November 18, 2020	November 18, 2021 - November 17, 2024	November 18, 2021 - November 17, 2030	15.18	11.90
Employees	7,907,588	—	—	—	7,907,588	June 17, 2021	June 17, 2022 - June 16, 2025	June 17, 2022 - June 16, 2031	20.76	17.40
Employees	7,671,424	—	—	—	7,671,424	May 26, 2022	May 26, 2023 - May 25, 2026	May 26, 2023 - May 25, 2032	17.97	16.14
Employee	535,536	—	—	—	535,536	October 10, 2022	October 10, 2023 - October 9, 2026	October 10, 2023 - October 9, 2032	20.59	19.58
<b>Total Employees</b>	<b>65,513,428</b>	<b>—</b>	<b>(2,035,481)</b>	<b>(131,545)</b>	<b>63,346,402</b>					
<b>Total<sup>(1), (2)</sup></b>	<b>96,726,144</b>	<b>—</b>	<b>(4,404,230)</b>	<b>(131,545)</b>	<b>92,190,369</b>					

#### Notes

- (1) No grant has been made to (i) any related entity participant or service provider with options and awards granted in excess of 0.1% of the Company's issued shares over the 6-month period ended June 30, 2023, and (ii) any other participant with options and awards granted in excess of the 1% individual limit, as such terms are used in the Listing Rules.
- (2) During the six months ended June 30, 2023, there were no cancellations of share options.
- (3) The weighted average closing price of the shares immediately before the date of exercise by the participants was HK\$21.10.

#### Restricted Share Units ("RSUs")

The Company may, from time to time, grant RSUs, including TRSUs and 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. The Company has historically granted PRSUs with either (a) market-based performance conditions or (b) non-market-based performance conditions. Where the performance-based award incorporates a market-based performance 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-based performance conditions, or the passage of time for TRSUs. For awards with market-based performance conditions, the expense is recognized over the requisite service period with no adjustment to the expense recognized for actual achievement. For awards with non-market-based performance conditions, the expense is recognized over the requisite service period with an adjustment to the total expense

recognized for actual shares vested. Actual distributed shares are calculated upon conclusion of the service and performance periods.

No amount is payable to the Company for the grant or acceptance of RSU awards.

RSU awards in the form of TRSUs and PRSUs were granted during the six months ended June 30, 2023, and is discussed further below. No RSUs were granted during the six months ended June 30, 2022.

### 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.

On June 8, 2023, the Company awarded TRSUs with respect to 2,628,576 shares to an executive director of the Company and certain key management personnel and other employees of the Group.

Particulars and movements of TRSUs during the six months ended June 30, 2023, were as follows:

Name / category of grantee	Number of TRSUs					Date of grant	Vesting period	Purchase price per share (HK\$)	Closing price immediately preceding the date of grant (HK\$)
	As of January 1, 2023	Granted during the period <sup>(3)</sup>	Vested and converted to ordinary shares during the period	Lapsed during the period	As of June 30, 2023				
<b>Directors</b>									
Kyle Gendreau	—	1,256,103	—	—	1,256,103	June 8, 2023	1/3 of TRSUs will vest on each of June 8, 2024, June 8, 2025 and June 8, 2026	0.00	21.05
<b>Total Directors</b>	<b>—</b>	<b>1,256,103</b>	<b>—</b>	<b>—</b>	<b>1,256,103</b>				

Name / category of grantee	Number of TRSUs					Date of grant	Vesting period	Purchase price per share (HK\$)	Closing price immediately preceding the date of grant (HK\$)
	As of January 1, 2023	Granted during the period <sup>(3)</sup>	Vested and converted to ordinary shares during the period	Lapsed during the period	As of June 30, 2023				
<b>Others</b>									
Employees	—	1,372,473	—	—	1,372,473	June 8, 2023	1/3 of TRSUs will vest on each of June 8, 2024, June 8, 2025 and June 8, 2026	0.00	21.05
<b>Total Employees</b>	<b>—</b>	<b>1,372,473</b>	<b>—</b>	<b>—</b>	<b>1,372,473</b>				
<b>Total<sup>(1), (2)</sup></b>	<b>—</b>	<b>2,628,576</b>	<b>—</b>	<b>—</b>	<b>2,628,576</b>				

#### Notes

- (1) No grant has been made to (i) any related entity participant or service provider with options and awards granted in excess of 0.1% of the Company's issued shares over the 6-month period ended June 30, 2023, and (ii) any other participant with options and awards granted in excess of the 1% individual limit, as such terms are used in the Listing Rules.
- (2) During the six months ended June 30, 2023, there were no cancellations of TRSUs.
- (3) The fair value of the TRSUs at the date of grant was HK\$20.89. Details of the accounting standard and policy adopted for TRSUs are set out in note 15(b) Share-based Payment Arrangements to the unaudited consolidated interim financial statements.

### 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 performance targets are met. Expense related to PRSUs with non-market-based performance conditions 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 any PRSUs granted with market-based performance 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.

On June 8, 2023, the Group granted PRSUs with respect to a target number of 2,628,576 shares to an executive director and certain members of the Company's senior management team assuming target level achievement of the performance conditions applicable to the PRSU grants. The performance targets cover the three-year period ending December 31, 2026 and are comprised of annual long-term incentive plan ("LTIP") Adjusted EBITDA growth rate targets for each year included in the three-year performance period. The actual number of shares that will vest under the PRSUs will vary depending on the level of achievement of the performance conditions applicable to the PRSU grants made to the relevant grantees, thereby ensuring that the actual payout is linked to the Company's performance. The maximum number of shares underlying the PRSUs granted is 5,257,152 shares. The PRSUs granted on June 8, 2023 will vest on June 8, 2026, subject to the level of achievement of the annual performance targets included in the three-year performance period and subject to the applicable grantee continuing to be employed by, or continuing to provide services to, the Group on the vesting date.

Particulars and movements of PRSUs (at target level vesting) during the six months ended June 30, 2023, were as follows:

Name / category of grantee	Number of PRSUs						Date of grant	Vesting period <sup>(4)</sup>	Purchase price per share (HK\$)	Closing price immediately preceding the date of grant (HK\$)
	As of January 1, 2023	Initial or target number of shares for PRSUs granted during the period <sup>(3)</sup>	Change due to performance condition achievement	Vested during the period	Lapsed during the period	As of June 30, 2023				
<b>Directors</b>										
Kyle Gendreau	—	1,256,103	—	—	—	1,256,103	June 8, 2023	PRSUs will vest on June 8, 2026	0.00	21.05
<b>Total Directors</b>	<b>—</b>	<b>1,256,103</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,256,103</b>				

Name / category of grantee	Number of PRSUs						Date of grant	Vesting period <sup>(4)</sup>	Purchase price per share (HK\$)	Closing price immediately preceding the date of grant (HK\$)
	As of January 1, 2023	Initial or target number of shares for PRSUs granted during the period <sup>(3)</sup>	Change due to performance condition achievement	Vested during the period	Lapsed during the period	As of June 30, 2023				
<b>Others</b>										
Employees	—	1,372,473	—	—	—	1,372,473	June 8, 2023	PRSUs will vest on June 8, 2026	0.00	21.05
<b>Total Employees</b>	<b>—</b>	<b>1,372,473</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,372,473</b>				
<b>Total<sup>(1), (2)</sup></b>	<b>—</b>	<b>2,628,576</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,628,576</b>				

**Notes**

- (1) No grant has been made to (i) any related entity participant or service provider with options and awards granted in excess of 0.1% of the Company's issued shares over the 6-month period ended June 30, 2023, and (ii) any other participant with options and awards granted in excess of the 1% individual limit, as such terms are used in the Listing Rules.
- (2) During the six months ended June 30, 2023, there were no cancellations of PRSUs.
- (3) The fair value of the PRSUs at the date of grant was HK\$20.17. Details of the accounting standard and policy adopted for PRSUs are set out in note 15(b) Share-based Payment Arrangements to the unaudited consolidated interim financial statements.
- (4) Subject to satisfaction of applicable performance targets.

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 2022 Share Award Scheme. During the six months ended June 30, 2023, and June 30, 2022, there were no cancellations of share options, TRSUs or PRSUs.

**Human Resources and Remuneration**

As of June 30, 2023, the Group had a full-time equivalent headcount of approximately 11,450 worldwide. The Group regularly reviews the 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 (the "Dividend and 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 2023.

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

During the six months ended June 30, 2023, the Company issued 4,404,230 ordinary shares at a weighted-average exercise price of HK\$16.90 per share, or HK\$74.4 million in aggregate, in connection with the exercise of vested share options that were granted under the Company's 2012 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, 2023.

### **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](http://www.hkexnews.hk)) and the Company ([www.samsonite.com](http://www.samsonite.com)). The interim report for the six months ended June 30, 2023 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 16, 2023

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