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, 2024

Disclaimer

Non-IFRS Measures

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

Forward-looking Statements

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

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

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 (IFRS) Accounting Standards as issued by the International Accounting Standards Board (IASB).
(2) Adjusted 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, 2024, and the related condensed consolidated statements of income, comprehensive income, changes in equity, and cash flows for the six month periods ended June 30, 2024, and June 30, 2023, and the related notes (collectively, the "consolidated interim financial statements"). The following financial information, including comparative figures, has been prepared in accordance with IFRS Accounting Standards as issued by the IASB.

Summary Financial Results

For the Six Months Ended June 30, 2024, and June 30, 2023

The following table summarizes the consolidated financial results for the six months ended June 30, 2024, and June 30, 2023.

(Expressed in millions of US Dollars, except per share data)	**Six months ended June 30,** **2024**	2023	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[1]
Net sales	**1,768.5**	1,776.2	(0.4)%	2.8 %
Gross profit	**1,064.8**	1,043.6	2.0 %	5.9 %
Gross profit margin	**60.2 %**	58.8 %		
Operating profit	**314.7**	312.1	0.8 %	5.6 %
Profit for the period	**179.1**	171.4	4.5 %	11.9 %
Profit attributable to the equity holders	**164.3**	152.5	7.7 %	16.1 %
Adjusted Net Income[2]	**174.0**	170.9	1.8 %	9.3 %
Adjusted EBITDA[3]	**333.5**	334.3	(0.3)%	4.3 %
Adjusted EBITDA margin[4]	**18.9 %**	18.8 %		
Basic earnings per share *(Expressed in US Dollars per share)*	**0.113**	0.106	6.7 %	15.0 %
Diluted earnings per share *(Expressed in US Dollars per share)*	**0.112**	0.105	6.1 %	14.4 %
Adjusted basic earnings per share[5] *(Expressed in US Dollars per share)*	**0.119**	0.118	0.9 %	8.3 %
Adjusted diluted earnings per share[5] *(Expressed in US Dollars per share)*	**0.118**	0.118	0.3 %	7.7 %

Notes

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

(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 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 under IFRS 16, *Leases* ("IFRS 16") to account for operational rent expenses. 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

- Reported net sales were US$1,768.5 million for the six months ended June 30, 2024, a decrease of 0.4% but an increase of 2.8% on a constant currency basis compared to a record first half in 2023 that was fueled by strong travel demand and consumer spending, as well as large wholesale customers rebuilding their inventory levels.
- Gross profit margin was a first half record of 60.2% for the six months ended June 30, 2024, compared to 58.8% for the six months ended June 30, 2023, with gross profit margin improving in all regions. The increase in the Group's gross profit margin was driven by an increased proportion of total net sales attributable to the direct-to-consumer channel, shifts in brand mix and continued discipline on promotional discounts. See Management

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

- The Group spent US$117.4 million on marketing during the six months ended June 30, 2024, compared to US$114.2 million for the six months ended June 30, 2023, an increase of US$3.2 million, or 2.8% (+5.4% constant currency). As a percentage of net sales, marketing expenses increased by 20 basis points to 6.6% for the six months ended June 30, 2024. The Group will continue to invest in marketing to drive further net sales growth.
- The Group reported an operating profit of US$314.7 million for the six months ended June 30, 2024, compared to US$312.1 million for the same period in the previous year, an improvement of US$2.6 million, or 0.8% (+5.6% constant currency).
- Profit for the six months ended June 30, 2024, was US$179.1 million compared to US$171.4 million for the six months ended June 30, 2023, an improvement of US$7.7 million, or 4.5% (+11.9% constant currency).
- Profit attributable to the equity holders was US$164.3 million for the six months ended June 30, 2024, compared to US$152.5 million for the same period in the previous year, an improvement of US$11.8 million, or 7.7% (+16.1% constant currency).
- Adjusted EBITDA, a non-IFRS measure, was US$333.5 million for the six months ended June 30, 2024, which decreased by US$0.8 million, or 0.3%, but improved by 4.3% on a constant currency basis.
- Adjusted EBITDA margin, a non-IFRS measure, increased by 10 basis points to a first half record of 18.9% for the six months ended June 30, 2024, compared to 18.8% for the six months ended June 30, 2023. The improvement in Adjusted EBITDA margin was primarily due to the increase in gross profit margin, even as the Group increased its investment in marketing by 20 basis points year-on-year.
- Adjusted Net Income, a non-IFRS measure, increased by US$3.1 million, or 1.8% (+9.3% constant currency), to US$174.0 million for the six months ended June 30, 2024, compared to US$170.9 million for the six months ended June 30, 2023. The improvement in Adjusted Net Income was primarily due to improved gross profit.
- Free Cash Flow(1) increased by US$18.2 million to US$81.6 million for the six months ended June 30, 2024, compared to US$63.4 million for the six months ended June 30, 2023.
- As of June 30, 2024, the Group had US$815.5 million in cash and cash equivalents and outstanding financial debt of US$1,822.9 million (excluding deferred financing costs of US$9.1 million), resulting in a net debt position of US$1,007.4 million compared to a net debt position of US$1,107.4 million as of December 31, 2023.
- Total liquidity(2) as of June 30, 2024, was US$1,559.6 million compared to US$1,562.0 million as of December 31, 2023.
- In April 2024, the Company refinanced its term loan B facility to further enhance its financial flexibility. The Group borrowed US$100.0 million from its lower interest rate revolving credit facility and used the proceeds of such borrowing and the proceeds from its new term loan B facility to repay the entire principal amount of its outstanding borrows under the prior term loan B facility, plus transaction expenses. The principal amount of borrowings under the new term loan B facility was US$500.0 million as of June 30, 2024. In addition, the Company was able to reduce the interest rate payable on its new term loan B borrowings by 75 basis points, with the refinancing expected to reduce the Company's annual cash interest payments in the first full year following the refinancing by approximately US$4.9 million. See Management Discussion and Analysis - Indebtedness for further discussion.
- On March 13, 2024, the Company’s Board of Directors recommended that a cash distribution in the amount of US$150.0 million be made to the Company’s shareholders. The shareholders approved this distribution on June 6, 2024, at the Company's Annual General Meeting and the distribution in the amount of approximately US$0.1026 per share (before tax) was paid on July 16, 2024.

The Company has presented certain non-IFRS measures in the Summary Financial Results and Financial Highlights above 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 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 Accounting Standards.

Notes

(1) Free Cash Flow is defined as net cash generated from (used in) operating activities less (i) purchases of property, plant and equipment and software ("total capital expenditures") and (ii) principal payments on lease liabilities (each as set forth on the condensed consolidated statements of cash flows).

(2) 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.

Chairman's Statement

We are encouraged by Samsonite's resilient results in the first half of 2024. After a record 2023, during which our net sales were powered by the rebound in travel and pent-up consumer demand, we were expecting more normalized growth in 2024. However, our performance was impacted by heightened macroeconomic uncertainties and softening consumer sentiment. Nevertheless, the Group continued to deliver solid financial performance during the period, underscoring our resilient business model, enhanced margin profile, and ongoing discipline on expense management.

For the six months ended June 30, 2024, the Group recorded consolidated net sales of US$1,768.5 million, a 2.8%[(1)] increase year-on-year, but marginally lower on a reported net sales basis compared to the US$1,776.2 million reported for the first half of 2023 due to negative foreign currency translation effects. During the first half of 2024, net sales in Asia increased by 2.0%[(1)] despite softening sentiment among Chinese consumers and a significantly more competitive pricing environment in India. Net sales in North America were marginally lower by 0.5%[(1)] due to moderating customer traffic. Net sales in Europe and Latin America increased by 4.6%[(1)] and 20.3%[(1)], but we have also seen signs of greater wariness among consumers in a number of markets.

Our industry-leading *Samsonite* brand achieved a year-on-year net sales increase of 5.8%[(1)] in the first half of 2024, with growth across all regions. Net sales of the *Tumi* brand grew by 0.3%[(1)], while net sales of the *American Tourister* brand decreased slightly by 0.9%[(1)] in the first half of 2024 compared to the first half of 2023. Net sales in the Group's direct-to-consumer channel increased by 4.7%[(1)] and accounted for 38.1% of total net sales during the first half of 2024 compared to 37.7% in the first half of 2023.

For the six months ended June 30, 2024, our gross profit margin expanded by 140 basis points to a new first half record of 60.2%, with gross profit margin improving in all regions. Even though we noticed increased promotional activity by our competitors, we have maintained discipline on promotional discounts to protect the premium positioning of our brands relative to the competition.

One of our enduring competitive advantages is our consistent and substantial investment in marketing to drive our brands' long-term success. As planned, we increased our investment in marketing to US$117.4 million, or 6.6% of net sales, during the first half of 2024, compared to US$114.2 million, or 6.4% of net sales, for the first half of 2023. We intend to continue to invest in marketing to drive future net sales growth.

At the same time, we have remained vigilant in controlling our fixed selling, general and administrative ("SG&A") expenses. The Group's fixed SG&A expenses increased by US$17.3 million year-on-year to US$425.5 million for the first half of 2024, as we continued to expand our global retail store network to 1,083 stores as of June 30, 2024, compared to 1,001 stores as of June 30, 2023. Even though fixed SG&A expenses rose to 24.1% of net sales in the first half of 2024 compared to 23.0% in the first half of 2023, they were still 410 basis points below the 28.2% for the first half 2019.

This combination of solid gross profit margin performance and disciplined expense management enabled Samsonite to maintain solid profitability: the Group's Adjusted EBITDA[(2)] was stable at US$333.5 million for first half of 2024 compared to the US$334.3 million for the same period in 2023; Adjusted EBITDA margin[(3)] for the first half of 2024 improved by 10 basis points to a first half record of 18.9% compared to 18.8% for the same period in 2023; and our Adjusted Net Income[(4)] for the first half of 2024 increased by US$3.1 million to US$174.0 million compared to US$170.9 million for the same period in 2023.

We continued to prudently manage our cash and debt. The Group generated Free Cash Flow[(5)] of US$81.6 million in the first half of 2024, an increase of US$18.2 million compared to US$63.4 million in the first half of 2023. We further reduced our net debt to US$1.0 billion[(6)] as of June 30, 2024, compared to US$1.1 billion[(6)] as of December 31, 2023, and US$1.3 billion[(6)] as of June 30, 2023. The reduction in net debt, together with our steady Adjusted EBITDA[(2)] performance, enabled Samsonite to reduce its total net leverage ratio[(7)] to 1.39x as of June 30, 2024, the lowest level since we acquired Tumi in 2016.

At the same time, we continued to maintain substantial liquidity of US$1.6 billion[(8)] as of June 30, 2024, affording Samsonite the flexibility to continue to pursue a balanced capital allocation strategy of deleveraging its balance sheet, investing in organic growth, and returning cash to shareholders. As such, the Board of Directors reinstated annual cash distributions to the Company's shareholders in 2024, paying out US$150 million in July 2024. Furthermore, in June 2024, the Board authorized a share buyback program of up to US$200 million, and the Company plans to initiate share buybacks after the blackout period ends following its first half 2024 results announcement.

The Board has authorized the Company to pursue a dual listing of Samsonite's shares in the United States. The Board and Company believe the United States is the appropriate venue to establish a dual listing following a thorough evaluation of the Company's global footprint, growth drivers, and strategic priorities. A dual listing in the United States will build on the Company's strong investor support on the Hong Kong Stock Exchange to enhance value creation over time, by improving the liquidity of the Company's shares and making them more accessible to shareholders in the United States and globally.

As we look to the second half of 2024, while growth in global travel and tourism remains healthy, we are seeing rising macroeconomic uncertainty and softening consumer sentiment in a number of markets around the world. We will leverage Samsonite's decentralized management structure to nimbly navigate more demanding trading conditions while investing in the business for growth.

It has long been a cornerstone of Samsonite's strategy to consistently invest in marketing to drive our brands' long-term success, and we continue to target full-year 2024 marketing expenses at approximately 7% of net sales. At the same time, we will continue to diligently manage promotional discounts and non-marketing expenses to maintain Samsonite's elevated margin profile and drive profitable net sales growth through its higher-margin brands, channels and regions.

Finally, I want to take this opportunity to thank our CEO, Kyle, along with our corporate, regional and country management teams in working closely with our many business partners to navigate current headwinds and deliver a solid set of results for the first half of 2024. I also thank my fellow Board members for their continued support and wise counsel. Samsonite's strong financial position, talented and dedicated teams, portfolio of leading brands, extensive global distribution and sourcing infrastructure, and dedication to product innovation and sustainability, together provide a firm foundation for sustained competitiveness and growth. We will continue to focus on delivering outstanding products to consumers, while creating value for our shareholders over the long term.

Timothy Charles Parker
Chairman
August 14, 2024

Notes

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

(2) 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. Adjusted EBITDA includes the lease interest and amortization expense under IFRS 16 to account for operational rent expenses. 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.

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

(4) 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.

(5) Free Cash Flow is defined as net cash generated from (used in) operating activities less (i) purchases of property, plant and equipment and software ("total capital expenditures") and (ii) principal payments on lease liabilities (each as set forth on the condensed consolidated statements of cash flows).

(6) As of June 30, 2024, the Group had US$815.5 million in cash and cash equivalents and outstanding financial debt of US$1,822.9 million (excluding deferred financing costs of US$9.1 million), resulting in a net debt position of US$1,007.4 million. As of December 31, 2023, the Group had US$716.6 million in cash and cash equivalents and outstanding financial debt of US$1,824.0 million (excluding deferred financing costs of US$17.0 million), resulting in a net debt position of US$1,107.4 million. 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.

(7) 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.

(8) 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 Group's revolving credit facility. As of June 30, 2024, the Group had total liquidity of US$1,559.6 million, comprising cash and cash equivalents of US$815.5 million and US$744.1 million available to be borrowed on the Group's revolving credit facility. As of December 31, 2023, the Group had total liquidity of US$1,562.0 million, comprising cash and cash equivalents of US$716.6 million and US$845.4 million available to be borrowed on the Group's revolving credit facility.

Chief Executive Officer's Statement

We are pleased with Samsonite's performance in the first half of 2024. We leveraged our increased investment in marketing to achieve year-on-year constant currency[1] net sales growth compared to a record first half in 2023, a notable accomplishment given stronger headwinds this year, including more challenging macroeconomic conditions in China, a more competitive pricing environment in India, as well as lower consumer confidence and retail traffic in many markets. Our ongoing discipline on promotional discounts and rigorous expense controls enabled the Group to achieve gross profit margin of 60.2% and Adjusted EBITDA margin[2] of 18.9%, both first half records. Additionally, our Free Cash Flow[3] generation improved as we continued to optimize working capital during the period.

Supported by increased investment in marketing and contribution from the Group's direct-to-consumer ("DTC") channel, net sales for the six months ended June 30, 2024, increased by 2.8%[1] year-on-year despite softening consumer demand. Net sales for the first half of 2024 in Asia, Europe and Latin America increased by 2.0%[1], 4.6%[1], and 20.3%[1], respectively, and were relatively consistent in North America, against a strong first half in the previous year. During the first half of 2023, the Group registered record net sales that were fueled by a post-pandemic travel resurgence across Asia, particularly in China, which lifted restrictions at the beginning of 2023; as well as strong growth in North America due to increased sales to wholesale customers ahead of a robust summer travel season and strong sales of the *Tumi* brand driven by elevated demand for its key core collections and supported by the arrival of delayed inventory.

Our industry-leading *Samsonite* brand achieved strong growth in the six months ended June 30, 2024, with net sales increasing by 5.8%[1] year-on-year and all regions registering constant currency net sales increases: Asia (+5.7%[1]), North America (+2.6%[1]), Europe (+6.8%[1]), and Latin America (+23.9%[1]). Net sales of the *Tumi* brand grew by 0.3%[1] in the first half of 2024, driven by increases in Asia (+2.7%[1]) and Latin America (+31.8%[1]), largely offset by decreases in North America (-1.5%[1]) and Europe (-1.1%[1]) due to moderating customer traffic in the first half of 2024 against a high net sales base in the first half of 2023, which was driven by elevated demand for its key core collections and supported by the arrival of delayed inventory. Net sales of the *American Tourister* brand for the first half of 2024 decreased slightly by 0.9%[1] year-on-year, with net sales of the brand increasing by 24.0%[1] in Latin America, net sales unchanged[1] in Asia mainly due to reduced sales in India where competitors significantly discounted their products, net sales decreasing slightly by 1.5%[1] in Europe, and net sales decreasing by 11.9%[1] in North America due to reduced purchases by certain wholesale customers.

During the first half of 2024, supported by continued investments in its DTC operations, the Group's brick-and-mortar retail and DTC e-commerce net sales grew by 2.8%[1] and 10.0%[1], respectively, compared to the same period in 2023. Overall, the Group's DTC net sales increased by 4.7%[1] and contributed to a first half record of 38.1% of total net sales during the first half of 2024 compared to 37.7% in the first half of 2023.

The Group's gross profit margin expanded to a new first half record of 60.2% for the first half of 2024 compared to 58.8% for the first half of 2023, with improvements in all regions. This increase was driven by a higher share of total net sales from the DTC channel, shifts in brand mix and continued discipline on promotional discounts.

As planned, we increased our investment in marketing to 6.6% of net sales during the first half of 2024, a 20-basis point increase from the first half of 2023. At the same time, we continued to diligently manage our fixed selling, general and administrative ("SG&A") expenses to drive positive operating leverage, even with continued investments in expanding our company-operated retail store fleet to 1,083 stores as of June 30, 2024, a net increase of 82 company-operated retail stores compared to June 30, 2023. The Group's fixed SG&A expenses increased by US$17.3 million year-on-year to US$425.5 million for the six months ended June 30, 2024. However, fixed SG&A expenses in the first half of 2024 remained relatively flat compared to the US$427.8 million in the second half of 2023, despite the net addition of 31 company-operated retail stores during the first half of 2024, reflecting the Group's ongoing discipline on expense management. Fixed SG&A expenses, as a percentage of net sales, were 24.1% during the first half of 2024, 110 basis points above the 23.0% for the first half of 2023, but 410 basis points below the 28.2% for the first half 2019.

Samsonite's Adjusted EBITDA margin[2] improved by 10 basis points to a first half record of 18.9% for the six months ended June 30, 2024, compared to 18.8% for the same period in 2023, even as the Group increased its investment in marketing and expanded its company-operated retail store fleet. Adjusted EBITDA[4] was a healthy US$333.5 million for the first half of 2024, essentially unchanged compared to US$334.3 million for the first half of 2023, but a year-on-year increase of 4.3%[1] on a constant currency basis.

For the six months ended June 30, 2024, the Group recorded profit attributable to the equity holders of US$164.3 million, an increase of US$11.8 million, or 7.7% (+16.1% constant currency), helped by a US$11.3 million reduction in net finance costs, year-on-year. Adjusted Net Income[5] increased by US$3.1 million, or 1.8% (+9.3% constant currency), to US$174.0 million for first half of 2024, compared to US$170.9 million for the same period in 2023. These solid results underscore the Group's fundamentally enhanced margin profile and ongoing discipline in expense management.

We continued to optimize our working capital. At US$637.7 million as of June 30, 2024, inventories were US$58.2 million lower than the US$695.9 million as of December 31, 2023, and US$102.7 million lower than the US$740.4 million as of June 30, 2023, as the Group continued to gradually reduce its inventories to target levels. As a result, net working capital was US$521.0 million as of June 30, 2024, relatively consistent with the US$515.1 million as of December 31, 2023, and the US$517.3 million as of June 30, 2023. Net working capital efficiency(6) was 14.6% as of June 30, 2024, compared to 14.0% as of December 31, 2023, and 14.4% as of June 30, 2023. We will continue to carefully manage our working capital for the remainder of 2024.

During the six months ended June 30, 2024, the Group selectively opened 48 new company-operated retail stores. In comparison, the Group opened 32 new company-operated retail stores in the first half of 2023. As a result of adding new stores and remodeling existing stores, capital expenditures on retail stores were US$20.2 million for the first half of 2024 compared to US$10.2 million in the first half of 2023. Total capital expenditures were US$41.2 million(7) during the first half of 2024, an increase of US$15.5 million compared to the US$25.7 million(7) spent in the first half of 2023. The Group intends to continue to prudently invest in expanding and upgrading its company-operated retail store fleet during the balance of 2024.

With robust Adjusted EBITDA(4) and prudent cash and working capital management, Samsonite's Free Cash Flow(3) increased by US$18.2 million year-on-year to US$81.6 million during the six months ended June 30, 2024. We ended the first half of 2024 with net debt of US$1.0 billion(8) and total net leverage ratio(9) of 1.39x, a further improvement compared to net debt of US$1.1 billion(8) and total net leverage ratio(9) of 1.53x at the end of 2023, and net debt of US$1.3 billion(8) and total net leverage ratio(9) of 2.15x as of June 30, 2023.

In April 2024, the Company refinanced its term loan B facility to further enhance its financial flexibility. The Group borrowed US$100.0 million from its lower interest rate revolving credit facility and used the proceeds of such borrowing and the proceeds from its new term loan B facility to repay the entire principal amount of its outstanding borrowings under the prior term loan B facility, plus transaction expenses. The principal amount of borrowings under the new term loan B facility was US$500.0 million as of June 30, 2024. In addition, the Company was able to reduce the interest rate payable on its new term loan B borrowings by 75 basis points, with the refinancing expected to reduce the Company's annual cash interest payments in the first full year following the refinancing by approximately US$4.9 million.

For the remainder of 2024, our outlook has become more clouded due to increased macroeconomic uncertainties and softening consumer sentiment. Year-on-year net sales growth slowed to 1.5%(1) in the second quarter of 2024 compared to 4.1%(1) in the first quarter of 2024 due to deceleration in Asia and North America. In Asia, compared to the same period in 2023, we continued to see good growth in the second quarter of 2024 in Japan and Australia, where net sales increased by 12.2%(1) and 4.8%(1), respectively, but net sales in China decreased by 3.5%(1) due to softening consumer sentiment, and net sales in India decreased by 11.3%(1) due to intensified promotional activity by competitors. As a result, net sales in Asia decreased by 2.9%(1) in the second quarter of 2024 versus an increase of 7.5%(1) in the first quarter of 2024, year-on-year. In North America, net sales decreased by 1.2%(1) in the second quarter of 2024 compared to an increase of 0.3%(1) in the first quarter of 2024, with second quarter 2024 net sales of the *Tumi* brand down by 3.1%(1) year-on-year due to the slower traffic and increased caution among consumers that is currently affecting many premium and luxury brands. Second quarter 2024 net sales in Europe and Latin America increased by 9.5%(1) and 23.3%(1), respectively, year-on-year, though performance in some markets showed signs of weakening.

We continue to see softer sales trends as we head into the second half of 2024. Promotional activity has increased in the marketplace, particularly at entry level price points, and while we have responded tactically to this, Samsonite's priority remains to drive high-quality sales to build a strong foundation for long-term, profitable, brand-accretive growth. We will remain vigilant in controlling promotional discounts and managing expenses, especially our fixed SG&A expenses, to sustain the Group's robust margin profile. Additionally, we will continue to manage cash and working capital closely to maintain strong Free Cash Flow(3) generation. This will provide additional flexibility in capital allocation to continue to deleverage our balance sheet, invest in organic growth, and return cash to our shareholders.

Trends in global travel and tourism remain positive, supporting demand for the Group's products. International tourism arrivals continue to improve and are projected to exceed pre-pandemic levels in 2024(10), and demand for air travel during the peak Northern Hemisphere summer period remains strong(11). As consumers continue to prioritize travel over other discretionary spending, our prospects remain bright despite current headwinds.

With substantial liquidity of US$1.6 billion(12) as of June 30, 2024, we are well positioned to continue to invest in the business for future growth. Our relentless commitment to product innovation, quality, functionality, reliability and sustainability will reinforce our brands' appeal among consumers as they become more selective and deliberate with their spending, and further sets us apart from the competition. As such, we will continue to invest in marketing to drive awareness across our brands, targeting advertising spend at approximately 7% of net sales. In addition, we will continue to invest in upgrading and expanding our brick-and-mortar retail and e-commerce operations.

We continue to make great progress on “Our Responsible Journey”, leveraging our leadership position to create a path towards a more sustainable future for our industry. A priority right now is establishing a near-term, science-based emissions reduction target across our own operations and supply chain. We’re excited about this important next step and are planning to publish our target later this year.

In closing, I would like to thank our Chairman, Tim Parker, and the Board for their ongoing counsel and support. I also commend our country, regional, brand and corporate teams, as well as our business partners, for their hard work and dedication. Our teams are highly energized, and we are confident that our portfolio of leading brands, unrivaled global sourcing and strong distribution infrastructure, and commitment to sustainability and innovation will continue to strengthen Samsonite’s market position and drive sustainable and profitable long-term growth.

Kyle Francis Gendreau
Chief Executive Officer
August 14, 2024

Notes

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

(2) Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing adjusted earnings before interest, taxes, depreciation and amortization of intangible assets ("Adjusted EBITDA") by net sales.

(3) Free Cash Flow is defined as net cash generated from (used in) operating activities less (i) purchases of property, plant and equipment and software ("total capital expenditures") and (ii) principal payments on lease liabilities (each as set forth on the condensed consolidated statements of cash flows).

(4) 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 under IFRS 16 to account for operational rent expenses. 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 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.

(6) Net working capital efficiency is calculated as net working capital (the sum of inventories and trade and other receivables, minus accounts payable) divided by annualized net sales.

(7) For the six months ended June 30, 2024, the Group spent US$39.1 million and US$2.1 million on capital expenditures and software purchases, respectively. 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.

(8) As of June 30, 2024, the Group had US$815.5 million in cash and cash equivalents and outstanding financial debt of US$1,822.9 million (excluding deferred financing costs of US$9.1 million), resulting in a net debt position of US$1,007.4 million. As of December 31, 2023, the Group had US$716.6 million in cash and cash equivalents and outstanding financial debt of US$1,824.0 million (excluding deferred financing costs of US$17.0 million), resulting in a net debt position of US$1,107.4 million. As of June 30, 2023, the Group had US$599.0 million in cash and cash equivalents 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.

(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) Source: UN Tourism World Tourism Barometer, Volume 22, issue 2, May 2024.

(11) Source: IATA Air Passenger Market Analysis, May 2024.

(12) 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 Group’s revolving credit facility. As of June 30, 2024, the Group had total liquidity of US$1,559.6 million, comprising cash and cash equivalents of US$815.5 million and US$744.1 million available to be borrowed on the Group’s revolving credit facility. As of December 31, 2023, the Group had total liquidity of US$1,562.0 million, comprising cash and cash equivalents of US$716.6 million and US$845.4 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, 2024, the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month periods ended June 30, 2024 and 2023, 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 the 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

Boston, Massachusetts
August 14, 2024

Condensed Consolidated Statements of Income (Unaudited)

		Six months ended June 30,	
(Expressed in millions of US Dollars, except per share data)	Note	**2024**	2023
Net sales	4	**1,768.5**	1,776.2
Cost of sales		**(703.7)**	(732.6)
Gross profit		**1,064.8**	1,043.6
Distribution expenses		**(520.3)**	(489.3)
Marketing expenses		**(117.4)**	(114.2)
General and administrative expenses		**(118.2)**	(127.1)
Impairment Reversals	6 , 17(a)	**5.1**	—
Other income (expense)	20	**0.6**	(0.9)
Operating profit		**314.7**	312.1
Finance income	19	**7.9**	5.5
Finance costs	19	**(77.6)**	(86.5)
Net finance costs	19	**(69.7)**	(81.0)
Profit before income tax		**245.0**	231.1
Income tax expense	18(a)	**(65.9)**	(59.7)
Profit for the period		**179.1**	171.4
Profit attributable to the equity holders		**164.3**	152.5
Profit attributable to non-controlling interests		**14.8**	18.9
Profit for the period		**179.1**	171.4
Earnings per share:			
Basic earnings per share	12	**0.113**	0.106
Diluted earnings per share	12	**0.112**	0.105

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

Condensed Consolidated Statements of Comprehensive Income (Unaudited)

(Expressed in millions of US Dollars)	Note	Six months ended June 30, 2024	2023
Profit for the period		**179.1**	171.4
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	13 (a), 18 (b), 19	**(6.6)**	(3.8)
Foreign currency translation losses for foreign operations	18 (b), 19	**(25.7)**	(3.0)
Other comprehensive loss		**(32.3)**	(6.8)
Total comprehensive income for the period		**146.8**	164.6
Total comprehensive income attributable to the equity holders		**134.3**	145.8
Total comprehensive income attributable to non-controlling interests		**12.5**	18.8
Total comprehensive income for the period		**146.8**	164.6

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

Condensed Consolidated Statements of Financial Position

(Expressed in millions of US Dollars)	Note	(Unaudited) June 30, 2024	December 31, 2023
Non-current Assets			
Property, plant and equipment	7	**231.7**	222.7
Lease right-of-use assets	17 (a)	**470.1**	435.8
Goodwill	8	**822.1**	825.9
Other intangible assets	8	**1,525.3**	1,534.4
Deferred tax assets		**169.3**	190.8
Other assets and receivables		**67.5**	66.6
Total non-current assets		**3,285.9**	3,276.2
Current Assets			
Inventories	9	**637.7**	695.9
Trade and other receivables	10	**346.1**	319.6
Prepaid expenses and other assets		**95.8**	103.5
Cash and cash equivalents	11	**815.5**	716.6
Total current assets		**1,895.1**	1,835.6
Total assets		**5,181.0**	5,111.8
Equity and Liabilities			
Equity:			
Share capital		**14.6**	14.5
Reserves		**1,464.2**	1,436.5
Total equity attributable to the equity holders		**1,478.9**	1,451.0
Non-controlling interests		**68.1**	66.7
Total equity		**1,547.0**	1,517.7
Non-current Liabilities			
Loans and borrowings	13 (a)	**1,721.0**	1,730.3
Lease liabilities	17 (b)	**392.6**	357.8
Employee benefits	14	**26.2**	28.4
Non-controlling interest put options	21 (b)	**121.0**	126.9
Deferred tax liabilities		**186.4**	186.5
Derivative financial instruments	13 (a) , 21 (b)	**0.2**	—
Other liabilities		**6.3**	6.8
Total non-current liabilities		**2,453.7**	2,436.7
Current Liabilities			
Loans and borrowings	13 (b)	**67.8**	50.7
Current portion of long-term loans and borrowings	13 (b)	**25.0**	26.0
Current portion of lease liabilities	17 (b)	**126.0**	131.2
Employee benefits	14	**112.9**	135.0
Trade and other payables	15	**800.9**	725.1
Current tax liabilities		**47.7**	89.4
Total current liabilities		**1,180.4**	1,157.4
Total liabilities		**3,634.1**	3,594.1
Total equity and liabilities		**5,181.0**	5,111.8
Net current assets		**714.7**	678.2
Total assets less current liabilities		**4,000.7**	3,954.4

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	Number of shares	Share capital	Reserves: Additional paid-in capital	Reserves: Translation reserve	Reserves: Other reserves	Retained earnings	Total equity attributable to the equity holders	Non-controlling interests	Total equity
Six months ended June 30, 2024										
Balance, January 1, 2024		**1,449,692,210**	**14.5**	**1,108.0**	**(65.0)**	**106.2**	**287.3**	**1,451.0**	**66.7**	**1,517.7**
Profit for the period		**—**	**—**	**—**	**—**	**—**	**164.3**	**164.3**	**14.8**	**179.1**
Other comprehensive income (loss):										
Changes in fair value of hedges, net of tax	13 (a) , 18 (b)	**—**	**—**	**—**	**—**	**(6.6)**	**—**	**(6.6)**	**0.0**	**(6.6)**
Foreign currency translation losses for foreign operations	18 (b) , 19	**—**	**—**	**—**	**(23.3)**	**—**	**—**	**(23.3)**	**(2.3)**	**(25.7)**
Total comprehensive income (loss) for the period		**—**	**—**	**—**	**(23.3)**	**(6.6)**	**164.3**	**134.3**	**12.5**	**146.8**
Transactions with owners recorded directly in equity:										
Change in fair value of put options included in equity	21 (b)	**—**	**—**	**—**	**—**	**—**	**5.1**	**5.1**	**—**	**5.1**
Cash distributions declared to equity holders	12 (c)	**—**	**—**	**—**	**—**	**—**	**(150.0)**	**(150.0)**	**—**	**(150.0)**
Share-based compensation expense	14	**—**	**—**	**—**	**—**	**7.3**	**—**	**7.3**	**—**	**7.3**
Exercise of share options	14	**11,607,249**	**0.1**	**40.5**	**—**	**(9.5)**	**—**	**31.2**	**—**	**31.2**
Vesting of time-based restricted share awards	14	**876,192**	**0.0**	**2.3**	**—**	**(2.4)**	**—**	**—**	**—**	**—**
Dividends paid to non-controlling interests	12 (c)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(11.1)**	**(11.1)**
Balance, June 30, 2024		**1,462,175,651**	**14.6**	**1,150.8**	**(88.3)**	**95.0**	**306.6**	**1,478.9**	**68.1**	**1,547.0**

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	Number of shares	Share capital	Reserves: Additional paid-in capital	Reserves: Translation reserve	Reserves: Other reserves	Retained earnings / (accumulated deficit)	Total equity attributable to the equity holders	Non-controlling interests	Total equity
Six months ended June 30, 2023										
Balance, January 1, 2023		1,438,900,432	14.4	1,071.4	(59.2)	115.0	(109.8)	1,031.8	47.8	1,079.6
Profit for the period		—	—	—	—	—	152.5	152.5	18.9	171.4
Other comprehensive income (loss):										
Changes in fair value of hedges, net of tax	13 (a), 18 (b)	—	—	—	—	(3.9)	—	(3.9)	0.1	(3.8)
Foreign currency translation losses for foreign operations	18 (b), 19	—	—	—	(2.8)	—	—	(2.8)	(0.2)	(3.0)
Total comprehensive income (loss) for the period		—	—	—	(2.8)	(3.9)	152.5	145.8	18.8	164.6
Transactions with owners recorded directly in equity:										
Change in fair value of put options included in equity	21 (b)	—	—	—	—	—	(6.6)	(6.6)	—	(6.6)
Share-based compensation expense	14	—	—	—	—	6.9	—	6.9	—	6.9
Exercise of share options	14	4,404,230	0.0	12.9	—	(3.4)	—	9.5	—	9.5
Dividends paid to non-controlling interests	12 (c)	—	—	—	—	—	—	—	(6.7)	(6.7)
Balance, June 30, 2023		1,443,304,662	14.4	1,084.3	(62.0)	114.6	36.1	1,187.4	59.9	1,247.3

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

Condensed Consolidated Statements of Cash Flows (Unaudited)

(Expressed in millions of US Dollars)	Note	Six months ended June 30, 2024	2023
Cash flows from operating activities:			
Profit for the period		**179.1**	171.4
Adjustments to reconcile profit for the period to net cash generated from operating activities:			
Depreciation	7	**24.1**	18.1
Amortization of intangible assets	8	**10.2**	9.3
Amortization of lease right-of-use assets	17 (a)	**72.5**	64.5
Impairment reversals	6 , 17 (a)	**(5.1)**	—
Change in fair value of put options included in finance costs	19 , 21 (b)	**(0.8)**	8.2
Non-cash share-based compensation expense	14	**7.3**	6.9
Interest expense on borrowings and lease liabilities	13 , 19	**64.2**	66.5
Non-cash charge to derecognize deferred financing costs	13 , 19	**9.5**	4.4
Income tax expense	18 (a)	**65.9**	59.7
		426.8	409.0
Changes in operating assets and liabilities:			
Trade and other receivables		**(37.4)**	(25.6)
Inventories		**37.6**	(52.3)
Trade and other payables		**(78.8)**	(51.9)
Other assets and liabilities		**(7.4)**	(3.5)
Cash generated from operating activities		**340.8**	275.7
Interest paid on borrowings and lease liabilities		**(62.8)**	(62.4)
Income tax paid		**(85.2)**	(56.7)
Net cash generated from operating activities		**192.9**	156.6
Cash flows from investing activities:			
Purchases of property, plant and equipment and software	7	**(41.2)**	(25.7)
Net cash used in investing activities		**(41.2)**	(25.7)
Cash flows from financing activities:			
Proceeds from issuance of the Senior Credit Facilities	13 (a)	**—**	1,500.0
Settlement of prior Senior Credit Facilities	13 (a)	**—**	(1,565.1)
Proceeds from issuance of 2024 Term Loan B Facility	13 (a)	**500.0**	—
Settlement of prior Term Loan B Facility	13 (a)	**(595.5)**	—
Proceeds from (payments on) Senior Credit Facilities	13 (a)	**88.5**	(12.9)
Proceeds from (payments on) other loans and borrowings	13 (a)	**20.5**	(11.2)
Principal payments on lease liabilities	17 (d)	**(70.1)**	(67.5)
Payment of financing costs	13 (a)	**(3.1)**	(17.1)
Proceeds from the exercise of share options	14	**31.2**	9.5
Dividend payments to non-controlling interests	12 (c)	**(11.1)**	(6.7)
Net cash used in financing activities		**(39.6)**	(171.0)
Net increase (decrease) in cash and cash equivalents		**112.1**	(40.1)
Cash and cash equivalents, at beginning of period		**716.6**	635.9
Effect of exchange rate changes		**(13.2)**	3.2
Cash and cash equivalents, at end of period	11	**815.5**	599.0

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*®, *Tumi*®, *American Tourister*®, *Gregory*®, *High Sierra*®, *Lipault*® and *Hartmann*® brand names as well as other owned and licensed brand names. The Group sells its products through a variety of wholesale distribution channels, through its company-operated retail stores and through e-commerce. The Group sells its products in Asia, North America, Europe and Latin America.

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 14, 2024, 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, 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") Accounting Standards, 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 Material Accounting Policy Information in the Group's audited consolidated financial statements as of and for the year ended December 31, 2023.

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, Chinese Renminbi, South Korean Won, Japanese Yen and Indian Rupee.

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

(d) Use of Judgments, Estimates and Assumptions

The preparation of the consolidated interim financial statements in conformity with IFRS Accounting Standards 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 Material Accounting Policy Information

(a) Material Accounting Policy Information

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, 2023. 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, 2024.

(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, 2024, the following standards became effective for the current reporting period.

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

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

In May 2023, the IASB amended IAS 7, *Statements of Cash Flows* and IFRS 7, *Financial Instruments: Disclosures* ("Amendments to IAS 7 and IFRS 7"). The Amendments to IAS 7 and IFRS 7 introduce two new disclosure objectives for companies to provide information about their supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the Amendments to IAS 7 and IFRS 7, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The Amendments to IAS 7 and IFRS 7 also add supplier finance arrangements as an example to the existing financial instruments' disclosure requirements on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The Amendments to IAS 7 and IFRS 7 are effective for periods beginning on or after January 1, 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available. These amendments did not have a material impact on the financial statements of the Group.

(c) New Standards and Interpretations Not Yet Adopted

Certain new standards, amendments to standards and interpretations that may be applicable to the Group are not yet effective for the six months ended June 30, 2024, and have not been applied in preparing these consolidated interim financial statements.

In August 2023, the IASB amended IAS 21, *The Effects of Changes in Foreign Exchange Rates* ("Amendments to IAS 21"). The Amendments to IAS 21 require companies to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. The Amendments to IAS 21 introduce a definition of currency exchangeability and the process by which a company should assess this exchangeability. In addition, the Amendments to IAS 21 provide guidance on how a company should estimate a spot exchange rate in cases where a currency is not exchangeable and require additional disclosures in cases where a company has estimated a spot exchange rate due to a lack of exchangeability. The Amendments to IAS 21 are effective for accounting periods beginning on or after January 1, 2025. The Group is in the process of assessing the impact these amendments to IAS 21 may have on its consolidated financial statements.

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"). IFRS 18 will replace IAS 1, *Presentation of Financial Statements*. Although IFRS 18 will not change how items are recognized and measured, the standard will bring a focus on the income statement and reporting of financial performance. IFRS 18 introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes. IFRS 18 is effective for accounting periods beginning on or after January 1, 2027. Early application is permitted, and comparative information will require restatement. The Group is in the process of assessing the impact of IFRS 18 on its consolidated financial statements.

4. Segment Reporting

The reportable segments for the six months ended June 30, 2024, are consistent with the reportable segments included within the annual consolidated financial statements as of and for the year ended December 31, 2023.

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, 2024, and June 30, 2023, is as follows:

	Six months ended June 30, 2024					
(Expressed in millions of US Dollars)	**Asia**	**North America**	**Europe**	**Latin America**	**Corporate[3]**	**Consolidated**
External revenues	**680.0**	**608.3**	**372.3**	**107.5**	**0.4**	**1,768.5**
Operating profit	**92.5**	**78.7**	**69.9**	**9.7**	**63.9**	**314.7**
Depreciation and amortization[1]	**35.8**	**37.1**	**24.0**	**8.3**	**1.4**	**106.7**
Total capital expenditures	**10.8**	**14.7**	**12.8**	**2.5**	**0.4**	**41.2**
Impairment reversals	**(5.1)**	**—**	**—**	**—**	**—**	**(5.1)**
Finance income	**1.9**	**0.5**	**1.4**	**1.1**	**3.1**	**7.9**
Finance costs[2]	**(6.7)**	**(7.8)**	**(3.7)**	**(3.6)**	**(55.8)**	**(77.6)**
Income tax expense	**(27.2)**	**(18.5)**	**(15.9)**	**(1.1)**	**(3.3)**	**(65.9)**
Total assets	**1,387.2**	**1,465.0**	**826.7**	**188.2**	**1,313.9**	**5,181.0**
Total liabilities	**658.8**	**937.8**	**356.0**	**89.3**	**1,592.3**	**3,634.1**

	Six months ended June 30, 2023					
(Expressed in millions of US Dollars)	Asia	North America	Europe	Latin America	Corporate[3]	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[1]	28.0	34.3	21.0	7.0	1.4	91.8
Total capital expenditures	7.4	6.6	8.9	1.7	1.2	25.7
Finance income	1.6	0.4	0.5	0.6	2.3	5.5
Finance costs[2]	(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

Notes
(1) Depreciation and amortization expense for the six months ended June 30, 2024, and June 30, 2023, 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, 2024, and June 30, 2023, 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, 2024, and June 30, 2023:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2024**	2023
Net sales by brand:		
Samsonite	**903.8**	880.3
Tumi	**413.9**	421.1
American Tourister	**307.4**	320.8
Other[1]	**143.4**	154.1
Net sales	**1,768.5**	1,776.2

Note
(1) "Other" includes certain other non-core brands owned by the Group, such as *Gregory*, *High Sierra*, *Kamiliant*, *Xtrem*, *Lipault*, *Hartmann*, *Saxoline* and *Secret*, as well as certain third-party brands.

The following table sets forth a disaggregation of net sales by product category for the six months ended June 30, 2024, and June 30, 2023:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2024**	2023
Net sales by product category:		
Travel	**1,160.8**	1,173.9
Non-travel[1]	**607.7**	602.4
Net sales	**1,768.5**	1,776.2

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, 2024, and June 30, 2023:

(Expressed in millions of US Dollars)	Six months ended June 30, 2024	2023
Net sales by distribution channel:		
Wholesale	**1,093.9**	1,106.5
Direct-to-consumer ("DTC")(1)	**673.5**	669.0
Other[2]	**1.0**	0.8
Net sales	**1,768.5**	1,776.2

Notes
(1) DTC, or direct-to-consumer, includes brick-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 Reversals

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 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.

Based on an evaluation of company-operated retail stores during the six months ended June 30, 2024, the Group determined that the recoverable amount of certain stores within its retail store fleet, each of which represents an individual CGU, exceeded its corresponding net impaired carrying amount, resulting in an impairment reversal being recorded during the six months ended June 30, 2024. During the six months ended June 30, 2024, the Group recognized a non-cash impairment reversal related to lease right-of-use assets totaling US$5.1 million.

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.

The following table sets forth a breakdown of the impairment reversals for the six months ended June 30, 2024 (the "1H 2024 Impairment Reversals"). There were no impairment charges or reversals for the six months ended June 30, 2023.

(Expressed in millions of US Dollars)		Six Months Ended June 30,	
Impairment reversals recognized on:	Line item in condensed consolidated statements of income where impairment reversals are recorded:	**2024**	2023
Lease right-of-use assets	Impairment Reversals	**(5.1)**	—
Total impairment reversals		**(5.1)**	—

Expenses related to lease right-of-use assets 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 2024 Impairment Reversals of US$5.1 million were recorded in the Group's condensed consolidated statements of income in the line item "Impairment Reversals" (see also note 17 Leases, for further discussion).

7. Property, Plant and Equipment

For the six months ended June 30, 2024, and June 30, 2023, the cost of additions to property, plant and equipment was US$39.1 million and US$20.9 million, respectively. Depreciation expense for the six months ended June 30, 2024, and

June 30, 2023, amounted to US$24.1 million and US$18.1 million, respectively. Of these amounts, US$3.7 million and US$3.5 million was included in cost of sales during the six months ended June 30, 2024, and June 30, 2023, 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, 2024, and June 30, 2023, the Group determined there were no triggering events that indicated that its property, plant and equipment, including leasehold improvements, were impaired.

Capital Commitments

Capital commitments outstanding as of June 30, 2024, and December 31, 2023, were US$19.9 million and US$10.5 million, respectively, which were not recognized as liabilities in the condensed consolidated statements of financial position as they have not met the recognition criteria.

8. Goodwill and Other Intangible Assets

Amortization expense related to intangible assets for the six months ended June 30, 2024, and June 30, 2023, amounted to US$10.2 million and US$9.3 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 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, 2024, and June 30, 2023, the Group determined there were no triggering events that indicated that its goodwill and other intangible assets were impaired.

9. Inventories

Inventories consisted of the following:

(Expressed in millions of US Dollars)	**June 30, 2024**	December 31, 2023
Raw materials	**29.9**	33.7
Work in process	**4.0**	2.8
Finished goods	**603.7**	659.4
Total inventories	**637.7**	695.9

The amounts above as of June 30, 2024, and December 31, 2023, 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$70.6 million and US$84.7 million, respectively. During the six months ended June 30, 2024, and June 30, 2023, the write-down of inventories to net realizable value amounted to US$32.6 million and US$25.3 million, respectively. During the six months ended June 30, 2024, and June 30, 2023, the reversal of previously recognized write-downs amounted to US$3.5 million and US$8.8 million, respectively.

10. Trade and Other Receivables

Trade and other receivables are presented net of related allowances for credit losses of US$24.1 million and US$24.6 million as of June 30, 2024, and December 31, 2023, respectively.

(a) Aging Analysis

Included in trade and other receivables are trade receivables (net of allowance for credit losses) of US$336.1 million and US$304.1 million as of June 30, 2024, and December 31, 2023, respectively, with the following aging analysis by the due date of the respective invoice:

(Expressed in millions of US Dollars)	**June 30, 2024**	December 31, 2023
Current	**278.1**	255.7
0 - 30 days past due	**40.1**	37.2
Greater than 30 days past due	**17.8**	11.2
Total trade receivables, net of allowance	**336.1**	304.1

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

(b) Impairment of Trade Receivables

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

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

(Expressed in millions of US Dollars)	**June 30, 2024**	December 31, 2023
As of January 1	**24.6**	25.9
Impairment loss recognized	**0.3**	2.0
Impairment loss written back or off	**(0.8)**	(3.2)
As of end of period[(1)]	**24.1**	24.6

Note

(1) The movements in the allowance for credit losses as of June 30, 2024, and December 31, 2023, were for the period January 1, 2024, through June 30, 2024, and January 1, 2023, through December 31, 2023, respectively.

11. Cash and Cash Equivalents

(Expressed in millions of US Dollars)	**June 30, 2024**	December 31, 2023
Bank balances	**798.2**	690.0
Overnight sweep accounts and deposits	**17.3**	26.6
Total cash and cash equivalents	**815.5**	716.6

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, 2024, and December 31, 2023.

12. 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, 2024, and June 30, 2023.

	Six months ended June 30,	
(Expressed in millions of US Dollars, except share and per share data)	**2024**	2023
Issued ordinary shares at January 1	**1,449,692,210**	1,438,900,432
Weighted-average impact of share options exercised and restricted share units vested during the period	**6,733,431**	4,076,135
Weighted-average number of ordinary shares at June 30	**1,456,425,641**	1,442,976,567
Profit attributable to the equity holders	**164.3**	152.5
Basic earnings per share *(Expressed in US Dollars per share)*	**0.113**	0.106

(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.

	Six months ended June 30,	
(Expressed in millions of US Dollars, except share and per share data)	**2024**	2023
Weighted-average number of ordinary shares (basic) at the end of the period	**1,456,425,641**	1,442,976,567
Effect of dilutive potential ordinary shares related to share options and RSUs	**15,965,474**	7,394,581
Weighted-average number of shares for the period	**1,472,391,115**	1,450,371,148
Profit attributable to the equity holders	**164.3**	152.5
Diluted earnings per share *(Expressed in US Dollars per share)*	**0.112**	0.105

At June 30, 2024, and June 30, 2023, 19,844,944 and 66,437,918 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

On March 13, 2024, the Company's Board of Directors recommended that a cash distribution in the amount of US$150.0 million be made to the Company's shareholders. The shareholders approved this distribution on June 6, 2024, at the Company's Annual General Meeting and the distribution in the amount of approximately US$0.1026 per share (before tax) was paid on July 16, 2024. No cash distribution was paid to the Company's shareholders in 2023.

Dividend payments to non-controlling interests amounted to US$11.1 million and US$6.7 million during the six months ended June 30, 2024, and June 30, 2023, respectively.

(d) Share Capital

During the six months ended June 30, 2024, the Company issued 11,607,249 ordinary shares at a weighted-average exercise price of HK$21.02 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, 2024, the Company issued 876,192 ordinary shares upon the vesting of time-based restricted share awards that were awarded under the Company's 2022 Share Award Scheme (each share award scheme is defined in note 14(b) Share-based Payment Arrangements). There were no other movements in the share capital of the Company during the six months ended June 30, 2024.

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. There were no other movements in the share capital of the Company during the six months ended June 30, 2023.

13. Loans and Borrowings

(a) Non-current Obligations

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

(Expressed in millions of US Dollars)	**June 30, 2024**	December 31, 2023
Term Loan A Facility	**780.0**	790.0
Term Loan B Facility	**—**	597.0
2024 Term Loan B Facility	**500.0**	—
Revolving Credit Facility	**100.0**	—
Senior Credit Facilities	**1,380.0**	1,387.0
Senior Notes(1)	**375.0**	386.3
Other borrowings and obligations	**67.8**	50.7
Total loans and borrowings	**1,822.9**	1,824.0
Less deferred financing costs	**(9.1)**	(17.0)
Total loans and borrowings less deferred financing costs	**1,813.8**	1,807.0
Less current portion of long-term borrowings and obligations	**(92.8)**	(76.7)
Non-current loans and borrowings	**1,721.0**	1,730.3

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.

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 “Credit Agreement”). The Credit Agreement amended and restated 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 provided for (1) a US$800.0 million senior secured term loan A facility (the “Term Loan A Facility”), (2) a US$600.0 million senior secured term loan B facility (the “Term Loan B Facility”) and (3) a US$850.0 million revolving credit facility (the “Revolving Credit Facility”). The credit facilities provided under the Credit Agreement are referred to herein as the “Senior Credit Facilities."

On the Closing Date, the Group borrowed US$100.0 million under the Revolving Credit Facility and used the proceeds of such borrowing, plus the proceeds from the Term Loan A Facility and the 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 Credit Agreement are collectively referred to herein as the “2023 Refinancing”). The US$100.0 million borrowed on the Revolving Credit Facility for this 2023 Refinancing was repaid in 2023.

Amended Senior Credit Facilities Agreement

On April 12, 2024 (the “Effective Date”), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Credit Agreement (the “Amendment”). Under the Amendment, the applicable margin used to calculate the interest rate payable on the refinanced Term Loan B Facility (the "2024 Term Loan B Facility") was reduced by 75 basis points from the applicable margin under the prior Term Loan B Facility.

On the Effective Date, the Group borrowed US$100.0 million under the Revolving Credit Facility and used the proceeds of such borrowing and the proceeds from the 2024 Term Loan B Facility to repay the entire principal amount of its outstanding borrowings under the prior Term Loan B Facility, plus transaction expenses (the transactions entered into on the Effective Date pursuant to and in connection with the Amendment are collectively referred to herein as the “2024 Refinancing”). The principal amount of the borrowings under the 2024 Term Loan B Facility as of June 30, 2024, was US$500.0 million. The other terms of the 2024 Term Loan B Facility are the same as under the prior Term Loan B Facility. As of June 30, 2024, US$100.0 million of borrowings remained outstanding under the Revolving Credit Facility.

Interest Rate and Fees

In respect of the Term Loan A Facility and the Revolving Credit Facility, the interest rate payable on borrowings thereunder is based on the Secured Overnight Financing Rate (“SOFR”), with a SOFR floor of 0%, plus a 10 basis-point credit spread adjustment, plus an applicable margin which can vary and is based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company’s corporate ratings. As of June 30, 2024, the applicable margin under the Term Loan A Facility and the Revolving Credit Facility was 1.125% (or a base rate plus 0.125%).

In respect of the Term Loan B Facility, the interest rate payable with effect from the Closing Date was based on SOFR, with a SOFR floor of 0.50%, plus 2.75% per annum (or a base rate plus 1.75% per annum). The interest rate payable on the 2024 Term Loan B Facility is based on SOFR plus 2.00% per annum with a SOFR floor of 0.50%.

As the Company's Term Loan A Facility, Revolving Credit Facility and 2024 Term Loan B Facility have floating interest rates, the Company calculates interest expense based on the actual benchmark interest rate plus the applicable margin in effect for the relevant period.

In addition to paying interest on the outstanding principal amount of borrowings under the Senior Credit Facilities, the borrowers pay customary agency fees and a commitment fee in respect of the unutilized commitments under the Revolving Credit Facility based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings. As of June 30, 2024, the commitment fee was equal to 0.2% per annum.

Amortization and Final Maturity

The Term Loan A Facility requires scheduled quarterly payments with an annual amortization of 2.5% of the original principal amount of the loans under the 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 Term Loan A Facility. There is no scheduled amortization of any principal amounts outstanding under the Revolving Credit Facility. The balance then outstanding under the Term Loan A Facility and the Revolving Credit Facility will be due and payable on June 21, 2028.

If (i) on the date that is 91 days prior to the maturity date of the Senior Notes (as defined below), 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 Term Loan A Facility and the 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, more than US$150 million in aggregate principal amount of the loans outstanding under the 2024 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 Term Loan A Facility and the Revolving Credit Facility will spring to a date that is 90 days prior to the maturity date of the Senior Notes.

The 2024 Term Loan B Facility requires scheduled quarterly payments commencing on September 30, 2024, each equal to 0.25% of the original principal amount of the loans under the 2024 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 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 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 Senior Credit Facilities are unconditionally guaranteed by the Company and certain of the Company's existing direct or indirect wholly-owned material restricted subsidiaries organized in Luxembourg, Belgium, Canada, Hong Kong, Hungary, Mexico, the United States and Singapore, and are required to be guaranteed by certain future direct or indirect wholly-owned material restricted subsidiaries organized in such jurisdictions (except Singapore) (the "Credit Facility Guarantors"). All obligations under the Senior Credit Facilities, and the guarantees of those obligations, are secured, subject to certain exceptions, by substantially all the assets of the borrowers and the Credit Facility Guarantors (including the Shared Collateral (as defined below)).

Certain Covenants and Events of Default

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

In addition, the Credit Agreement requires the Company and its subsidiaries to meet certain quarterly financial covenants. 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 Term Loan A Facility and the lenders under the Revolving Credit Facility. The Company was in compliance with the Financial Covenants for the test period ended on June 30, 2024. 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$3.1 million of financing costs in conjunction with the 2024 Refinancing and US$17.1 million of financing costs in conjunction with the 2023 Refinancing. Such costs were deferred and offset against loans and borrowings. Deferred financing costs are amortized using the effective interest method over the life of the Senior Credit Facilities and Senior Notes. Total deferred financing costs included within total loans and borrowings amounted to US$9.1 million and US$17.0 million as of June 30, 2024, and December 31, 2023, respectively.

The amortization of deferred financing costs, which is included in interest expense, amounted to US$1.6 million and US$1.8 million for the six months ended June 30, 2024, and June 30, 2023, respectively.

During the six months ended June 30, 2024, the Group recorded a non-cash charge in interest expense in the amount of US$9.5 million related to unamortized deferred financing costs which were part of the net carrying value of the Term Loan B Facility settled with the 2024 Refinancing. 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 Senior Credit Facilities settled with the 2023 Refinancing.

Interest Rate Swaps
The Group maintains interest rate swaps to hedge a portion of its interest rate exposure under the floating-rate Senior Credit Facilities by swapping certain US Dollar floating-rate bank borrowings with fixed-rate agreements. On September 4, 2019, the Group entered into interest rate swap agreements that became effective on September 6, 2019, and will terminate on August 31, 2024 (the "2019 Swaps"). The notional amounts of the 2019 Swaps decrease over time.

On June 21, 2023, the Group amended the 2019 Swaps by replacing references to the London Interbank Offered Rate ("LIBOR") with references to SOFR. As a result, the Group's 2019 Swaps have effectively fixed SOFR at approximately 1.1305% with respect to an amount equal to approximately 40% of the principal amount of the Senior Credit Facilities as of June 30, 2024, which reduces a portion of the Company's exposure to interest rate increases. The 2019 Swaps have fixed payments due monthly. The 2019 Swaps qualify as cash flow hedges. As of June 30, 2024, the 2019 Swaps were marked-to-market, resulting in a net asset position to the Group in the amount of US$4.0 million which was recorded as an asset with the effective portion of the gain (loss) deferred to other comprehensive income.

On June 18, 2024, the Group entered into new interest rate swap agreements that will become effective on August 30, 2024, and will terminate on February 27, 2026 (the "2024 Swaps"). Under the 2024 Swaps SOFR has been effectively fixed at approximately 4.5685% with respect to an amount equal to approximately 29% of the principal amount of the Senior Credit Facilities as of June 30, 2024, which reduces a portion of the Company's exposure to interest rate increases. The 2024 Swaps have fixed payments due monthly that will commence September 30, 2024. The 2024 Swaps qualify as cash flow hedges. As of June 30, 2024, the 2024 Swaps were marked-to-market, resulting in a net liability position to the Group in the amount of US$0.2 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income.

As of December 31, 2023, the 2019 Swaps were marked-to-market, resulting in a net asset position to the Group in the amount of US$14.1 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 Credit Agreement on a first-ranking basis.

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

(b) Current Obligations and Credit Facilities
Current obligations represent current debt obligations and were as follows:

(Expressed in millions of US Dollars)	**June 30, 2024**	December 31, 2023
Current portion of long-term borrowings and obligations	**25.0**	26.0
Other loans and borrowings	**67.8**	50.7
Total current obligations	**92.8**	76.7

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$67.8 million and US$50.7 million as of June 30, 2024, and December 31, 2023, respectively.

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

	Liabilities		Equity			
(Expressed in millions of US Dollars)	Loans and borrowings[(2)]	Lease liabilities	Share capital	Reserves	Non-controlling interests	Total
Balance at January 1, 2024	**1,810.7**	**489.0**	**14.5**	**1,436.5**	**66.7**	**3,817.5**
Changes from financing cash flows:						
Proceeds from issuance of 2024 Term Loan B Facility	**500.0**	**—**	**—**	**—**	**—**	**500.0**
Settlement of prior Term Loan B Facility	**(595.5)**	**—**	**—**	**—**	**—**	**(595.5)**
Proceeds from (payments on) Senior Credit Facilities	**88.5**	**—**	**—**	**—**	**—**	**88.5**
Payments on other loans and borrowings	**20.5**	**—**	**—**	**—**	**—**	**20.5**
Principal payments on lease liabilities	**—**	**(70.1)**	**—**	**—**	**—**	**(70.1)**
Payment of financing costs	**(3.1)**	**—**	**—**	**—**	**—**	**(3.1)**
Proceeds from the exercise of share options	**—**	**—**	**0.1**	**31.1**	**—**	**31.2**
Dividend payments to non-controlling interests	**—**	**—**	**—**	**—**	**(11.1)**	**(11.1)**
Total changes from financing cash flows	**10.4**	**(70.1)**	**0.1**	**31.1**	**(11.1)**	**(39.6)**
The effect of changes in foreign exchange rates / other	**(14.7)**	**99.6**	**—**	**—**	**—**	**84.9**
Other changes:						
Liability-related						
Interest expense on borrowings and lease liabilities	**45.7**	**17.0**	**—**	**—**	**—**	**62.7**
Interest paid on borrowings and lease liabilities	**(45.8)**	**(17.0)**	**—**	**—**	**—**	**(62.8)**
Amortization of deferred financing costs	**1.6**	**—**	**—**	**—**	**—**	**1.6**
Non-cash charge to derecognize deferred financing costs	**9.5**	**—**	**—**	**—**	**—**	**9.5**
Total other changes	**10.9**	**—**	**—**	**—**	**—**	**10.9**
Other movements in equity[(1)]	**—**	**—**	**0.0**	**(3.3)**	**12.5**	**9.2**
Balance at June 30, 2024	**1,817.4**	**518.6**	**14.6**	**1,464.2**	**68.1**	**3,882.9**

Notes

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

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

(Expressed in millions of US Dollars)	Liabilities		Equity			
	Loans and borrowings[2]	Lease liabilities	Share capital	Reserves	Non-controlling interests	Total
Balance at January 1, 2023	2,014.2	375.6	14.4	1,017.4	47.8	3,469.4
Changes from financing cash flows:						
Proceeds from issuance of the Senior Credit Facilities	1,500.0	—	—	—	—	1,500.0
Settlement of prior Senior Credit Facilities	(1,565.1)	—	—	—	—	(1,565.1)
Proceeds from (payments on) Senior Credit Facilities	(12.9)	—	—	—	—	(12.9)
Proceeds from (payments on) other loans and borrowings	(11.2)	—	—	—	—	(11.2)
Principal payments on lease liabilities	—	(67.5)	—	—	—	(67.5)
Payment of 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)
Total changes from financing cash flows	(106.2)	(67.5)	0.0	9.5	(6.7)	(171.0)
The effect of changes in foreign exchange rates / other	5.0	128.6	—	—	—	133.6
Other changes:						
Liability-related						
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
Total other changes	8.6	—	—	—	0.0	8.6
Other movements in equity[1]	—	—	0.0	146.1	18.7	164.8
Balance at June 30, 2023	1,921.6	436.6	14.4	1,173.0	59.9	3,605.5

Notes

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

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

14. 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$259.4 million and US$252.6 million for the six months ended June 30, 2024, and June 30, 2023, respectively. Of these amounts, US$19.5 million and US$17.3 million were included in cost of sales during the six months ended June 30, 2024, and June 30, 2023, respectively. The remaining amounts were presented in distribution expenses and general and administrative expenses.

Share-based compensation cost of US$7.3 million and US$6.9 million was recognized in the condensed consolidated statements of income, with a corresponding increase in equity reserves, for the six months ended June 30, 2024, and June 30, 2023, 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 Company may, from time to time, grant share options to certain key management personnel and other employees of the Group. 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, 2024, and June 30, 2023, were as follows:

	Number of options	Weighted-average exercise price
Outstanding at January 1, 2024	**85,349,278**	**HK$21.50**
Exercised during the period	**(11,607,249)**	**HK$21.02**
Lapsed during the period	**(219,988)**	**HK$25.04**
Canceled during the period	**(471,320)**	**HK$22.82**
Outstanding at June 30, 2024	**73,050,721**	**HK$21.55**
Exercisable at June 30, 2024	**58,704,106**	**HK$22.44**

	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

At June 30, 2024, the range of exercise prices for outstanding share options was HK$15.18 to HK$31.10 with a weighted average contractual life of 5.0 years. 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.

Restricted Share Units ("RSUs")
The Company may, from time to time, grant RSUs, including time-based RSUs ("TRSUs") and performance-based RSUs ("PRSUs"), to certain key management personnel and other employees of the Group. The vesting of the RSUs is subject to the continuing employment of the grantee and, in the case of PRSUs, to the Company's achievement of pre-established performance goals. The closing market price of the Company's shares on the date of grant is used to determine the grant date fair value. 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 the conclusion of the service and performance periods.

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

RSU awards, including TRSUs and PRSUs, were granted during the six months ended June 30, 2024, and June 30, 2023 and are discussed further below.

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 12, 2024, the Company awarded TRSUs with respect to 2,407,254 shares to the executive director of the Company and certain employees of the Group.

A summary of TRSU activity during the six months ended June 30, 2024, and June 30, 2023, was as follows:

	Number of TRSUs	**Weighted-average fair value per TRSU**
Outstanding at January 1, 2024	**2,628,576**	**HK$20.89**
Granted during the period	**2,407,254**	**HK$22.54**
Vested and converted to ordinary shares during the period	**(876,192)**	**HK$21.60**
Outstanding at June 30, 2024	**4,159,638**	**HK$21.69**

	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

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 12, 2024, the Group granted PRSUs with respect to a target number of 2,407,254 shares to the executive director and certain employees of the Group, assuming target-level achievement of the performance conditions applicable to the PRSU grants. Such PRSUs will cliff vest on June 12, 2027, based on the achievement of pre-established performance goals determined by reference to the Group's annual long-term incentive plan ("LTIP") Adjusted EBITDA ("LTIP Adjusted EBITDA") growth rate targets set at the time of the grant, which growth rate targets are expressed on a constant currency basis compared to the previous year. For purposes of the PRSUs granted on June 12, 2024, LTIP Adjusted EBITDA is defined as the Company's consolidated earnings before interest, taxes, depreciation and amortization of intangible assets, as adjusted to eliminate the effect of a number of costs, charges and credits and certain other non-cash charges. LTIP Adjusted EBITDA includes the lease interest and amortization expense under IFRS 16 to account for operational rent expenses and excludes annual cash bonus expenses and cash long-term-incentive award expenses.

When setting the performance targets, the objective was for the targets to be sufficiently challenging to create appropriate pay-for-performance alignment as expected by the Company's shareholders, within parameters that are likely to be perceived by the grantees to be achievable in order to create appropriate incentives. The annual LTIP Adjusted EBITDA growth rate target for each year included in the three-year performance period was established by the Remuneration Committee and was communicated to the recipients of the PRSUs in the grant notices. At the end of each year, the extent to which the annual growth target has been achieved will be determined in respect of 1/3 of the total PRSUs granted.

In making such determination, the Remuneration Committee shall adjust either the performance goals or the calculation of the LTIP Adjusted EBITDA to reflect the following occurrences affecting the Company during the performance period (to the extent such occurrences affect the year-over-year comparability of LTIP Adjusted EBITDA):

- the effect of changes in laws, regulations, or accounting principles, methods or estimates;
- changes to amortization of lease right-of-use assets resulting from the write down or impairment of such assets or the reversal of impairments;
- the planned, unrealized LTIP Adjusted EBITDA associated with a business segment, division, or unit or product group that is sold or discontinued (where such sale or discontinuation was unplanned);
- results from an unplanned acquired business and costs related to such unplanned acquisition;
- restructuring and workforce severance costs pursuant to a plan approved by the Board and the Company's chief executive officer; and
- unusual and infrequently occurring items as defined by the IASB IFRS Accounting Standards and any other unusual and exceptional events outside the ordinary course of business, provided that such adjustment is guided by the principles of the Company's long-term incentive program and alignment of shareholders' and participants' interests.

Details of the payout levels with respect to each year included in the three-year performance period are set out below:

	Payout levels (% of shares underlying PRSUs)		
	2024 against 2023 (1/3 weighting)	**2025 against 2024 (1/3 weighting)**	**2026 against 2025 (1/3 weighting)**
Maximum	200%	200%	200%
Target	100%	100%	100%
Threshold	25%	25%	25%
Below Threshold	0%	0%	0%

Vesting levels will be interpolated for actual performance between payout levels.

PRSUs will vest only upon completion of the three-year performance period to the extent the annual targets have been satisfied. PRSUs will ensure that there is linkage between the Company's stated long-term strategic and financial goals and executive compensation.

The maximum number of shares underlying the PRSUs granted on June 12, 2024, is 4,814,508 shares.

A summary of PRSU activity (at target level vesting) during the six months ended June 30, 2024, and June 30, 2023, was as follows:

	Number of PRSUs	**Weighted-average fair value per PRSU**
Outstanding at January 1, 2024	**2,628,576**	**HK$20.17**
Granted during the period	**2,407,254**	**HK$21.64**
Outstanding at June 30, 2024	**5,035,830**	**HK$20.87**

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

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, 2024, there were 471,320 share options canceled; there were no cancellations of TRSUs or PRSUs. During the six months ended June 30, 2023, there were no cancellations of share options, TRSUs or PRSUs.

15. Trade and Other Payables

(Expressed in millions of US Dollars)	**June 30, 2024**	December 31, 2023
Accounts payable	**462.8**	500.4
Accrued restructuring	**5.0**	5.7
Other payables and accruals	**162.6**	198.9
Cash distribution payable to equity holders	**150.0**	—
Other tax payables	**20.5**	20.1
Total trade and other payables	**800.9**	725.1

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

(Expressed in millions of US Dollars)	**June 30, 2024**	December 31, 2023
Current	**343.9**	351.8
0 - 30 days past due	**13.2**	20.8
Greater than 30 days past due	**4.6**	7.8
Total trade payables	**361.6**	380.4

16. 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, 2024, and June 30, 2023.

17. 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 reversals for the six months ended June 30, 2024, and June 30, 2023, and the carrying amount of lease right-of-use assets by class of underlying asset as of June 30, 2024, and June 30, 2023.

(Expressed in millions of US Dollars)	**Real Estate**	**Other**	**Total**
For the six months ended June 30, 2024:			
Additions of lease right-of-use assets	**110.9**	**2.7**	**113.6**
Amortization expense of lease right-of-use assets	**70.8**	**1.7**	**72.5**
Impairment reversals on lease right-of-use assets	**(5.1)**	**—**	**(5.1)**
Balance at June 30, 2024:			
Carrying value of lease right-of-use assets	**463.3**	**6.8**	**470.1**

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

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.

Based on an evaluation of company-operated retail stores during the six months ended June 30, 2024, the Group determined that the recoverable amount of certain stores within its retail store fleet, each of which represents an individual CGU, exceeded its corresponding net impaired carrying amount, resulting in an impairment reversal being recorded during the six months ended June 30, 2024. During the six months ended June 30, 2024, the Group recognized a non-cash impairment reversal related to lease right-of-use assets totaling US$5.1 million.

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

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 reversals for the six months ended June 30, 2024, were recorded in the Group's condensed consolidated statements of income in the line item "Impairment Reversals" (see also note 6 Impairment Reversals 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, 2024, and December 31, 2023, future minimum contractual payments under lease liabilities were as follows:

(Expressed in millions of US Dollars)	**June 30, 2024**	December 31, 2023
Within one year	**162.9**	159.9
After one year but within two years	**136.5**	131.7
After two years but within five years	**235.8**	212.7
More than five years	**82.3**	75.1
Total future minimum payments under lease liabilities(1)	**617.5**	579.3

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$27.6 million and US$30.7 million for the six months ended June 30, 2024 and June 30, 2023, respectively. 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$19.7 million and US$21.5 million for the six months ended June 30, 2024, and June 30, 2023, respectively.

As of June 30, 2024, and December 31, 2023, future minimum contractual payments under short-term and low-value lease payments were as follows:

(Expressed in millions of US Dollars)	**June 30, 2024**	December 31, 2023
Within one year	**2.9**	2.8
Total future minimum payments under short-term and low-value leases	**2.9**	2.8

(d) Total Cash Outflows for Leases

The following table sets forth a breakdown of total cash outflows for the six months ended June 30, 2024, and June 30, 2023, related to IFRS 16 lease liabilities and those leases exempt from capitalization under IFRS 16.

	Six months ended June 30, 2024		
(Expressed in millions of US Dollars)	**Lease liabilities**	**Short-term, low-value and variable leases**	**Total cash outflow for leases**
Principal payments on lease liabilities	**70.1**	**—**	**70.1**
Interest paid on lease liabilities	**17.0**	**—**	**17.0**
Rent expense - short-term, variable and low value leases[1]	**—**	**27.6**	**27.6**
Contingent rent	**—**	**19.7**	**19.7**
Total cash outflow	**87.0**	**47.2**	**134.3**

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

Note
(1) Reflects costs for leases that did not qualify for capitalization under IFRS 16.

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

The Group’s consolidated effective tax rate for operations was 26.9% and 25.9% for the six months ended June 30, 2024, and June 30, 2023, respectively. The increase in the Group's income tax expense and effective tax rate during the six months ended June 30, 2024, was mainly the result of an increase in withholding taxes on intra-group dividends during the six months ended June 30, 2024.

Taxation in the condensed consolidated statements of income for the six months ended June 30, 2024, and June 30, 2023, consisted of the following:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2024**	2023
Hong Kong profits tax benefit (expense)	**0.1**	(1.1)
Foreign profits tax expense	**(66.0)**	(58.6)
Income tax expense	**(65.9)**	(59.7)

The provision for Hong Kong Profits Tax for the six months ended June 30, 2024, and June 30, 2023, was calculated at an effective tax rate of 16.5% of the estimated assessable profits for the period.

(b) Income Tax Benefit Recognized in Other Comprehensive Loss

	Six months ended June 30, 2024			Six months ended June 30, 2023		
(Expressed in millions of US Dollars)	**Before tax**	**Income tax benefit**	**Net of tax**	Before tax	Income tax benefit	Net of tax
Changes in fair value of hedges	**(8.9)**	**2.2**	**(6.6)**	(5.3)	1.5	(3.8)
Foreign currency translation losses for foreign operations	**(25.7)**	**—**	**(25.7)**	(3.0)	—	(3.0)
	(34.5)	**2.2**	**(32.3)**	(8.3)	1.5	(6.8)

(c) Global Minimum Tax

The Group is subject to the global minimum top-up tax under Luxembourg's Pillar Two tax legislation enacted on December 20, 2023, where the ultimate parent entity resides, and to the extent that the local countries have not enacted their own Qualifying Domestic Minimum Top-Up Taxes ("QDMTT").

The global minimum top-up tax relates to the Group's operation in Chile, Hungary, Mexico, Panama, United Arab Emirates and Uruguay, where the effective tax rates range from 0.0% to 14.5%. The global minimum top-up tax is primarily driven by the United Arab Emirates, which accounts for approximately 42% of the total global minimum top-up tax. The Group recognized a current tax expense of approximately US$0.3 million for the six months ended June 30, 2024. The global minimum top-up tax impact on the June 30, 2024, effective tax rate is approximately 0.1%.

19. 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:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2024**	2023
Recognized in income or loss:		
Interest income	**7.9**	5.5
Total finance income	**7.9**	5.5
Interest expense on loans and borrowings	**(45.7)**	(51.8)
Derecognition of deferred financing costs associated with refinancing	**(9.5)**	(4.4)
Amortization of deferred financing costs associated with the Senior Credit Facilities	**(1.6)**	(1.8)
Interest expense on lease liabilities	**(17.0)**	(13.0)
Change in fair value of put options	**0.8**	(8.2)
Net foreign exchange loss	**(3.1)**	(5.7)
Other finance costs	**(1.5)**	(1.6)
Total finance costs	**(77.6)**	(86.5)
Net finance costs recognized in profit or loss	**(69.7)**	(81.0)
Recognized in other comprehensive income (loss):		
Foreign currency translation losses for foreign operations	**(25.7)**	(3.0)
Changes in fair value of hedges	**(8.9)**	(5.3)
Income tax benefit on finance income and finance costs recognized in other comprehensive income	**2.2**	1.5
Net finance costs recognized in total other comprehensive income, net of tax	**(32.3)**	(6.8)
Attributable to:		
Equity holders of the Company	**(30.0)**	(6.7)
Non-controlling interests	**(2.3)**	(0.1)

20. Additional Disclosure of Certain Expenses

Profit before income tax was arrived at after recognizing the following expenses for the six months ended June 30, 2024, and June 30, 2023:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2024**	2023
Depreciation of fixed assets	**24.1**	18.1
Amortization of intangible assets	**10.2**	9.3
Amortization of lease right-of-use assets	**72.5**	64.5
Impairment Reversals	**(5.1)**	—
Employee benefits expense	**259.4**	252.6
Other (income) expense(1)	**(0.6)**	0.9
Research and development	**9.9**	9.6
Rent expense(2)	**36.8**	36.6

Notes

(1) The Group recorded other income of US$0.6 million and other expense of US$0.9 million for the six months ended June 30, 2024, and June 30, 2023, respectively. Other income for the six months ended June 30, 2024, included gains from lease exits/remeasurements, partially offset by losses on the disposal of property, plant and equipment and certain other miscellaneous expense items. 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, partially offset by a reversal of a portion of a restructuring accrual of US$0.3 million that the Group determined was no longer needed.

(2) Rent expense for the six months ended June 30, 2024, and June 30, 2023, 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.

21. 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 Accounting Standards establish 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, 2024.

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, 2024, the fair value of the Term Loan A Facility, 2024 Term Loan B Facility and Senior Notes (see note 13 Loans and Borrowings, for further discussion), including their respective current portions, was US$1,645.5 million. The difference between the fair value and carrying value of the Term Loan A Facility, 2024 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 Term Loan A Facility, 2024 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 Term Loan A Facility, 2024 Term Loan B Facility and Senior Notes as of June 30, 2024, and the Term Loan A Facility, Term Loan B Facility and Senior Notes as of December 31, 2023:

			Fair value measurements at reporting date using		
(Expressed in millions of US Dollars)	**Carrying Amount**	**Fair Value**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
June 30, 2024					
Term Loan A Facility	**780.0**	**775.1**	**—**	**775.1**	**—**
2024 Term Loan B Facility	**500.0**	**500.9**	**—**	**500.9**	**—**
Senior Notes[(1)]	**375.0**	**369.4**	**—**	**369.4**	**—**
Total	**1,655.0**	**1,645.5**	**—**	**1,645.5**	**—**
December 31, 2023					
Term Loan A Facility	790.0	772.2	—	772.2	—
Term Loan B Facility	597.0	597.2	—	597.2	—
Senior Notes[(1)]	386.3	379.5	—	379.5	—
Total	1,773.3	1,749.0	—	1,749.0	—

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

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, 2024, and December 31, 2023:

		Fair value measurements at reporting date using		
(Expressed in millions of US Dollars)	**June 30, 2024**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets:				
Interest rate swap agreements - expiring August 2024	**4.0**	**—**	**4.0**	**—**
Foreign currency forward contracts	**0.9**	**—**	**0.9**	**—**
Total assets	**4.9**	**—**	**4.9**	**—**
Liabilities:				
Interest rate swap agreements - expiring February 2026	**0.2**	**—**	**0.2**	**—**
Non-controlling interest put options	**121.0**	**—**	**—**	**121.0**
Total liabilities	**121.2**	**—**	**0.2**	**121.0**

(Expressed in millions of US Dollars)	December 31, 2023	Fair value measurements at reporting date using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Interest rate swap agreements	14.1	—	14.1	—
Total assets	14.1	—	14.1	—
Liabilities:				
Non-controlling interest put options	126.9	—	—	126.9
Foreign currency forward contracts	1.4	1.4	—	—
Total liabilities	128.3	1.4	—	126.9

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 13(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 an asset of US$0.9 million and a liability of US$1.4 million as of June 30, 2024, and December 31, 2023, respectively.

Non-controlling Interest Put Options

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

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

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

(Expressed in millions of US Dollars)	
Balance at January 1, 2024	**126.9**
Change in fair value included in equity	**(5.1)**
Change in fair value included in finance costs	**(0.8)**
Balance at June 30, 2024	**121.0**

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, 2024:

	Profit or Loss		Shareholders' Equity	
(Expressed in millions of US Dollars)	**Increase**	**Decrease**	**Increase**	**Decrease**
EBITDA multiple (movement of 0.1x)	**1.8**	**(1.8)**	**1.6**	**(1.6)**

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.

22. 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, 2024, and June 30, 2023, comprised:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2024**	2023
Director's fees	**0.7**	0.7
Salaries, allowances and other benefits in kind	**3.8**	3.6
Bonus(1)	**11.9**	9.6
Share-based compensation(2)	**7.7**	7.2
Contributions to post-employment plans	**0.4**	0.3
Total compensation	**24.6**	21.4

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.

23. Subsequent Events

The Group has evaluated events occurring subsequent to June 30, 2024, the reporting date, through August 14, 2024, the date this financial information was authorized for issuance by the Board.

The Company issued 42,148 ordinary shares from July 1, 2024, through July 31, 2024, upon the exercise of share options that were outstanding and exercisable as of June 30, 2024.

On March 13, 2024, the Company's Board of Directors recommended that a cash distribution in the amount of US$150.0 million be made to the Company's shareholders. The shareholders approved this distribution on June 6, 2024, at the Company's Annual General Meeting and the distribution in the amount of approximately US$0.1026 per share (before tax) was paid on July 16, 2024.

Management Discussion and Analysis

With a heritage dating back to 1910, Samsonite International S.A. (the "Company"), together with its consolidated subsidiaries (the "Group"), is a leader in the global lifestyle bag industry and is the world's best-known and largest travel luggage company. The Group is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags and travel accessories throughout the world, primarily under the *Samsonite*®, *Tumi*®, *American Tourister*®, *Gregory*®, *High Sierra*®, *Lipault*® and *Hartmann*® brand names as well as other owned and licensed brand names.

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

Management discussion and analysis should be read in conjunction with the Group's consolidated interim financial statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") Accounting Standards 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 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 Accounting Standards.

Net Sales

The Group's reported net sales decreased by US$7.7 million, or 0.4%, but increased by 2.8% on a constant currency basis during the six months ended June 30, 2024, compared to the six months ended June 30, 2023. During the first half of 2024, the Group leveraged its increased investment in marketing to deliver year-on-year constant currency net sales growth, against a record first half in 2023. During the first half of 2023, the Group's net sales were fueled by a post-pandemic travel resurgence across Asia, particularly in China, which lifted restrictions at the beginning of 2023, and strong growth in North America due to increased sales to wholesale customers ahead of a robust summer travel season and by strong sales of the *Tumi* brand driven by elevated demand for its key core collections and supported by the arrival of delayed inventory.

Global travel and tourism trends have continued to reach record levels, however consumers have become more selective and intentional with their spending habits. The year-over-year net sales growth is especially notable given some headwinds this year, such as more challenging macroeconomic conditions in China, a more competitive pricing environment in India, as well as lower consumer confidence and retail traffic in many markets.

Net Sales by Region

The following table sets forth a breakdown of net sales by region for the six months ended June 30, 2024, and June 30, 2023, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,					
	2024		2023		2024 vs. 2023	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[3]
Net sales by region[1]:						
Asia	**680.0**	**38.5 %**	693.9	39.1 %	(2.0)%	2.0 %
North America	**608.3**	**34.4 %**	611.3	34.4 %	(0.5)%	(0.5)%
Europe	**372.3**	**21.0 %**	365.7	20.6 %	1.8 %	4.6 %
Latin America	**107.5**	**6.1 %**	104.6	5.9 %	2.7 %	20.3 %
Corporate	**0.4**	**0.0 %**	0.7	0.0 %	(37.0)%	(37.0)%
Net sales[2]	**1,768.5**	**100.0 %**	1,776.2	100.0 %	(0.4)%	2.8 %

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) When excluding the net sales in Argentina and Turkey, which have experienced higher inflation and currency depreciation, the Group's consolidated net sales for the six months ended June 30, 2024, increased by 1.3% on a constant currency basis, compared to the six months ended June 30, 2023.
(3) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

Brands

The following table sets forth a breakdown of net sales by brand for the six months ended June 30, 2024, and June 30, 2023, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,					
	2024		2023		2024 vs. 2023	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Net sales by brand:						
Samsonite	**903.8**	**51.1 %**	880.3	49.6 %	2.7 %	5.8 %
Tumi	**413.9**	**23.4 %**	421.1	23.7 %	(1.7)%	0.3 %
American Tourister	**307.4**	**17.4 %**	320.8	18.0 %	(4.2)%	(0.9)%
Other[1]	**143.4**	**8.1 %**	154.1	8.7 %	(7.0)%	(0.5)%
Net sales	**1,768.5**	**100.0 %**	1,776.2	100.0 %	(0.4)%	2.8 %

Notes
(1) "Other" includes certain other non-core brands owned by the Group, such as *Gregory*, *High Sierra*, *Kamiliant*, *Xtrem*, *Lipault*, *Hartmann*, *Saxoline* and *Secret*, as well as certain third-party brands.
(2) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

The industry-leading *Samsonite* brand achieved strong growth in the six months ended June 30, 2024, in all regions despite exceptionally high sell-in to wholesale customers during the six months ended June 30, 2023.

Net sales of the *Tumi* brand were up slightly on a constant currency basis for the six months ended June 30, 2024, compared to the same period in the previous year, driven by growth in Asia and Latin America, offset by decreases in North America and Europe due to the slower traffic and increased caution among consumers that is currently affecting many premium and luxury brands, as well as a high net sales base in the first half of 2023, driven by elevated demand for its key core collections and supported by the arrival of delayed inventory.

Net sales of the *American Tourister* brand decreased slightly on a constant currency basis for the six months ended June 30, 2024, compared to the six months ended June 30, 2023, due to reduced sales in India where competitors significantly discounted their products, as well as decreased sell-in to key North American wholesale customers.

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, 2024, and June 30, 2023, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,					
	2024		2023		2024 vs. 2023	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Net sales by product category:						
Travel	**1,160.8**	**65.6 %**	1,173.9	66.1 %	(1.1)%	1.4 %
Non-travel[1]	**607.7**	**34.4 %**	602.4	33.9 %	0.9 %	5.3 %
Net sales	**1,768.5**	**100.0 %**	1,776.2	100.0 %	(0.4)%	2.8 %

Notes
(1) The non-travel product category comprises business, casual, accessories and other products.
(2) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

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, 2024, and June 30, 2023, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,					
	2024		2023		2024 vs. 2023	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[3]
Net sales by distribution channel:						
Wholesale	**1,093.9**	**61.9 %**	1,106.5	62.3 %	(1.1)%	1.5 %
DTC[1]	**673.5**	**38.1 %**	669.0	37.7 %	0.7 %	4.7 %
Other[2]	**1.0**	**0.0 %**	0.8	0.0 %	33.1 %	33.1 %
Net sales	**1,768.5**	**100.0 %**	1,776.2	100.0 %	(0.4)%	2.8 %

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

For the six months ended June 30, 2024, net sales in the Group's wholesale channel increased by 1.5% on a constant currency basis compared to the same period in the previous year. The Group's wholesale channel continued to deliver growth compared to a strong first half of 2023, during which travel in all markets continued to recover and sell-in was strong ahead of a robust summer travel season.

Net sales in the DTC channel includes company-operated retail stores and DTC e-commerce. The retail environment has experienced a decline in consumer traffic during the second quarter of 2024. Net sales in the DTC retail channel decreased by US$6.2 million, or 1.3%, but increased by 2.8% on a constant currency basis during the six months ended June 30, 2024, compared to the same period in the previous year. During the six months ended June 30, 2024, the Group added 48 company-operated retail stores. This was partially offset by the permanent closure of 17 company-operated retail stores. This resulted in a net addition of 31 company-operated retail stores during the six months ended June 30, 2024, compared to a net addition of 16 company-operated retail stores during the six months ended June 30, 2023. The total number of company-operated retail stores was 1,083 as of June 30, 2024, compared to 1,001 as of June 30, 2023. On a same store, constant currency basis, retail net sales decreased by 1.4% for the six months ended June 30, 2024, compared to the six months ended June 30, 2023. This was due to constant currency same store net sales decreases of 5.3% and 2.2% in North America and Asia, respectively, partially offset by constant currency same store net sales increases of 10.4% and 2.6% in Latin America and Europe, respectively. The Group’s same store analysis includes existing company-operated retail stores which had been open for at least 12 months before the end of the relevant financial period.

Total DTC e-commerce net sales increased by US$10.8 million, or 6.0% (+10.0% constant currency), to US$190.8 million (representing 10.8% of net sales) for the six months ended June 30, 2024, from US$180.0 million (representing 10.1% of net sales) for the six months ended June 30, 2023.

Regions

Asia

Net sales in Asia increased by 2.0% on a constant currency basis during the first half of 2024 compared to the first half of 2023.

Countries/Territories
The following table sets forth a breakdown of net sales in Asia by geographic location for the six months ended June 30, 2024, and June 30, 2023, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,				2024 vs. 2023	
	2024		2023			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[4]
Net sales by geographic location[1]:						
China	**146.2**	**21.5 %**	140.9	20.3 %	3.8 %	7.6 %
India	**111.5**	**16.4 %**	126.2	18.2 %	(11.7)%	(10.6)%
Japan	**96.4**	**14.2 %**	91.1	13.1 %	5.8 %	19.0 %
South Korea	**79.4**	**11.7 %**	79.0	11.4 %	0.5 %	4.6 %
Hong Kong[2], [3]	**51.9**	**7.6 %**	59.5	8.6 %	(12.8)%	(12.9)%
Australia	**39.6**	**5.8 %**	35.9	5.2 %	10.4 %	12.9 %
Singapore[2]	**37.9**	**5.6 %**	40.1	5.8 %	(5.6)%	(5.0)%
Other	**117.2**	**17.2 %**	121.1	17.4 %	(3.3)%	0.8 %
Net sales	**680.0**	**100.0 %**	693.9	100.0 %	(2.0)%	2.0 %

Notes
(1) The geographic location of the Group's net sales generally reflects the country/territory from which its products were sold and does not necessarily indicate the country/territory in which its end 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 same period in the year under comparison to current period local currency results.

Net sales increases in China, Japan, South Korea and Australia during the first half of 2024 compared to the first half of 2023 were generally driven by further recovery and growth in leisure and business travel and the resulting increased demand for the Group's products. Certain countries in Asia experienced slower economic growth and weakening consumer sentiment during the first half of 2024 compared to the same period in the previous year. During the second quarter of 2024, net sales in China experienced softening demand from weakening consumer sentiment. By comparison, 2023 was a year of robust recovery throughout the region fueled by a post-pandemic travel resurgence, particularly in China, which lifted restrictions at the beginning of 2023.

The net sales increases mentioned above were offset by decreased net sales in India, Hong Kong and Singapore. After three years of strong growth in India, the Group's net sales in India decreased by US$14.8 million, or 11.7% (-10.6% constant currency), for the six months ended June 30, 2024, compared to the same period in the previous year due to intensified promotional activity by competitors. Total net sales reported for Hong Kong (which includes net sales made in the domestic Hong Kong market, in Macau, and to distributors in certain other Asian markets) decreased by US$7.6 million, or 12.8% (-12.9% constant currency), for the six months ended June 30, 2024, compared to the six months ended June 30, 2023, due to continued macroeconomic uncertainty and softening consumer sentiment.

Brands

The following table sets forth a breakdown of net sales by brand in Asia for the six months ended June 30, 2024, and June 30, 2023, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,				2024 vs. 2023	
	2024		2023			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Net sales by brand:						
Samsonite	**305.7**	**45.0 %**	301.6	43.5 %	1.4 %	5.7 %
American Tourister	**189.6**	**27.9 %**	195.2	28.1 %	(2.9)%	0.0 %
Tumi	**133.1**	**19.6 %**	136.2	19.6 %	(2.2)%	2.7 %
Other[1]	**51.6**	**7.5 %**	61.0	8.8 %	(15.3)%	(11.3)%
Net sales	**680.0**	**100.0 %**	693.9	100.0 %	(2.0)%	2.0 %

Notes

(1) "Other" includes certain other non-core brands owned by the Group, such as *Gregory*, *High Sierra*, *Kamiliant*, *Lipault*, and *Hartmann*.

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

Distribution Channels

The following table sets forth a breakdown of net sales by distribution channel in Asia for the six months ended June 30, 2024, and June 30, 2023, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				2024 vs. 2023	
	2024		2023			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[1]
Net sales by distribution channel:						
Wholesale	**472.3**	**69.5 %**	488.0	70.3 %	(3.2)%	0.2 %
DTC	**207.7**	**30.5 %**	205.9	29.7 %	0.9 %	6.3 %
Net sales	**680.0**	**100.0 %**	693.9	100.0 %	(2.0)%	2.0 %

Note

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

Net sales in the DTC retail channel in Asia increased by US$0.3 million, or 0.2% (+6.1% constant currency), during the six months ended June 30, 2024, compared to the six months ended June 30, 2023. During the six months ended June 30, 2024, the Group added 22 new company-operated retail stores in Asia. This was partially offset by the permanent closure of 10 company-operated retail stores in Asia. This resulted in a net addition of 12 company-operated retail stores in Asia during the six months ended June 30, 2024, compared to a net addition of 8 company-operated retail stores during the six months ended June 30, 2023. The total number of company-operated retail stores in Asia was 417 as of June 30, 2024, compared to 369 as of June 30, 2023. On a same store, constant currency basis, retail net sales in Asia decreased by 2.2% for the six months ended June 30, 2024, compared to the six months ended June 30, 2023. 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 in Asia increased by US$1.6 million, or 2.3% (+6.6% constant currency), to US$70.1 million for the six months ended June 30, 2024, from US$68.6 million for the six months ended June 30, 2023.

North America

Net sales for the first half of 2024 were relatively in-line with the corresponding period in the previous year. The Group's business in North America in the first half of 2023 was exceptionally strong driven by increased sales to wholesale customers ahead of a robust summer travel season and by strong sales of the *Tumi* brand driven by elevated demand for its key core collections and supported by the arrival of delayed inventory. In comparison, the first half of 2024 was impacted by moderating retail customer traffic and generally weaker consumer sentiment.

Countries

The following table sets forth a breakdown of net sales in North America by geographic location for the six months ended June 30, 2024, and June 30, 2023, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,				2024 vs. 2023	
	2024		2023			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(2)
Net sales by geographic location(1):						
United States	**575.0**	**94.5 %**	576.3	94.3 %	(0.2)%	(0.2)%
Canada	**33.3**	**5.5 %**	35.0	5.7 %	(5.0)%	(4.4)%
Net sales	**608.3**	**100.0 %**	611.3	100.0 %	(0.5)%	(0.5)%

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

Brands

The following table sets forth a breakdown of net sales by brand in North America for the six months ended June 30, 2024, and June 30, 2023, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,				2024 vs. 2023	
	2024		2023			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(2)
Net sales by brand:						
Samsonite	**300.9**	**49.5 %**	293.4	48.0 %	2.5 %	2.6 %
Tumi	**231.9**	**38.1 %**	235.5	38.5 %	(1.6)%	(1.5)%
American Tourister	**43.3**	**7.1 %**	49.1	8.0 %	(11.9)%	(11.9)%
Other(1)	**32.3**	**5.3 %**	33.3	5.5 %	(2.9)%	(2.9)%
Net sales	**608.3**	**100.0 %**	611.3	100.0 %	(0.5)%	(0.5)%

Notes
(1) "Other" includes certain other non-core brands owned by the Group, such as *Gregory*, *High Sierra*, *Lipault*, and *Hartmann*.
(2) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

Distribution Channels

The following table sets forth a breakdown of net sales by distribution channel in North America for the six months ended June 30, 2024, and June 30, 2023, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				2024 vs. 2023	
	2024		2023			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[(2)]
Net sales by distribution channel:						
Wholesale	**336.6**	**55.3 %**	336.7	55.1 %	(0.1)%	0.0 %
DTC	**271.1**	**44.6 %**	274.5	44.9 %	(1.2)%	(1.2)%
Other[(1)]	**0.6**	**0.1 %**	0.1	0.0 %	483.7 %	483.7 %
Net sales	**608.3**	**100.0 %**	611.3	100.0 %	(0.5)%	(0.5)%

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

Net sales in the DTC retail channel in North America decreased by US$9.0 million, or 4.5% (-4.4% constant currency), during the six months ended June 30, 2024, compared to the same period in the previous year. During the six months ended June 30, 2024, the Group added 7 new company-operated retail stores in North America. This was partially offset by the permanent closure of 4 company-operated retail stores in North America. This resulted in a net addition of 3 company-operated retail stores in North America during the six months ended June 30, 2024, compared to a net addition of 1 company-operated retail store during the six months ended June 30, 2023. The total number of company-operated retail stores in North America was 277 as of June 30, 2024, compared to 269 as of June 30, 2023. On a same store, constant currency basis, retail net sales in North America decreased by 5.3% for the six months ended June 30, 2024, compared to the six months ended June 30, 2023. 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 in North America increased by US$5.6 million, or 7.6% (+7.6% constant currency), to US$79.8 million for the six months ended June 30, 2024, from US$74.2 million for the six months ended June 30, 2023.

Europe

Net sales in Europe increased by 4.6% on a constant currency basis during the first half of 2024 compared to the first half of 2023, primarily driven by net sales increases out of Belgium. The year-over-year comparison was impacted by a strong summer travel season in 2023 with some markets that recovered faster versus the previous year. The Group continued to invest in new products and brand marketing to support future sales growth.

Countries

The following table sets forth a breakdown of net sales in Europe by geographic location for the six months ended June 30, 2024, and June 30, 2023, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,				2024 vs. 2023	
	2024		2023			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[5]
Net sales by geographic location[1]:						
Belgium[2]	**95.6**	**25.7 %**	85.2	23.3 %	12.2 %	12.3 %
Germany	**47.2**	**12.7 %**	49.2	13.4 %	(4.0)%	(3.9)%
Italy	**37.7**	**10.1 %**	39.4	10.8 %	(4.2)%	(4.3)%
United Kingdom[3]	**34.5**	**9.3 %**	33.9	9.3 %	1.8 %	(0.4)%
France	**34.0**	**9.1 %**	36.9	10.1 %	(7.8)%	(7.8)%
Spain	**33.0**	**8.9 %**	31.3	8.5 %	5.6 %	5.7 %
Other	**90.2**	**24.2 %**	89.9	24.6 %	0.3 %	12.3 %
Net sales[4]	**372.3**	**100.0 %**	365.7	100.0 %	1.8 %	4.6 %

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$12.6 million and US$12.1 million for the six months ended June 30, 2024, and June 30, 2023, respectively, an increase of US$0.5 million, or 4.4% (+4.3% 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) When excluding the net sales in Turkey, which experienced higher inflation and currency depreciation, the Group's net sales in Europe for the six months ended June 30, 2024, increased by 1.6% on a constant currency basis, compared to the six months ended June 30, 2023.

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

Brands

The following table sets forth a breakdown of net sales by brand in Europe for the six months ended June 30, 2024, and June 30, 2023, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,				2024 vs. 2023	
	2024		2023			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Net sales by brand:						
Samsonite	**253.3**	**68.0 %**	243.6	66.6 %	4.0 %	6.8 %
American Tourister	**58.7**	**15.8 %**	60.8	16.6 %	(3.4)%	(1.5)%
Tumi	**42.1**	**11.3 %**	44.4	12.2 %	(5.2)%	(1.1)%
Other[1]	**18.2**	**4.9 %**	17.0	4.6 %	7.0 %	8.5 %
Net sales	**372.3**	**100.0 %**	365.7	100.0 %	1.8 %	4.6 %

Notes

(1) "Other" includes certain other non-core brands owned by the Group, such as *Gregory*, *Lipault*, and *Hartmann*, as well as certain third-party brands.

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

Distribution Channels

The following table sets forth a breakdown of net sales by distribution channel in Europe for the six months ended June 30, 2024, and June 30, 2023, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				2024 vs. 2023	
	2024		2023			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Net sales by distribution channel:						
Wholesale	**220.5**	**59.2 %**	221.4	60.5 %	(0.4)%	1.8 %
DTC	**151.8**	**40.8 %**	144.3	39.5 %	5.2 %	8.7 %
Net sales	**372.3**	**100.0 %**	365.7	100.0 %	1.8 %	4.6 %

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

Net sales in the DTC retail channel in Europe increased by US$4.1 million, or 3.6% (+7.5% constant currency), during the six months ended June 30, 2024, compared to the six months ended June 30, 2023. During the six months ended June 30, 2024, the Group added 8 new company-operated retail stores in Europe. The Group did not close any company-operated retail stores in Europe during the period. This resulted in a net addition of 8 company-operated retail stores in Europe during the six months ended June 30, 2024, compared to a net addition of 5 company-operated retail stores during the six months ended June 30, 2023. The total number of company-operated retail stores in Europe was 203 as of June 30, 2024, compared to 192 as of June 30, 2023. On a same store, constant currency basis, retail net sales in Europe increased by 2.6% for the six months ended June 30, 2024, compared to the six months ended June 30, 2023. 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 in Europe increased by US$3.4 million, or 10.7% (+12.9% constant currency), to US$35.3 million for the six months ended June 30, 2024, from US$31.9 million for the six months ended June 30, 2023.

Latin America

Net sales in Latin America increased by 20.3% on a constant currency basis during the first half of 2024 compared to the first half of 2023. Net sales continued to grow in Latin America for the six months ended June 30, 2024, fueled by the strong growth in Mexico through all sales channels. This growth was partially offset by continued challenges in Chile where sales were down year-on-year.

Countries

The following table sets forth a breakdown of net sales in Latin America by geographic location for the six months ended June 30, 2024, and June 30, 2023, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,				2024 vs. 2023	
	2024		2023			
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(5)
Net sales by geographic location(1):						
Mexico	**40.4**	**37.6 %**	32.6	31.2 %	23.8 %	17.1 %
Chile	**32.1**	**29.8 %**	37.0	35.4 %	(13.4)%	(0.6)%
Brazil(2)	**13.2**	**12.3 %**	12.3	11.8 %	7.2 %	8.7 %
Other(3)	**21.8**	**20.3 %**	22.6	21.6 %	(3.7)%	65.1 %
Net sales(4)	**107.5**	**100.0 %**	104.6	100.0 %	2.7 %	20.3 %

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) 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) When excluding the net sales in Argentina, which experienced higher inflation and currency depreciation, the Group's net sales in Latin America for the six months ended June 30, 2024, increased by 5.7% on a constant currency basis, compared to the six months ended June 30, 2023.
(5) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

Brands

The following table sets forth a breakdown of net sales by brand in Latin America for the six months ended June 30, 2024, and June 30, 2023, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	2024		2023		2024 vs. 2023	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(2)
Net sales by brand:						
Samsonite	**44.0**	**40.9 %**	41.7	39.9 %	5.3 %	23.9 %
American Tourister	**15.9**	**14.8 %**	15.7	15.0 %	1.4 %	24.0 %
Tumi	**6.7**	**6.2 %**	4.9	4.7 %	36.9 %	31.8 %
Other(1)	**40.9**	**38.1 %**	42.2	40.4 %	(3.3)%	14.0 %
Net sales	**107.5**	**100.0 %**	104.6	100.0 %	2.7 %	20.3 %

Notes
(1) "Other" includes certain other non-core brands owned by the Group, such as *Xtrem*, *Saxoline, Secret*, and *Lipault*.
(2) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.

Distribution Channels

The following table sets forth a breakdown of net sales by distribution channel in Latin America for the six months ended June 30, 2024, and June 30, 2023, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,					
	2024		2023		2024 vs. 2023	
	US$ millions	**Percentage of net sales**	US$ millions	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Net sales by distribution channel:						
Wholesale	**64.6**	**60.1 %**	60.4	57.7 %	7.0 %	19.5 %
DTC	**42.9**	**39.9 %**	44.3	42.3 %	(3.1)%	21.4 %
Net sales	**107.5**	**100.0 %**	104.6	100.0 %	2.7 %	20.3 %

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

Net sales in the DTC retail channel in Latin America decreased by US$1.6 million, or 4.1%, but increased by 14.9% on a constant currency basis during the six months ended June 30, 2024, compared to the same period in the previous year. During the six months ended June 30, 2024, the Group added 11 new company-operated retail stores in Latin America. This was partially offset by the permanent closure of 3 company-operated retail stores in Latin America. This resulted in a net addition of 8 company-operated retail stores in Latin America during the six months ended June 30, 2024, compared to a net addition of 2 company-operated retail stores during the six months ended June 30, 2023. The total number of company-operated retail stores in Latin America was 186 as of June 30, 2024, compared to 171 as of June 30, 2023. On a same store, constant currency basis, retail net sales in Latin America increased by 10.4% for the six months ended June 30, 2024, compared to the six months ended June 30, 2023. 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 in Latin America increased by US$0.2 million, or 4.2% (+67.6% constant currency), to US$5.6 million for the six months ended June 30, 2024, from US$5.4 million for the six months ended June 30, 2023.

Cost of Sales and Gross Profit

Cost of sales decreased by US$29.0 million, or 4.0% (-1.8% constant currency), to US$703.7 million (representing 39.8% of net sales) for the six months ended June 30, 2024, from US$732.6 million (representing 41.2% of net sales) for the six months ended June 30, 2023. The decrease in cost of sales was primarily due to improved costing year-on-year related for the Group's inventory.

Gross profit increased by US$21.3 million, or 2.0% (+5.9% constant currency), to US$1,064.8 million for the six months ended June 30, 2024, from US$1,043.6 million for the six months ended June 30, 2023, due to higher gross profit margin. The gross profit margin was 60.2% for the six months ended June 30, 2024, compared to 58.8% for the same period in the previous year, with gross profit margin improving in all regions. The increase in the Group's gross profit margin was driven by an increased proportion of total net sales attributable to the direct-to-consumer channel, shifts in brand mix and continued discipline on promotional discounts.

Distribution Expenses

Distribution expenses increased by US$31.0 million, or 6.3% (+10.4% constant currency), to US$520.3 million (representing 29.4% of net sales) for the six months ended June 30, 2024, from US$489.3 million (representing 27.5% of net sales) for the six months ended June 30, 2023. Distribution expenses as a percentage of net sales increased primarily due to higher depreciation and amortization of lease right-of-use assets in relation to the 82 net new company-operated retail stores opened since June 30, 2023 (including 31 net new company-operated retail stores opened during the first half of 2024), as well as other expenses to support sales growth. Additionally, many company-operated retail stores were operating with reduced staff and temporary rental concessions in the first half of 2023, both of which had normalized by the end of 2023. The Group remains focused on managing its distribution expenses to drive operating leverage.

Marketing Expenses

The Group spent US$117.4 million on marketing during the six months ended June 30, 2024, compared to US$114.2 million for the six months ended June 30, 2023, an increase of US$3.2 million, or 2.8% (+5.4% constant currency). As a percentage of net sales, marketing expenses increased by 20 basis points to 6.6% for the six months ended June 30, 2024. The Group will continue to invest in marketing to drive further net sales growth.

General and Administrative Expenses

General and administrative expenses decreased by US$8.9 million, or 7.0% (-4.8% constant currency), to US$118.2 million (representing 6.7% of net sales) for the six months ended June 30, 2024, from US$127.1 million (representing 7.2% of net sales) for the six months ended June 30, 2023. The decrease in general and administrative expenses as a percentage of net sales reflects continued discipline on the fixed cost structure of the business.

Impairment Reversals

The following table sets forth a breakdown of the non-cash impairment reversals for the six months ended June 30, 2024 (the "1H 2024 Impairment Reversals"). There were no impairment charges or reversals for the six months ended June 30, 2023.

(Expressed in millions of US Dollars)		**Six months ended June 30,**	
Impairment reversals recognized on:	Functional Area	**2024**	2023
Lease right-of-use assets	Distribution	**(5.1)**	—
Total impairment reversals		**(5.1)**	—

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 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 cash generating unit ("CGU").

Based on an evaluation of company-operated retail stores during the six months ended June 30, 2024, the Group determined that the recoverable amount of certain stores within its retail store fleet, each of which represents an individual CGU, exceeded its corresponding net impaired carrying amount, resulting in an impairment reversal being recorded during the six months ended June 30, 2024.

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.

Other Income (Expense)

The Group recorded other income of US$0.6 million and other expense of US$0.9 million for the six months ended June 30, 2024, and June 30, 2023, respectively. Other income for the six months ended June 30, 2024, included gains from lease exits/remeasurements, partially offset by losses on the disposal of property, plant and equipment and certain other miscellaneous expense items. 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, partially offset by a reversal of a portion of a restructuring accrual of US$0.3 million that the Group determined was no longer needed.

Operating Profit

The Group reported an operating profit of US$314.7 million for the six months ended June 30, 2024, compared to US$312.1 million for the same period in the previous year, an improvement of US$2.6 million, or 0.8% (+5.6% constant currency).

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, 2024, and June 30, 2023.

OPERATING PROFIT

	Six months ended June 30,			
(Expressed in millions of US Dollars)	**2024**	2023	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Operating profit, as reported	**314.7**	312.1	0.8 %	5.6 %
Impairment reversals	**(5.1)**	—	*nm*	*nm*
Restructuring reversals	**—**	(0.3)	(100.0)%	(100.0)%
Operating profit, as adjusted	**309.5**	311.8	(0.7)%	4.1 %

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

Net Finance Costs

Net finance costs decreased by US$11.3 million, or 14.0% (-10.8% constant currency), to US$69.7 million for the six months ended June 30, 2024, from US$81.0 million for the six months ended June 30, 2023. This decrease was primarily attributable to a decrease in the non-cash charge associated with redeemable non-controlling interest put options of US$9.0 million year-on-year and a US$6.1 million decrease in interest expense on its Senior Credit Facilities (as defined below in Management Discussion and Analysis – Indebtedness). Total loans and borrowings were US$1,822.9 million as of June 30, 2024, compared to US$1,935.6 million as of June 30, 2023. This decrease was partially offset by an increase in interest expense on lease liabilities of US$4.0 million and US$9.5 million non-cash charge to derecognize certain deferred financing costs upon the refinancing of the Term Loan B Facility (as defined below in Management Discussion and Analysis – Indebtedness).

The following table sets forth a breakdown of total finance costs for the six months ended June 30, 2024, and June 30, 2023.

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2024**	2023
Recognized in profit or loss:		
Interest income	**7.9**	5.5
Total finance income	**7.9**	5.5
Interest expense on loans and borrowings	**(45.7)**	(51.8)
Derecognition of deferred financing costs associated with refinancing	**(9.5)**	(4.4)
Amortization of deferred financing costs associated with the Senior Credit Facilities	**(1.6)**	(1.8)
Interest expense on lease liabilities	**(17.0)**	(13.0)
Change in fair value of put options	**0.8**	(8.2)
Net foreign exchange loss	**(3.1)**	(5.7)
Other finance costs	**(1.5)**	(1.6)
Total finance costs	**(77.6)**	(86.5)
Net finance costs recognized in profit or loss	**(69.7)**	(81.0)

Profit before Income Tax

The Group recorded a profit before income tax of US$245.0 million for the six months ended June 30, 2024, compared to US$231.1 million for the same period in the previous year, an improvement of US$13.9 million, or 6.0% (+11.4% constant currency).

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, 2024, and June 30, 2023.

PROFIT BEFORE INCOME TAX

	Six months ended June 30,			
(Expressed in millions of US Dollars)	**2024**	2023	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[(1)]
Profit before income tax, as reported	**245.0**	231.1	6.0 %	11.4 %
Impairment reversals	**(5.1)**	—	*nm*	*nm*
Restructuring reversals	**—**	(0.3)	(100.0)%	(100.0)%
Derecognition of deferred financing costs associated with refinancing	**9.5**	4.4	113.9 %	113.9 %
Profit before income tax, as adjusted	**249.3**	235.2	6.0 %	11.2 %

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

Income Tax Expense

The Group recorded income tax expense of US$65.9 million for the six months ended June 30, 2024, compared to income tax expense of US$59.7 million for the six months ended June 30, 2023. The Group's consolidated effective tax rate for operations was 26.9% and 25.9% for the six months ended June 30, 2024, and June 30, 2023, respectively. The increase in the Group's income tax expense and effective tax rate during the six months ended June 30, 2024, was mainly the result of an increase in withholding taxes on intra-group dividends during the six months ended June 30, 2024.

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 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, 2024, was US$179.1 million compared to US$171.4 million for the six months ended June 30, 2023, an improvement of US$7.7 million, or 4.5% (+11.9% constant currency).

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, 2024, and June 30, 2023.

PROFIT FOR THE PERIOD

(Expressed in millions of US Dollars)	Six months ended June 30, **2024**	2023	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[(2)]
Profit for the period, as reported	**179.1**	171.4	4.5 %	11.9 %
Impairment reversals	**(5.1)**	—	*nm*	*nm*
Restructuring reversals	**—**	(0.3)	(100.0)%	(100.0)%
Derecognition of deferred financing costs associated with refinancing	**9.5**	4.4	113.9 %	113.9 %
Tax adjustments[(1)]	**(1.5)**	(1.0)	45.5 %	45.5 %
Profit for the period, as adjusted	**181.9**	174.5	4.3 %	11.6 %

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

Profit Attributable to the Equity Holders

Profit attributable to the equity holders was US$164.3 million for the six months ended June 30, 2024, compared to US$152.5 million for the same period in the previous year, an improvement of US$11.8 million, or 7.7% (+16.1% constant currency).

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, 2024, and June 30, 2023.

PROFIT ATTRIBUTABLE TO THE EQUITY HOLDERS

	Six months ended June 30,			
(Expressed in millions of US Dollars)	**2024**	2023	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Profit attributable to the equity holders, as reported	**164.3**	152.5	7.7 %	16.1 %
Impairment reversals	**(5.1)**	—	*nm*	*nm*
Restructuring reversals	**—**	(0.3)	(100.0)%	(100.0)%
Derecognition of deferred financing costs associated with refinancing	**9.5**	4.4	113.9 %	113.9 %
Tax adjustments[1]	**(1.5)**	(1.0)	45.5 %	45.5 %
Profit attributable to the equity holders, as adjusted	**167.1**	155.6	7.4 %	15.6 %

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

Basic and Diluted Earnings per Share

Basic earnings per share were US$0.113 for the six months ended June 30, 2024, compared to US$0.106 for the six months ended June 30, 2023. The weighted average number of shares used in the basic earnings per share calculation was 1,456,425,641 shares for the six months ended June 30, 2024, compared to 1,442,976,567 shares for the six months ended June 30, 2023. Diluted earnings per share were US$0.112 for the six months ended June 30, 2024, compared to US$0.105 for the six months ended June 30, 2023. The weighted average number of shares outstanding used in the diluted earnings per share calculation was 1,472,391,115 shares for the six months ended June 30, 2024, compared to 1,450,371,148 shares for the six months ended June 30, 2023.

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization of intangible assets ("Adjusted EBITDA"), a non-IFRS measure, was US$333.5 million for the six months ended June 30, 2024, which decreased by US$0.8 million, or 0.3%, but improved by 4.3% on a constant currency basis. Adjusted EBITDA margin, a non-IFRS measure, increased by 10 basis points to a first half record of 18.9% for the six months ended June 30, 2024, compared to 18.8% for the six months ended June 30, 2023.

The following table presents the reconciliation from the Group's profit for the period to Adjusted EBITDA for the six months ended June 30, 2024, and June 30, 2023:

	Six months ended June 30,			
(Expressed in millions of US Dollars)	**2024**	2023	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[4]
Profit for the period	**179.1**	171.4	4.5 %	11.9 %
Plus (minus):				
Income tax expense	**65.9**	59.7	10.3 %	9.7 %
Finance costs	**77.6**	86.5	(10.3)%	(4.4)%
Finance income	**(7.9)**	(5.5)	44.3 %	90.1 %
Depreciation	**24.1**	18.1	33.3 %	36.7 %
Total amortization	**82.7**	73.8	12.1 %	14.7 %
EBITDA	**421.4**	403.9	4.3 %	8.7 %
Plus (minus):				
Share-based compensation expense	**7.3**	6.9	4.7 %	4.5 %
Impairment reversals	**(5.1)**	—	*nm*	*nm*
Restructuring reversals	**—**	(0.3)	(100.0)%	(100.0)%
Amortization of lease right-of-use assets	**(72.5)**	(64.5)	12.5 %	15.3 %
Interest expense on lease liabilities	**(17.0)**	(13.0)	30.5 %	34.0 %
Other adjustments[1]	**(0.6)**	1.2	(148.6)%	(135.7)%
Adjusted EBITDA[2]	**333.5**	334.3	(0.3)%	4.3 %
Adjusted EBITDA margin[3]	**18.9 %**	18.8 %		

Notes
(1) Other adjustments primarily comprised 'Other income (expense)' 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 under IFRS 16, *Leases* ("IFRS 16") to account for operational rent expenses.
(3) Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.
(4) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the same period in the year under comparison to current period local currency results.
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, 2024, and June 30, 2023:

	Six months ended June 30, 2024					
(Expressed in millions of US Dollars)	**Asia**	**North America**	**Europe**	**Latin America**	**Corporate**	**Total**
Profit (loss) for the period	**93.0**	**72.6**	**47.1**	**8.2**	**(41.8)**	**179.1**
Plus (minus):						
Income tax expense	**27.2**	**18.5**	**15.9**	**1.1**	**3.3**	**65.9**
Finance costs	**6.7**	**7.8**	**3.7**	**3.6**	**55.8**	**77.6**
Finance income	**(1.9)**	**(0.5)**	**(1.4)**	**(1.1)**	**(3.1)**	**(7.9)**
Depreciation	**11.4**	**5.5**	**5.6**	**1.5**	**0.1**	**24.1**
Total amortization	**24.5**	**31.7**	**18.4**	**6.8**	**1.4**	**82.7**
EBITDA	**160.8**	**135.6**	**89.2**	**20.1**	**15.6**	**421.4**
Plus (minus):						
Share-based compensation expense	**—**	**0.9**	**2.4**	**0.0**	**4.0**	**7.3**
Impairment reversals	**(5.1)**	**—**	**—**	**—**	**—**	**(5.1)**
Amortization of lease right-of-use assets	**(22.5)**	**(27.2)**	**(16.1)**	**(6.7)**	**(0.1)**	**(72.5)**
Interest expense on lease liabilities	**(3.5)**	**(7.7)**	**(3.5)**	**(2.3)**	**(0.0)**	**(17.0)**
Inter-company charges (income)(1)	**32.5**	**19.7**	**(4.7)**	**2.1**	**(49.7)**	**—**
Other adjustments(2)	**0.0**	**0.2**	**(0.7)**	**1.3**	**(1.4)**	**(0.6)**
Adjusted EBITDA(3)	**162.3**	**121.5**	**66.7**	**14.5**	**(31.5)**	**333.5**
Adjusted EBITDA margin(4)	**23.9 %**	**20.0 %**	**17.9 %**	**13.5 %**	***nm***	**18.9 %**

Notes
(1) Inter-company charges (income) by region include intra-group royalty income/expense and other cross-charges that eliminate in consolidation.
(2) Other adjustments primarily comprised 'Other income (expense)' 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 under 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, 2023					
(Expressed in millions of US Dollars)	Asia	North America	Europe	Latin America	Corporate	Total
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)(1)	33.8	18.8	(1.6)	2.0	(53.0)	—
Other adjustments(2)	(0.3)	(0.3)	0.0	1.3	0.4	1.2
Adjusted EBITDA(3)	172.4	121.9	60.0	14.3	(34.2)	334.3
Adjusted EBITDA margin(4)	24.8 %	19.9 %	16.4 %	13.7 %	*nm*	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 income (expense)' 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 under 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 Accounting Standards and with the reconciliation to profit (loss) for the period, these measures provide additional information that is useful in gaining a more complete understanding of its operational performance and of the trends impacting its business. EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are important metrics the Group uses to evaluate its operating performance and cash generation.

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS measures and as calculated herein may not be comparable to similarly named measures used by other companies and should not be considered comparable to profit (loss) for the period in the Company's 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 Accounting Standards.

Adjusted Net Income

Adjusted Net Income, a non-IFRS measure, increased by US$3.1 million, or 1.8% (+9.3% constant currency), to US$174.0 million for the six months ended June 30, 2024, compared to US$170.9 million for the six months ended June 30, 2023. The improvement in Adjusted Net Income was primarily due to improved gross profit.

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, 2024, and June 30, 2023.

	Six months ended June 30,			
(Expressed in millions of US Dollars)	**2024**	2023	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[3]
Profit attributable to the equity holders	**164.3**	152.5	7.7 %	16.1 %
Plus (minus):				
Change in fair value of put options included in finance costs	**(0.8)**	8.2	*nm*	*nm*
Amortization of intangible assets	**10.2**	9.3	9.1 %	9.9 %
Derecognition of deferred financing costs associated with refinancing	**9.5**	4.4	113.9 %	113.9 %
Impairment reversals	**(5.1)**	—	*nm*	*nm*
Restructuring reversals	**—**	(0.3)	(100.0)%	(100.0)%
Tax adjustments[1]	**(4.0)**	(3.3)	19.3 %	20.0 %
Adjusted Net Income[2]	**174.0**	170.9	1.8 %	9.3 %

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 same period in the year under comparison to current period local currency results.

Adjusted basic and diluted earnings per share, which are non-IFRS measures, were US$0.119 and US$0.118 per share, respectively, for the six months ended June 30, 2024, compared to US$0.118 and US$0.118 per share, respectively, for the six months ended June 30, 2023. 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 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 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 Accounting Standards.

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, 2025.

Cash Flows

Cash flows generated from operating activities improved by US$36.3 million, or 23.2%, to US$192.9 million for the six months ended June 30, 2024, compared to US$156.6 million for the six months ended June 30, 2023. This increase is primarily attributable to positive changes in working capital, partially offset by an increase in income taxes paid.

For the six months ended June 30, 2024, net cash flows used in investing activities were US$41.2 million attributable to capital expenditures (comprised of US$39.1 million for the purchase of property, plant and equipment and US$2.1 million for software purchases). The Group selectively remodeled certain existing retail locations, added new retail locations and made investments in machinery and equipment to support new product innovation. For the six months ended June 30, 2023, net cash flows used in investing activities were US$25.7 million attributable to capital expenditures (comprised of US$20.9 million for the purchase of property, plant and equipment and US$4.8 million for software purchases). The Group intends to continue to spend on property, plant and equipment to upgrade and expand its retail store fleet as well as to invest in core strategic functions to support continued sales growth during the rest of 2024.

Net cash flows used in financing activities were US$39.6 million for the six months ended June 30, 2024, and were largely attributable to US$70.1 million in principal payments on lease liabilities, repayments of US$11.5 million of outstanding borrowings under the Group's Senior Credit Facilities (as defined in Management Discussion and Analysis - Indebtedness), and dividend payments to non-controlling interests of US$11.1 million. The cash flows used in financing activities during the six months ended June 30, 2024, were partially offset by proceeds from share option exercises of US$31.2 million and proceeds from other loans and borrowings of US$20.5 million. The Group refinanced its Term Loan B Facility (as defined in Management Discussion and Analysis - Indebtedness) in April 2024. In conjunction with the April 2024 refinancing, the Group paid US$3.1 million in deferred financing costs that will be recognized over the term of the borrowings.

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 a refinancing of the Senior Credit Facilities in June 2023 (see Management Discussion and Analysis - Indebtedness). In conjunction with the June 2023 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 and repayments of US$12.9 million of outstanding borrowings under its Senior Credit Facilities. The cash flows used in financing activities during the six months ended June 30, 2023, were partially offset by proceeds from share option exercises of US$9.5 million.

Free Cash Flow[1] increased by US$18.2 million to US$81.6 million for the six months ended June 30, 2024, compared to US$63.4 million for the six months ended June 30, 2023. As of June 30, 2024, the Group had US$815.5 million in cash and cash equivalents, compared to US$716.6 million as of December 31, 2023. Cash and cash equivalents are generally denominated in the functional currency of the applicable Group entity.

Note
(1) Free Cash Flow is defined as net cash generated from (used in) operating activities less (i) purchases of property, plant and equipment and software ("total capital expenditures") and (ii) principal payments on lease liabilities (each as set forth on the condensed consolidated statements of cash flows).

Indebtedness

The following table sets forth the carrying amount of the Group's loans and borrowings as of June 30, 2024, and December 31, 2023.

(Expressed in millions of US Dollars)	**June 30, 2024**	December 31, 2023
Term Loan A Facility	**780.0**	790.0
Term Loan B Facility	**—**	597.0
2024 Term Loan B Facility	**500.0**	—
Revolving Credit Facility	**100.0**	—
Senior Credit Facilities	**1,380.0**	1,387.0
Senior Notes[1]	**375.0**	386.3
Other borrowings and obligations	**67.8**	50.7
Total loans and borrowings	**1,822.9**	1,824.0
Less deferred financing costs	**(9.1)**	(17.0)
Total loans and borrowings less deferred financing costs	**1,813.8**	1,807.0

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

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 "Credit Agreement"). The Credit Agreement amended and restated 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 provided for (1) a US$800.0 million senior secured term loan A facility (the "Term Loan A Facility"), (2) a US$600.0 million senior secured term loan B facility (the "Term Loan B Facility") and (3) a US$850.0 million revolving credit facility (the "Revolving Credit Facility"). The credit facilities provided under the Credit Agreement are referred to herein as the "Senior Credit Facilities."

On the Closing Date, the Group borrowed US$100.0 million under the Revolving Credit Facility and used the proceeds of such borrowing, plus the proceeds from the Term Loan A Facility and the 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 Credit Agreement are collectively referred to herein as the "2023 Refinancing"). The US$100.0 million borrowed on the Revolving Credit Facility for this 2023 Refinancing was repaid in 2023.

Amended Senior Credit Facilities Agreement
On April 12, 2024 (the "Effective Date"), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amendment to the Credit Agreement (the "Amendment"). Under the Amendment, the applicable margin used to calculate the interest rate payable on the refinanced Term Loan B Facility (the "2024 Term Loan B Facility") was reduced by 75 basis points from the applicable margin under the prior Term Loan B Facility.

On the Effective Date, the Group borrowed US$100.0 million under the Revolving Credit Facility and used the proceeds of such borrowing and the proceeds from the 2024 Term Loan B Facility to repay the entire principal amount of its outstanding borrowings under the prior Term Loan B Facility, plus transaction expenses (the transactions entered into on the Effective Date pursuant to and in connection with the Amendment are collectively referred to herein as the "2024 Refinancing"). The principal amount of the borrowings under the 2024 Term Loan B Facility as of June 30, 2024, was US$500.0 million. The other terms of the 2024 Term Loan B Facility are the same as under the prior Term Loan B Facility. As of June 30, 2024, US$100.0 million of borrowings remained outstanding under the Revolving Credit Facility.

Interest Rate and Fees
In respect of the Term Loan A Facility and the Revolving Credit Facility, the interest rate payable on borrowings thereunder is based on the Secured Overnight Financing Rate ("SOFR"), with a SOFR floor of 0%, plus a 10 basis-point credit spread adjustment, plus an applicable margin which can vary and is based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings. As of June 30, 2024, the applicable margin under the Term Loan A Facility and the Revolving Credit Facility was 1.125% (or a base rate plus 0.125%).

In respect of the Term Loan B Facility, the interest rate payable with effect from the Closing Date was based on SOFR, with a SOFR floor of 0.50%, plus 2.75% per annum (or a base rate plus 1.75% per annum). The interest rate payable on the 2024 Term Loan B Facility is based on SOFR plus 2.00% per annum with a SOFR floor of 0.50%.

As the Company's Term Loan A Facility, Revolving Credit Facility and 2024 Term Loan B Facility have floating interest rates, the Company calculates interest expense based on the actual benchmark interest rate plus the applicable margin in effect for the relevant period.

In addition to paying interest on the outstanding principal amount of borrowings under the Senior Credit Facilities, the borrowers pay customary agency fees and a commitment fee in respect of the unutilized commitments under the Revolving Credit Facility based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings. As of June 30, 2024, the commitment fee was equal to 0.2% per annum.

Amortization and Final Maturity
The Term Loan A Facility requires scheduled quarterly payments with an annual amortization of 2.5% of the original principal amount of the loans under the 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 Term Loan A Facility. There is no scheduled amortization of any principal amounts outstanding under the Revolving Credit Facility. The balance then outstanding under the Term Loan A Facility and the Revolving Credit Facility will be due and payable on June 21, 2028.

If (i) on the date that is 91 days prior to the maturity date of the Senior Notes (as defined below), 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 Term Loan A Facility and the 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, more than US$150 million in aggregate principal amount of the loans outstanding under the 2024 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 Term Loan A Facility and the Revolving Credit Facility will spring to a date that is 90 days prior to the maturity date of the Senior Notes.

The 2024 Term Loan B Facility requires scheduled quarterly payments commencing on September 30, 2024, each equal to 0.25% of the original principal amount of the loans under the 2024 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 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 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 Senior Credit Facilities are unconditionally guaranteed by the Company and certain of the Company's existing direct or indirect wholly-owned material restricted subsidiaries organized in Luxembourg, Belgium, Canada, Hong Kong, Hungary, Mexico, the United States and Singapore, and are required to be guaranteed by certain future direct or indirect wholly-owned material restricted subsidiaries organized in such jurisdictions (except Singapore) (the "Credit Facility Guarantors"). All obligations under the Senior Credit Facilities, and the guarantees of those obligations, are secured, subject to certain exceptions, by substantially all the assets of the borrowers and the Credit Facility Guarantors (including the Shared Collateral (as defined below)).

Certain Covenants and Events of Default

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

In addition, the Credit Agreement requires the Company and its subsidiaries to meet certain quarterly financial covenants. 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 Term Loan A Facility and the lenders under the Revolving Credit Facility. The Company was in compliance with the Financial Covenants for the test period ended on June 30, 2024. 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$3.1 million of financing costs in conjunction with the 2024 Refinancing and US$17.1 million of financing costs in conjunction with the 2023 Refinancing. Such costs were deferred and offset against loans and borrowings. Deferred financing costs are amortized using the effective interest method over the life of the Senior Credit Facilities and Senior Notes. Total deferred financing costs included within total loans and borrowings amounted to US$9.1 million and US$17.0 million as of June 30, 2024, and December 31, 2023, respectively.

The amortization of deferred financing costs, which is included in interest expense, amounted to US$1.6 million and US$1.8 million for the six months ended June 30, 2024, and June 30, 2023, respectively.

During the six months ended June 30, 2024, the Group recorded a non-cash charge in interest expense in the amount of US$9.5 million related to unamortized deferred financing costs which were part of the net carrying value of the Term Loan B Facility settled with the 2024 Refinancing. 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 Senior Credit Facilities settled with the 2023 Refinancing.

Interest Rate Swaps

The Group maintains interest rate swaps to hedge a portion of its interest rate exposure under the floating-rate Senior Credit Facilities by swapping certain US Dollar floating-rate bank borrowings with fixed-rate agreements. On September 4, 2019, the Group entered into interest rate swap agreements that became effective on September 6, 2019, and will terminate on August 31, 2024 (the "2019 Swaps"). The notional amounts of the 2019 Swaps decrease over time.

On June 21, 2023, the Group amended the 2019 Swaps by replacing references to the London Interbank Offered Rate ("LIBOR") with references to SOFR. As a result, the Group's 2019 Swaps have effectively fixed SOFR at approximately 1.1305% with respect to an amount equal to approximately 40% of the principal amount of the Senior Credit Facilities as of June 30, 2024, which reduces a portion of the Company's exposure to interest rate increases. The 2019 Swaps have fixed payments due monthly. The 2019 Swaps qualify as cash flow hedges. As of June 30, 2024, the 2019 Swaps were marked-to-market, resulting in a net asset position to the Group in the amount of US$4.0 million which was recorded as an asset with the effective portion of the gain (loss) deferred to other comprehensive income.

On June 18, 2024, the Group entered into new interest rate swap agreements that will become effective on August 30, 2024, and will terminate on February 27, 2026 (the "2024 Swaps"). Under the 2024 Swaps SOFR has been effectively fixed at approximately 4.5685% with respect to an amount equal to approximately 29% of the principal amount of the Senior Credit Facilities as of June 30, 2024, which reduces a portion of the Company's exposure to interest rate increases. The 2024 Swaps have fixed payments due monthly that will commence September 30, 2024. The 2024 Swaps qualify as cash flow hedges. As of June 30, 2024, the 2024 Swaps were marked-to-market, resulting in a net liability position to the Group in the amount of US$0.2 million, which was recorded as a liability with the effective portion of the gain (loss) deferred to other comprehensive income.

As of December 31, 2023, the 2019 Swaps were marked-to-market, resulting in a net asset position to the Group in the amount of US$14.1 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 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$67.8 million and US$50.7 million as of June 30, 2024, and December 31, 2023, respectively.

The following represents the contractual maturity dates of the Group's loans and borrowings as of June 30, 2024, and December 31, 2023.

(Expressed in millions of US Dollars)	**June 30, 2024**	December 31, 2023
On demand or within one year	**92.8**	76.7
After one year but within two years	**420.0**	36.0
After two years but within five years	**835.0**	1,144.3
More than five years	**475.0**	567.0
Total loans and borrowings	**1,822.9**	1,824.0

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, 2024, are expected to be US$41.9 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, 2024, and June 30, 2023:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2024**	2023
Average inventories[(1)]	**666.8**	714.0
Cost of sales	**703.7**	732.6
Average inventory turnover days[(2)]	**173**	178

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

The Group's average inventories decreased in the first half of 2024 (US$637.7 million as of June 30, 2024, compared to US$695.9 million as of December 31, 2023) compared to 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).

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, 2024, and June 30, 2023:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2024**	2023
Average trade and other receivables[(1)]	**332.8**	302.7
Net sales	**1,768.5**	1,776.2
Turnover days of trade and other receivables[(2)]	**34**	31

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 2024 (US$346.1 million as of June 30, 2024, compared to US$319.6 million as of December 31, 2023) compared to 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).

Trade receivables as of June 30, 2024, 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, 2024, and June 30, 2023:

	Six months ended June 30,	
(Expressed in millions of US Dollars)	**2024**	2023
Average trade and other payables[(1)]	**763.0**	764.0
Cost of sales	**703.7**	732.6
Turnover days of trade and other payables[(2)]	**198**	190

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 decreased slightly in the first half of 2024 (US$800.9 million as of June 30, 2024, compared to US$725.1 million as of December 31, 2023) compared to 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). Trade and other payables as of

June 30, 2024, includes the US$150.0 million distribution payable to shareholders that was paid on July 16, 2024.

Trade payables as of June 30, 2024, 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, 2024, and December 31, 2023:

(Expressed in millions of US Dollars)	**June 30, 2024**	December 31, 2023
Loans and borrowings (excluding deferred financing costs)	**1,822.9**	1,824.0
Total equity	**1,547.0**	1,517.7
Gearing ratio[(1)]	**117.8 %**	120.2 %

Note
(1) Calculated as total loans and borrowings (excluding deferred financing costs) divided by 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, 2024:

(Expressed in millions of US Dollars)	**Total**	**Within 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Loans and borrowings	**1,822.9**	**92.8**	**420.0**	**835.0**	**475.0**
Open inventory purchase orders	**515.7**	**514.7**	**0.8**	**0.1**	**—**
Future minimum contractual payments under lease liabilities	**617.5**	**162.9**	**136.5**	**235.8**	**82.3**
Future minimum payments under short-term and low-value leases	**2.9**	**2.9**	**—**	**—**	**—**
Total	**2,958.9**	**773.4**	**557.3**	**1,070.9**	**557.3**

As of June 30, 2024, 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, 2024.

Contingent Liabilities

Details of contingent liabilities are set out in note 16 to the consolidated interim financial statements.

Subsequent Events

Details of the events occurring subsequent to June 30, 2024, are set out in note 23 to the consolidated interim financial statements.

Other Information

Total current assets were US$1,895.1 million and US$1,835.6 million, and total assets less current liabilities were US$4,000.7 million and US$3,954.4 million, as of June 30, 2024, and December 31, 2023, respectively.

Strategic Review and Full-year Prospects

Financial results of the Group during the first six months ended June 30, 2024, were as follows:

Financial Results

Key Group metrics for the six months ended June 30, 2024, compared to the six months ended June 30, 2023, were as follows:

- Reported net sales were US$1,768.5 million for the six months ended June 30, 2024, a decrease of 0.4% but an increase of 2.8% on a constant currency basis compared to a record first half in 2023 that was fueled by strong travel demand and consumer spending, as well as large wholesale customers rebuilding their inventory levels.
- Gross profit margin was a first half record of 60.2% for the six months ended June 30, 2024, compared to 58.8%

for the six months ended June 30, 2023, with gross profit margin improving in all regions. The increase in the Group's gross profit margin was driven by an increased proportion of total net sales attributable to the direct-to-consumer channel, shifts in brand mix and continued discipline on promotional discounts.

- The Group spent US$117.4 million on marketing during the six months ended June 30, 2024, compared to US$114.2 million for the six months ended June 30, 2023, an increase of US$3.2 million, or 2.8% (+5.4% constant currency). As a percentage of net sales, marketing expenses increased by 20 basis points to 6.6% for the six months ended June 30, 2024. The Group will continue to invest in marketing to drive further net sales growth.
- The Group reported an operating profit of US$314.7 million for the six months ended June 30, 2024, compared to US$312.1 million for the same period in the previous year, an improvement of US$2.6 million, or 0.8% (+5.6% constant currency).
- Profit for the six months ended June 30, 2024, was US$179.1 million compared to US$171.4 million for the six months ended June 30, 2023, an improvement of US$7.7 million, or 4.5% (+11.9% constant currency).
- Profit attributable to the equity holders was US$164.3 million for the six months ended June 30, 2024, compared to US$152.5 million for the same period in the previous year, an improvement of US$11.8 million, or 7.7% (+16.1% constant currency).
- Adjusted EBITDA, a non-IFRS measure, was US$333.5 million for the six months ended June 30, 2024, which decreased by US$0.8 million, or 0.3%, but improved by 4.3% on a constant currency basis.
- Adjusted EBITDA margin, a non-IFRS measure, increased by 10 basis points to a first half record of 18.9% for the six months ended June 30, 2024, compared to 18.8% for the six months ended June 30, 2023. The improvement in Adjusted EBITDA margin was primarily due to the increase in gross profit margin, even as the Group increased its investment in marketing by 20 basis points year-on-year.
- Adjusted Net Income, a non-IFRS measure, increased by US$3.1 million, or 1.8% (+9.3% constant currency), to US$174.0 million for the six months ended June 30, 2024, compared to US$170.9 million for the six months ended June 30, 2023. The improvement in Adjusted Net Income was primarily due to improved gross profit.
- Free Cash Flow increased by US$18.2 million to US$81.6 million for the six months ended June 30, 2024, compared to US$63.4 million for the six months ended June 30, 2023.
- As of June 30, 2024, the Group had US$815.5 million in cash and cash equivalents and outstanding financial debt of US$1,822.9 million (excluding deferred financing costs of US$9.1 million), resulting in a net debt position of US$1,007.4 million compared to a net debt position of US$1,107.4 million as of December 31, 2023.
- Total liquidity as of June 30, 2024, was US$1,559.6 million compared to US$1,562.0 million as of December 31, 2023.
- In April 2024, the Company refinanced its term loan B facility to further enhance its financial flexibility. The Group borrowed US$100.0 million from its lower interest rate revolving credit facility and used the proceeds of such borrowing and the proceeds from its new term loan B facility to repay the entire principal amount of its outstanding borrows under the prior term loan B facility, plus transaction expenses. The principal amount of borrowings under the new term loan B facility was US$500.0 million as of June 30, 2024. In addition, the Company was able to reduce the interest rate payable on its new term loan B borrowings by 75 basis points, with the refinancing expected to reduce the Company's annual cash interest payments in the first full year following the refinancing by approximately US$4.9 million.
- On March 13, 2024, the Company’s Board of Directors recommended that a cash distribution in the amount of US$150.0 million be made to the Company’s shareholders. The shareholders approved this distribution on June 6, 2024, at the Company's Annual General Meeting and the distribution in the amount of approximately US$0.1026 per share (before tax) was paid on July 16, 2024.

Investment in Advertising and Promotion

The Group spent US$117.4 million on marketing during the six months ended June 30, 2024, compared to US$114.2 million for the six months ended June 30, 2023, an increase of US$3.2 million, or 2.8% (+5.4% constant currency). As a percentage of net sales, marketing expenses increased by 20 basis points to 6.6% for the six months ended June 30, 2024. The Group will continue to invest in marketing to 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 a wide range of price points in 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, more sustainable collections and innovative functionalities that deliver tangible benefits to consumers.
- Continue to incorporate the Company's ESG philosophy into its core business practices through "Our Responsible Journey" to lead the transformation of the luggage industry with respect to 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:

- While growth in global travel and tourism is expected to remain healthy throughout 2024, the Group is seeing a more uncertain macroeconomic environment with softening consumer sentiment in key markets in North America and Asia. The Group continues to see softer sales trends heading into the second half of the year. In this tougher macroeconomic environment, the Group's priority remains to drive high-quality sales to build a strong foundation for long-term, profitable, brand-accretive growth.
- The Group is targeting advertising spend at approximately 7% of its net sales to drive future net sales growth across all brands.
- The Group expects to maintain its higher profitability by diligently managing expenses and driving profitable sales growth through its higher-margin brands, channels and regions.
- The Company is generating strong free cash flow[(1)] led by the Group's asset-light business model. With significant liquidity[(2)] of US$1.6 billion at June 30, 2024, there is flexibility for a balanced capital allocation strategy of deleveraging the balance sheet, investing in organic growth, and returning cash to shareholders.
- The Company continues to make great progress on “Our Responsible Journey”, leveraging its leadership position to create a path towards a more sustainable future for the luggage industry. A current priority is the establishment of a near-term, science-based emissions reduction target across the Company’s own operations and supply chain. The Company is excited about this important next step, and it is planning to publish this target later in 2024.
- Following a thorough evaluation with the Company's Board of Directors and independent advisors, management has decided to seek a dual listing of Samsonite's shares in the United States. The Company believes this dual listing will build on its strong investor support on the Hong Kong Stock Exchange and help the Company continue to deliver on its value-creation goals. The listing is also expected to increase liquidity of the Company’s shares and create an opportunity to reach investors in the U.S. that is an important part of the Company’s global footprint and growth drivers for its business.
- In June 2024, the Company's Board of Directors authorized a share buyback program of up to US$200 million, and the Company plans to initiate share buybacks after the blackout period ends following its first half 2024 results announcement.

Notes

(1) Free Cash Flow is defined as net cash generated from (used in) operating activities less (i) purchases of property, plant and equipment and software ("total capital expenditures") and (ii) principal payments on lease liabilities (each as set forth on the condensed consolidated statements of cash flows).

(2) 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, 2024, the Group had total liquidity of US$1,559.6 million, comprising cash and cash equivalents of US$815.5 million and US$744.1 million available to be borrowed on the Group’s revolving credit facility.

Corporate Governance and Other Information

Directors

As of June 30, 2024, the composition of the Board of Directors (the "Board") of the Company was as follows:

Executive Director ("ED")

Kyle Francis Gendreau
Chief Executive Officer

Non-Executive Director ("NED")

Timothy Charles Parker
Chairman

Independent Non-Executive Directors ("INED")

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

At June 30, 2024, the Board committees were as follows:

Audit Committee/Review of Accounts

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

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

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

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

The Audit Committee has reviewed the interim report of the Group as of and for the six months ended June 30, 2024, 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, to determine the specific remuneration package of the ED and certain members of senior management, as well as to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

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 C1 of the Listing Rules.

The Company complied with all applicable code provisions set out in Part 2 of the CG Code throughout the period from January 1, 2024, to June 30, 2024.

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 a Director of the Company that have occurred subsequent to the publication of the Company's 2023 annual report pursuant to Rule 13.51(B)(1) of the Listing Rules is as follows:

- Ms. Claire Marie Bennett resigned as Global Chief Customer Officer of InterContinental Hotels Group PLC in April 2024.
- Ms. Bennett was appointed as an independent director of AutoNation, Inc., a U.S.-based automotive retailer that is listed on the New York Stock Exchange, in July 2024.

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 C3 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, 2024.

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, 2024, the maximum aggregate number of shares in respect of which awards could be granted pursuant to the 2022 Share Award Scheme was 51,734,215 shares, representing approximately 3.57% of the issued shares of the Company at that date. As of June 30, 2024, the maximum aggregate number of shares in respect of which awards could be granted pursuant to the 2022 Share Award Scheme was 56,836,086 shares, representing approximately 3.89% of the issued shares of the Company at that date. As of July 31, 2024, being the Latest Practicable Date, the maximum aggregate number of shares in respect of which awards could be granted pursuant to the 2022 Share Award Scheme was 56,836,086 shares, representing approximately 3.89% of the issued shares of the Company as at that date. Under 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 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) was 87,183,071 shares (assuming maximum level vesting of outstanding PRSUs (as defined below)). The dilutive effect of such was 5.98%, being the number of shares divided by the weighted average number of shares for the same period.

Share-based compensation cost of US$7.3 million and US$6.9 million was recognized in the condensed consolidated statements of income, with a corresponding increase in equity reserves, for the six months ended June 30, 2024, and June 30, 2023, respectively.

Remuneration Committee
During the six months ended June 30, 2024, 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 on June 12, 2024, under the 2022 Share Award Scheme. The performance-based restricted share units ("PRSUs") granted on June 12, 2024, are subject to performance vesting targets. With respect to the time-based restricted share units ("TRSUs") granted on June 12, 2024, the Remuneration Committee determined that it was appropriate for the TRSUs to not be subject to performance vesting targets because the TRSUs aid in the retention of the senior managers to whom they were granted since the underlying shares will vest over a period of time. Long-term performance is incentivized, and the interests of such senior managers and the Company's shareholders are aligned, as the value of the TRSUs depends on the market value of the Company's shares. The shares underlying the TRSUs also help the relevant senior managers to meet their applicable share ownership levels under the Company's Share Ownership Guidelines.

Share Options
The Company may, from time to time, grant share options to certain key management personnel and other employees of the Group. 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, 2024, were as follows:

	Number of share options										
Name / category of grantee	As of January 1, 2024	Granted during the period	Exercised during the period[2]	Lapsed during the period	Canceled during the period	As of June 30, 2024	Date of grant	Vesting period	Exercise period	Exercise price per share (HK$)	Closing price immediately preceding the date of grant (HK$)
CONNECTED PERSONS											
Directors											
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	714,182	—	(350,000)	—	—	**364,182**	January 7, 2015	January 7, 2016 - January 6, 2019	January 7, 2016 - January 6, 2025	23.31	23.30
Total Directors	**26,990,001**	**—**	**(350,000)**	**—**	**—**	**26,640,001**					

Name / category of grantee	Number of share options: As of January 1, 2024	Granted during the period	Exercised during the period[2]	Lapsed during the period	Canceled during the period	As of June 30, 2024	Date of grant	Vesting Period	Exercise period	Exercise price per share (HK$)	Closing price immediately preceding the date of grant (HK$)
OTHERS											
Employees	701,896	—	**(481,140)**	**(160,756)**	**(60,000)**	—	January 7, 2014	January 7, 2015 - January 6, 2018	January 7, 2015 - January 6, 2024	23.30	23.30
Employees	4,418,012	—	**(2,181,679)**	—	**(114,452)**	**2,121,881**	January 7, 2015	January 7, 2016 - January 6, 2019	January 7, 2016 - January 6, 2025	23.31	23.30
Employees	3,906,005	—	**(2,120,883)**	—	—	**1,785,122**	January 7, 2015	January 7, 2018 - January 6, 2020	January 7, 2018 - January 6, 2025	23.31	23.30
Employees	7,679,101	—	**(1,849,473)**	—	**(160,528)**	**5,669,100**	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
Employees	7,968,496	—	—	**(39,600)**	—	**7,928,896**	May 26, 2017	May 26, 2018 - May 25, 2021	May 26, 2018 - May 25, 2027	31.10	30.45
Employees	3,628,316	—	**(577,824)**	**(19,632)**	**(45,716)**	**2,985,144**	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	3,983,643	—	**(1,417,137)**	—	**(90,624)**	**2,475,882**	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	7,088,152	—	**(2,629,113)**	—	—	**4,459,039**	November 18, 2020	November 18, 2021 - November 17, 2024	November 18, 2021 - November 17, 2030	15.18	11.90
Employees	7,398,898	—	—	—	—	**7,398,898**	June 17, 2021	June 17, 2022 - June 16, 2025	June 17, 2022 - June 16, 2031	20.76	17.40
Employees	7,455,424	—	—	—	—	**7,455,424**	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
Total Employees	**58,359,277**	—	**(11,257,249)**	**(219,988)**	**(471,320)**	**46,410,720**					
Total[1]	**85,349,278**	—	**(11,607,249)**	**(219,988)**	**(471,320)**	**73,050,721**					

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 12-month period ended June 30, 2024, 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) The weighted average closing price of the shares immediately before the date of exercise by the participants was HK$28.30.

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 the conclusion of the service and performance periods.

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

RSU awards, including TRSUs and PRSUs, were granted during the six months ended June 30, 2024, and are discussed further below.

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 12, 2024, the Company awarded TRSUs with respect to 2,407,254 shares to the executive director of the Company and certain employees of the Group.

Particulars and movements of TRSUs during the six months ended June 30, 2024, were as follows:

	Number of TRSUs								
Name / category of grantee	As of January 1, 2024	Granted during the period[3]	Vested and converted to ordinary shares during the period[4]	Lapsed during the period	As of June 30, 2024	Date of grant	Vesting period	Purchase price per share (HK$)	Closing price immediately preceding the date of grant (HK$)
Directors									
Kyle Gendreau	1,256,103	**—**	**(418,701)**	**—**	**837,402**	June 8, 2023	1/3 of TRSUs will vest on each of June 8, 2025, and June 8, 2026	0.00	21.05
Kyle Gendreau	—	**1,135,704**	**—**	**—**	**1,135,704**	June 12, 2024	1/3 of TRSUs will vest on each of June 12, 2025, June 12, 2026, and June 12, 2027	0.00	24.50
Total Directors	**1,256,103**	**1,135,704**	**(418,701)**	**—**	**1,973,106**				

	Number of TRSUs								
Name / category of grantee	As of January 1, 2024	Granted during the period[3]	Vested and converted to ordinary shares during the period[4]	Lapsed during the period	As of June 30, 2024	Date of grant	Vesting period	Purchase price per share (HK$)	Closing price immediately preceding the date of grant (HK$)
Others									
Employees	1,372,473	**—**	**(457,491)**	**—**	**914,982**	June 8, 2023	1/3 of TRSUs will vest on each of June 8, 2025, and June 8, 2026	0.00	21.05
Employees	—	**1,271,550**	**—**	**—**	**1,271,550**	June 12, 2024	1/3 of TRSUs will vest on each of June 12, 2025, June 12, 2026, and June 12, 2027	0.00	24.50
Total Employees	**1,372,473**	**1,271,550**	**(457,491)**	**—**	**2,186,532**				
Total[1], [2]	**2,628,576**	**2,407,254**	**(876,192)**	**—**	**4,159,638**				

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 12-month period ended June 30, 2024, 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, 2024, there were no cancellations of TRSUs.
(3) The fair value of the TRSUs at the date of grant was HK$22.54. Details of the accounting standard and policy adopted for TRSUs are set out in note 14(b) Share-based Payment Arrangements to the unaudited consolidated interim financial statements. No performance targets are applicable to the TRSUs.
(4) The weighted average closing price of the shares immediately before the date of vesting of the TRSUs was HK$24.30.

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 12, 2024, the Group granted PRSUs with respect to a target number of 2,407,254 shares to the executive director and certain employees of the Group, assuming target-level achievement of the performance conditions applicable to the PRSU grants. Such PRSUs will cliff vest on June 12, 2027, based on the achievement of pre-established performance goals determined by reference to the Group's annual long-term incentive plan ("LTIP") Adjusted EBITDA ("LTIP Adjusted EBITDA") growth rate targets set at the time of the grant, which growth rate targets are expressed on a constant currency basis compared to the previous year. For purposes of the PRSUs granted on June 12, 2024, LTIP Adjusted EBITDA is defined as the Company's consolidated earnings before interest, taxes, depreciation and amortization of intangible assets, as adjusted to eliminate the effect of a number of costs, charges and credits and certain other non-cash charges. LTIP Adjusted EBITDA includes the lease interest and amortization expense under IFRS 16 to account for operational rent expenses and excludes annual cash bonus expenses and cash long-term-incentive award expenses.

When setting the performance targets, the objective was for the targets to be sufficiently challenging to create appropriate pay-for-performance alignment as expected by the Company's shareholders, within parameters that are likely to be perceived by the grantees to be achievable in order to create appropriate incentives. The annual LTIP Adjusted EBITDA growth rate target for each year included in the three-year performance period was established by the Remuneration Committee and was communicated to the recipients of the PRSUs in the grant notices. At the end of each year, the extent to which the annual growth target has been achieved will be determined in respect of 1/3 of the total PRSUs granted.

In making such determination, the Remuneration Committee shall adjust either the performance goals or the calculation of the LTIP Adjusted EBITDA to reflect the following occurrences affecting the Company during the performance period (to the extent such occurrences affect the year-over-year comparability of LTIP Adjusted EBITDA):

- the effect of changes in laws, regulations, or accounting principles, methods or estimates;
- changes to amortization of lease right-of-use assets resulting from the write down or impairment of such assets or the reversal of impairments;
- the planned, unrealized LTIP Adjusted EBITDA associated with a business segment, division, or unit or product group that is sold or discontinued (where such sale or discontinuation was unplanned);
- results from an unplanned acquired business and costs related to such unplanned acquisition;
- restructuring and workforce severance costs pursuant to a plan approved by the Board and the Company's chief executive officer; and
- unusual and infrequently occurring items as defined by the IASB IFRS Accounting Standards and any other unusual and exceptional events outside the ordinary course of business, provided that such adjustment is guided by the principles of the Company's long-term incentive program and alignment of shareholders' and participants' interests.

Details of the payout levels with respect to each year included in the three-year performance period are set out below:

	Payout levels (% of shares underlying PRSUs)		
	2024 against 2023 (1/3 weighting)	**2025 against 2024 (1/3 weighting)**	**2026 against 2025 (1/3 weighting)**
Maximum	200%	200%	200%
Target	100%	100%	100%
Threshold	25%	25%	25%
Below Threshold	0%	0%	0%

Vesting levels will be interpolated for actual performance between payout levels.

PRSUs will vest only upon completion of the three-year performance period to the extent the annual targets have been satisfied. PRSUs will ensure that there is linkage between the Company's stated long-term strategic and financial goals and executive compensation.

The maximum number of shares underlying the PRSUs granted on June 12, 2024, is 4,814,508 shares.

Particulars and movements of PRSUs (at target level vesting) during the six months ended June 30, 2024, were as follows:

Name / category of grantee	Number of PRSUs						Date of grant	Vesting period[4]	Purchase price per share (HK$)	Closing price immediately preceding the date of grant (HK$)
	As of January 1, 2024	Initial or target number of shares for PRSUs granted during the period[3]	Change due to performance condition achievement	Vested during the period	Lapsed during the period	As of June 30, 2024				
Directors										
Kyle Gendreau	1,256,103	—	—	—	—	**1,256,103**	June 8, 2023	PRSUs will vest on June 8, 2026	0.00	21.05
Kyle Gendreau	—	**1,135,704**	—	—	—	**1,135,704**	June 12, 2024	PRSUs will vest on June 12, 2027	0.00	24.50
Total Directors	**1,256,103**	**1,135,704**	—	—	—	**2,391,807**				

Name / category of grantee	Number of PRSUs						Date of grant	Vesting period[4]	Purchase price per share (HK$)	Closing price immediately preceding the date of grant (HK$)
	As of January 1, 2024	Initial or target number of shares for PRSUs granted during the period[3]	Change due to performance condition achievement	Vested during the period	Lapsed during the period	As of June 30, 2024				
Others										
Employees	1,372,473	—	—	—	—	**1,372,473**	June 8, 2023	PRSUs will vest on June 8, 2026	0.00	21.05
Employees	—	**1,271,550**	—	—	—	**1,271,550**	June 12, 2024	PRSUs will vest on June 12, 2027	0.00	24.50
Total Employees	**1,372,473**	**1,271,550**	—	—	—	**2,644,023**				
Total[1], [2]	**2,628,576**	**2,407,254**	—	—	—	**5,035,830**				

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 12-month period ended June 30, 2024, 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, 2024, there were no cancellations of PRSUs.
(3) The PRSUs granted during the period have certain pre-established performance targets. The fair value of the PRSUs at the date of grant was HK$21.64. Details of the accounting standard and policy adopted for PRSUs are set out in note 14(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, 2024, there were 471,320 share options canceled; there were no cancellations of TRSUs or PRSUs. During the six months ended June 30, 2023, there were no cancellations of share options, TRSUs or PRSUs.

Human Resources and Remuneration

As of June 30, 2024, the Group had a full-time equivalent headcount of approximately 12,350 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 Shareholders

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.

On March 13, 2024, the Company's Board of Directors recommended that a cash distribution in the amount of US$150.0 million be made to the Company's shareholders. The shareholders approved this distribution on June 6, 2024, at the Company's Annual General Meeting and the distribution in the amount of approximately US$0.1026 per share (before tax) was paid on July 16, 2024.

No dividends or distributions to equity holders have been declared or paid subsequent thereto.

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

During the six months ended June 30, 2024, the Company issued 11,607,249 ordinary shares at a weighted-average exercise price of HK$21.02 per share, or HK$244.0 million in aggregate, 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, 2024, the Company issued 876,192 ordinary shares upon the vesting of TRSUs that were awarded under the Company's 2022 Share Award Scheme. There were no purchases, sales or redemptions of the Company's listed securities (including sale of treasury shares) by the Company or any of its subsidiaries during the six months ended June 30, 2024.

Publication of Interim Results and Interim Report

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (https://corporate.samsonite.com/en). The interim report for the six months ended June 30, 2024, 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 14, 2024

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.