



Demand for Premium Styles Supports Stella's ASP and Performance in 3Q 2023

Hong Kong, 19 October 2023 – **Stella International Holdings Limited** (“Stella” or the “Group”; SEHK: 1836), a leading developer, manufacturer and retailer of quality footwear and leather goods products, today announced its unaudited business update for the three months and nine months ended 30 September 2023.

Financial & Operational Highlights:

| | For the three months ended 30 September (Unaudited) | | For the nine months ended 30 September (Unaudited) | |
|---|--|-------------|---|-------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Revenue (US\$ million) - Manufacturing | 377.1 | 453.6 | 1,074.0 | 1,261.0 |
| Shipment volume (million pairs) | 12.2 | 15.0 | 35.8 | 44.1 |
| Average selling price (“ASP”) (manufacturing) (US\$/pair) | 30.8 | 30.2 | 30.0 | 28.6 |

For the three months ended 30 September 2023, the Group's unaudited consolidated revenue¹ decreased by approximately 15.9% to US\$387.2 million (2022: US\$460.5 million). For the nine months ended 30 September 2023, the Group's unaudited consolidated revenue decreased by approximately 14.3% to US\$1,103.2 million (2022: US\$1,287.7 million).

Shipment volumes in the three months ended 30 September 2023 decreased by approximately 18.7% year-on-year, due to a shift in the focus of our customer mix and destocking by some customers to manage their inventory issues. Shipment volumes in the nine months ended 30 September 2023 decreased by approximately 18.8% year-on-year. The increase in ASP during both periods was mostly driven by changes to our product mix and customer mix.

We remain confident of reaching the medium-term goals of our Three-Year Plan (2023–2025) of achieving an operating margin of 10% and a low-teens annualised growth rate on profit after tax during this three-year period.

Mr. Chi Lo-Jen, Chief Executive Officer of the Group said, “Our performance remains in line with our expectations, with the continued transition of our customer mix from the Casual to Luxury and high-end Fashion categories making year-on-year volume and revenue comparisons less pertinent. We expect the ASP for the full year of 2023 to remain elevated as customers request more premium products with higher production complexity.”

Mr. Lawrence Chen, Chairman of the Group, said, “The execution of our Three-Year Plain is proceeding as anticipated and we are on track towards achieving our targets of expanding margins and profit after tax.”

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¹ Including our manufacturing business, branding business and other businesses not covered herein, and after elimination of inter-segment sales.

About Stella International Holdings Limited

Stella International (SEHK: 1836) is a leading developer and manufacturer of quality footwear and leather goods. A trusted partner to many of the world's most sought-after brands, it offers a unique proposition of unparalleled craftsmanship, production flexibility, and strong speed-to-market and commercialization capability, supported by a broad, diverse and proven manufacturing base across China and Southeast Asia.

Stella International was listed on the Hong Kong Stock Exchange in 2007 and is a constituent of the MSCI Hong Kong Small Cap Index.

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