

Stella International Holdings Limited
九興控股有限公司



CORPORATE PRESENTATION

ANNUAL RESULTS **2025**

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FINANCIAL HIGHLIGHTS



GROUP OVERVIEW: 2025 HIGHLIGHTS

Group Revenue

US\$1,570.2m

+1.6%



Volume
+3.8%

ASP -2.5%

Gross Profit Margin



21.8%

Operating Profit Margin
9.5%



Operating Profit
US\$149.2m

Net Profit
US\$137.0m



Net Profit margin
8.7%

Solid
Net Cash



US\$367.4m

Total Full-Year Dividend¹

= **145** HK cents/share



Acquired a high-end handbag factory in Vietnam

¹ Total Full Year Dividend per share is equal to regular dividend + special dividend from Excess Cash Return Program (US\$60m per year for 2024-2026)

FINANCIAL HIGHLIGHTS

	FY 2024 (audited)	FY 2025 (audited)	Change
Shipment Volume (m pairs)	53.0	55.0	3.8%
ASP (US\$)	28.4	27.7	-2.5%
US\$ m			
Revenue	1,545.1	1,570.2	+1.6%
Gross Profit	384.0	342.3	-10.9%
<i>GP Margin</i>	24.9%	21.8%	-310bps
Operating Profit	184.5	149.2	-19.1%
<i>OP Margin</i>	11.9%	9.5%	-240bps
Net Profit	170.1	137.0	-19.5%
<i>NP Margin</i>	11.0%	8.7%	-230bps
<i>Net fair value loss on financial instruments (related to Lanvin Group)</i>	1.1	0.0	-100%
EPS (US¢)	21.1	16.6	-21.3%
Dividend per share (HK¢)	115	89	-22.6%
Special Dividend per share (HK¢)	56	56	-
Total Dividend per share (HK¢)	171	145	-15.2%
Adjusted Net Profit ¹	171.2	137.0	-20.0%
<i>Adjusted NP Margin</i>	11.1%	8.7%	-240bps

Higher mix of lower-ASP Sports products

• Affected by efficiency issue from factory ramp-up and tariff support

¹Adjusted NP excluded the Group's investment in Lanvin Group

CAPEX AND CASH FLOW SUMMARY

US\$ m	FY 2024 (audited)	FY 2025 (audited)	Change
Cash flows (used in)/ from operating activities	264.1	194.8	-26.2%
Profit before Tax	198.8	161.2	-18.9%
Depreciation	55.3	56.7	2.5%
Changes in trade working capital	34.9	(9.2)	-126.4%
Other operating cash flows	(24.9)	(13.9)	44.2%
Cash flows used in investing activities	(31.4)	(81.4)	159.2%
Capital Expenditure	(67.0)	(91.2)	36.1%
Others ¹	35.6	9.8	-72.5%
Cash flows from financing activities	(102.6)	(157.2)	53.2%
Dividend paid	(131.6)	(169.2)	28.6%
Bank borrowings	(1.1)	(0.1)	-90.9%
Others	30.1	12.1	-59.8%
Net (outflow)/inflow of cash	130.1	(43.8)	-133.7%

¹2024 included US\$19.7m proceeds from PPE/leasehold disposal

STRONG FINANCIAL POSITION

Solid net cash position \$367.4m (includes ~\$100m for the completion of 3 factories opening in 2026 and \$120m for Excess

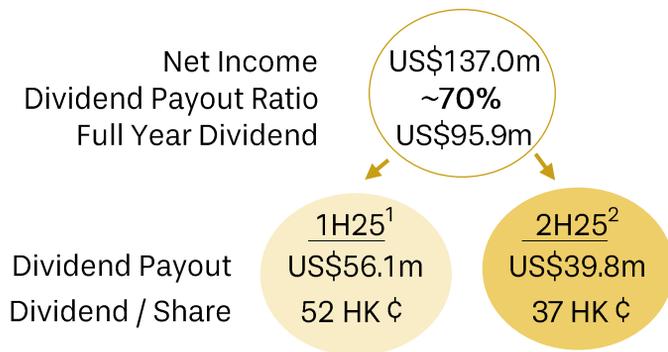
US\$ m	FY 2024 (audited)	FY 2025 (audited)
Cash and cash equivalents	423.5	373.3
Debt	5.9	5.8
Net Cash / (Debt)	417.6	367.4
Net Gearing Ratio*	-37.4%	-33.1%
Current assets	893.2	860.7
Non-current assets	530.1	579.3
Current liabilities	279.1	299.0
Non-current liabilities	26.7	30.6
Net assets	1,117.5	1,110.4
Quick ratio	2.5	2.2
Current ratio	3.2	2.9

*Net gearing ratio = net debt/shareholder equity

HIGH DIVIDEND PAYOUT RATIO + 3-YR EXCESS CASH RETURN PROGRAM (2024 – 2026)

Committed to return excess cash up to US\$60 million per year for a three-year period (2024 – 2026) to shareholders, not exceeding US\$180 million in total, through a combination of share repurchases and special dividends, on top of paying regular dividends with a payout ratio of approx. 70%

① Normal Dividend



② Excess Cash Return Program

2025 Excess Cash Return Program US\$60.0m

Excess Cash Return / Share²

56 HK ¢

¹Based on total no. of shares 839.3m as at 3 Sep 2025

²Calculation based on total no. of shares 839.7m as at 31 Dec 2025

³Using HK/US exchange rate 7.8195 on 28 Feb 2026

2025 FULL-YEAR DIVIDEND



¹Based on total no. of shares 839.3m as at 3 Sept 2025

²Calculation based on total no. of shares 839.7m as at 31 Dec 2025

³Using HK/US exchange rate 7.8195 on 28 Feb 2026

VALUATION & DIVIDEND YIELD

Net Profit US\$'m Dividend HK cents Dividend Yield

Special dividend 56 cents +
Regular Dividend 89 cents
= Full-Year dividend per share 145 cents

Adopting customer portfolio enhancement strategy. Building luxury & fashion business

**70%
Payout
Ratio**^{1,2}

**Dividend
Yield**³
10.1%



¹ Using HK/US exchange rate 7.8195 on 28 Feb 2026

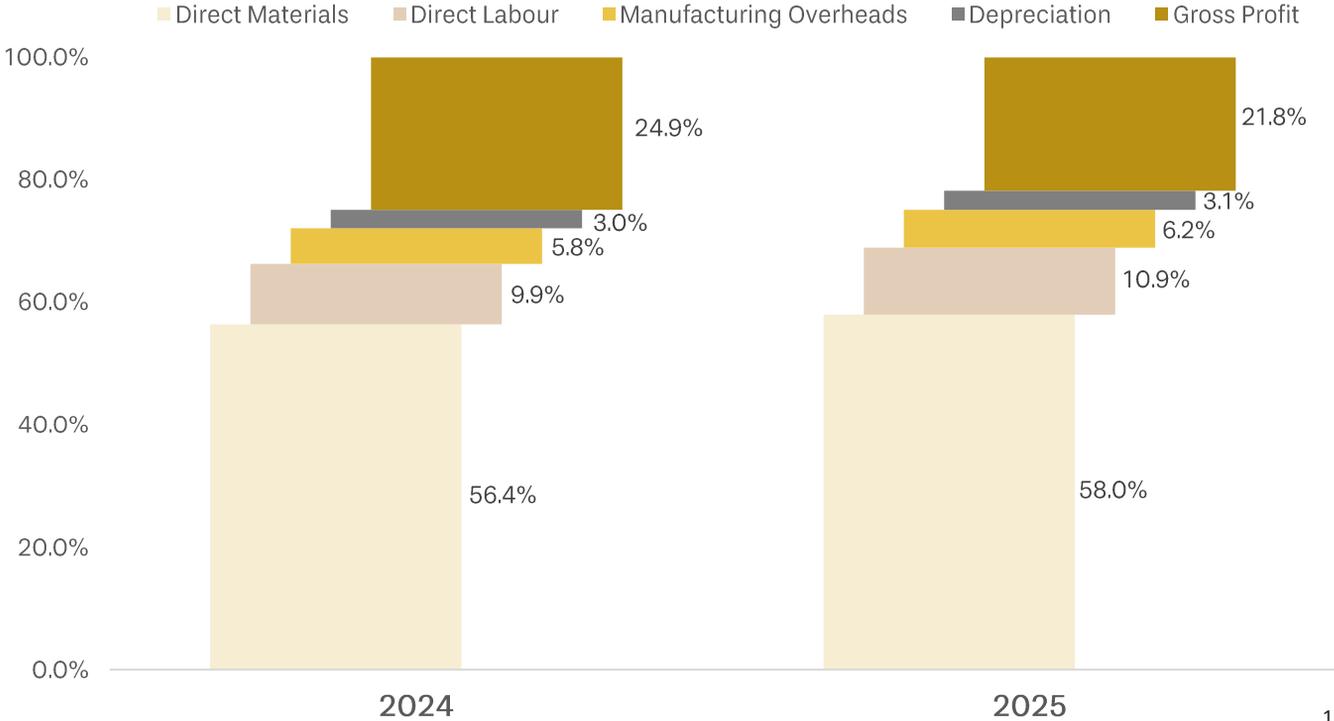
² Calculation of payout ratio from 2022 to 2025 is based on adjusted net profit which excluded the Group's investment in Lanvin Group

³ Based on closing share price HK\$14.31 on 13 Mar 2026 for 2025 dividend yield. Historical dividend yield is based on closing price of Dec 31 (dividend / closing price)

⁴ Performance impacted by COVID-19 pandemic

COST STRUCTURE

BREAKDOWN FOR COSTS OF SALE *(as % of Revenue)*

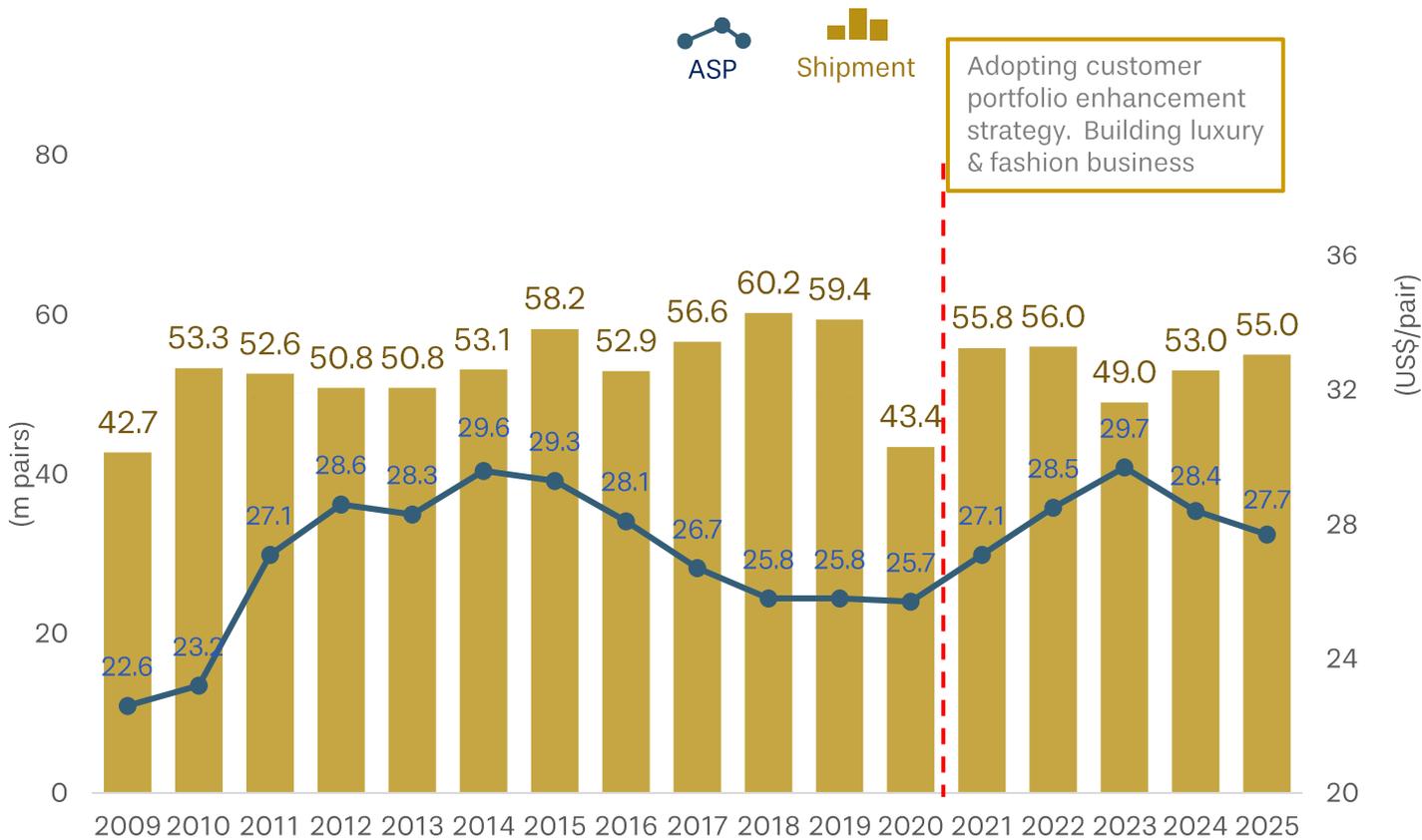


VOLUME & ASP TRENDS

ASP

Shipment

Adopting customer portfolio enhancement strategy. Building luxury & fashion business



OPERATING PROFIT AND MARGIN

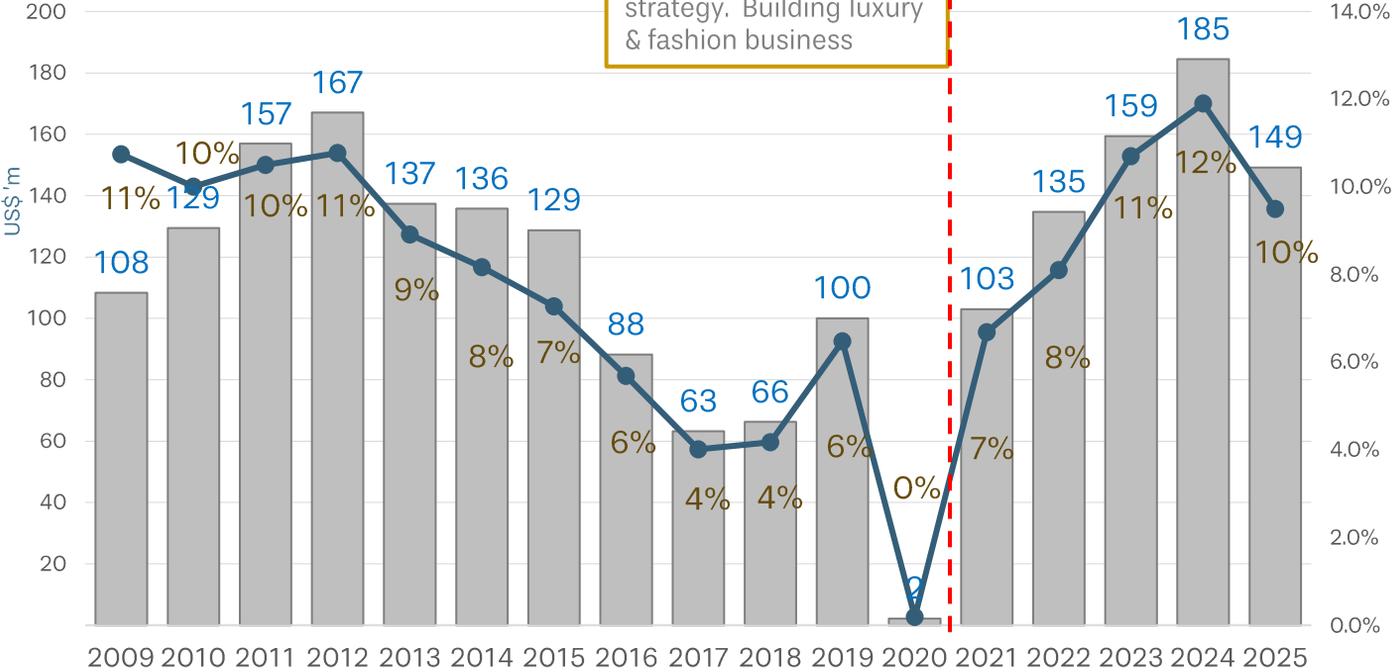


Operating Profit Margin



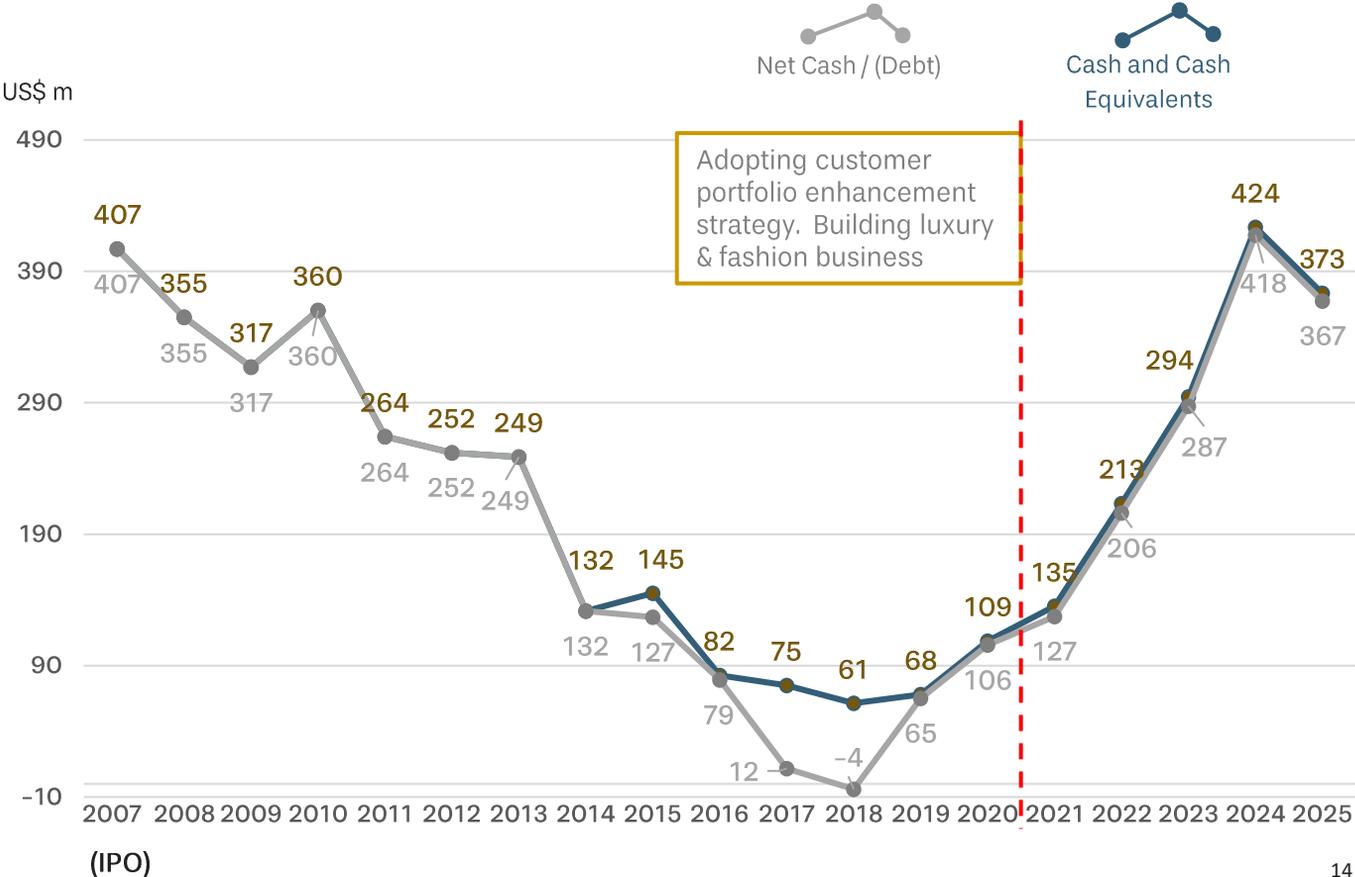
Operating Profit

Adopting customer portfolio enhancement strategy. Building luxury & fashion business



*2009–2019 Operating Profit used PBT (Profit before Tax) in Annual Report
 Since 2020 Operating Profit used OP before changes in fair value of financial instruments in Annual Report

SOLID NET CASH BALANCE FOR STELLA





BUSINESS REVIEW



WORLD'S LEADING BRAND CUSTOMERS

Our client base includes well-known global Sports, Luxury, Fashion and Casual brands

LUXURY & FASHION

BALENCIAGA

sergio rossi

AMIRI

ALEXANDER WANG

PRADA

MIU MIU

Chloé

LANVIN
PARIS

BALMAIN
PARIS


MONCLER®

JIMMY CHOO

Off-White™

COLE HAAN

TORY  BURCH

 MICHAEL
MICHAEL KORS

LACOSTE 


COACH


kate spade
NEW YORK

MOON BOOT®

CAMPER

rag & bone
NEW YORK

STUART WEITZMAN

APL

SPORTS

NIKE


UNDER ARMOUR

saucony 

HOKA

 VIBOBAREFOOT™

 lululemon

CASUAL

UGG

Timberland 

VIONIC®

BREAKDOWN OF MANUFACTURING REVENUE BY PRODUCT CATEGORIES

LUXURY & FASHION

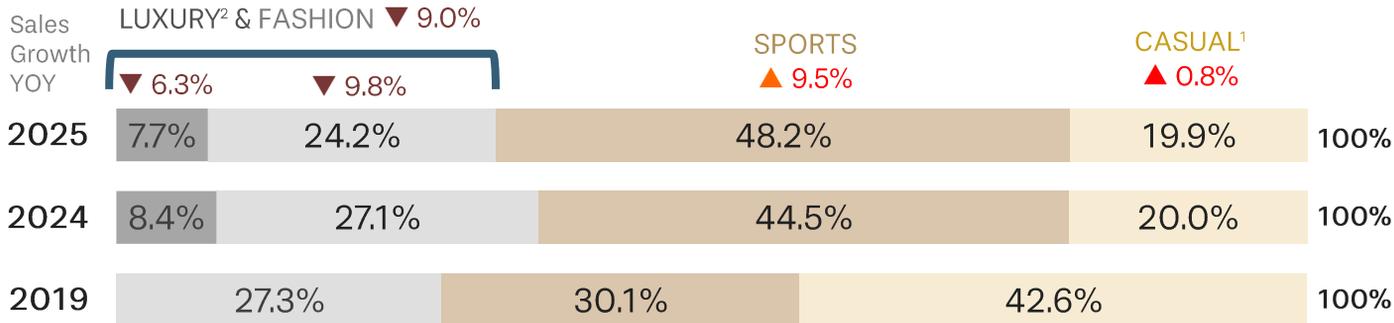
- Softer demand from select US customers
- Some December shipments delayed to early 2026
- Optimized capacity allocation between Luxury & Fashion for new sports customers
- Added new High-Fashion customers

SPORTS

- Increased volume partially offset by ASP drop
- Supported a major customer's recovery in certain category
- Strong demand from existing sports customers
- Ramp up of new sports customer

CASUAL

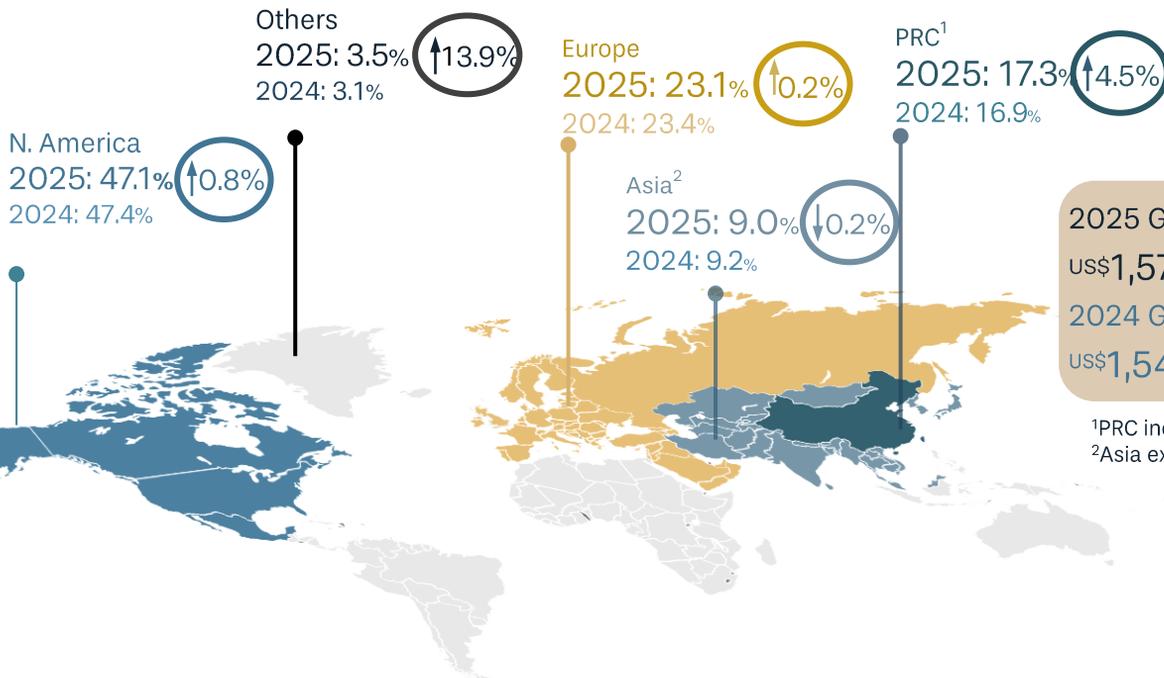
- Stable demand from existing customers



¹ Reallocated production capacity to more premium and capacity-consuming product styles

² Created Luxury segment in 2020

GEOGRAPHIC BREAKDOWN OF GROUP REVENUE

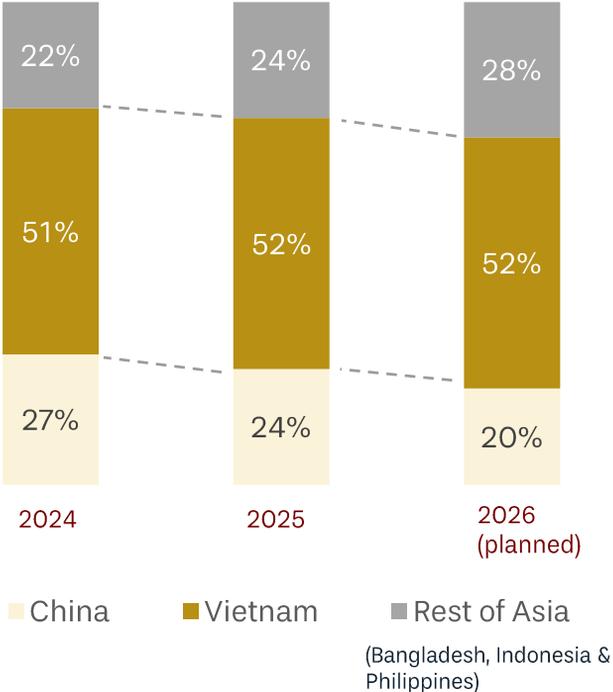


2025 Group Revenue:
us\$1,570.2m
2024 Group Revenue:
us\$1,545.1m

¹PRC including Hong Kong
²Asia excluding the PRC

EXPANDING NEW MANUFACTURING FACILITIES IN ASIA

GEOGRAPHIC MIX OF FOOTWEAR PRODUCTION



CAPACITY RAMP-UP/EXPANSION PLAN

Indonesia – Solo

7m pairs
ramp-up

Commencing in 2H2026

Bangladesh – New 2nd Factory

3m pairs

Indonesia – New Sports factory

>10m pairs

Vietnam – New factory for a
new premium Sports customer

1.5m pairs

Total >20m pairs added

Recognitions & Awards

ESG -- MSCI ESG Rating upgraded to "AA" from "A"

Stella International Holdings Ltd
(1836)
 Textiles, Apparel & Luxury Goods | HK

MSCI
 ESG RATINGS



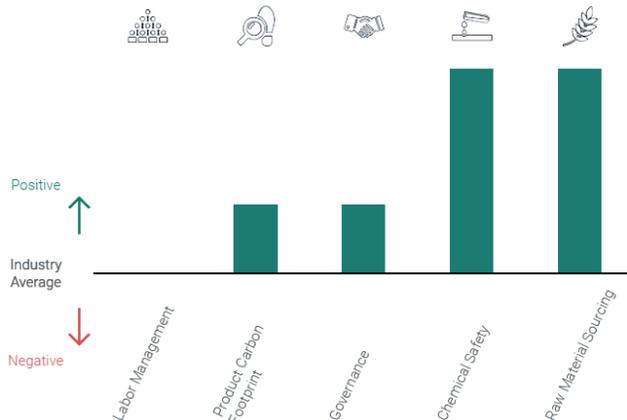
CCC B BB BBB A **AA** AAA

RATING ACTION DATE: July 29, 2025

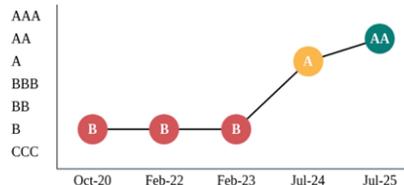
LAST REPORT UPDATE: August 06, 2025

Score attribution by key issue

This chart highlights the company's positioning relative to the industry average for each Key Issue that contributed to its ESG Rating as of August 06, 2025.



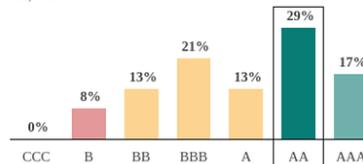
ESG Rating history



ESG Rating history shows five most recent rating actions

ESG Rating distribution

Universe: MSCI ACWI Index constituents, Textiles, Apparel & Luxury Goods, n=24





Three Year Plan
(2026-2028)
&
2026 OUTLOOK

3-YEAR PLAN TARGET (2026–2028)

High-single-digit
Net Income CAGR

Strategic Growth and Market Leadership

Focus on sustainable growth and expansion in Sports, Luxury, and high-end Fashion segments

Production Capacity Expansion

Increase & diversify manufacturing capabilities in Indonesia, Vietnam, and Bangladesh to meet current and future demand

Handbag Business Transformation

Transform handbag manufacturing into a core growth engine

Operational Excellence and Cost Efficiency

Optimize management, decision-making, and cost controls to enhance execution and margins

Net Income Growth Backend Loaded

2026 will be an investment year and net income growth will skew to back of the 2026–2028 plan ²³

2026 OUTLOOK – INVESTMENT YEAR



Commission three facilities to diversify (Indonesia, Vietnam, Bangladesh) for future growth & risk mitigation



Tariff and trade relations still fluid and impacting supply chain decisions



Focus on executing volume expansion for new clients over next 3+ years



Expand handbag business as the next pillar of growth after acquisition



Focus on ROIC, increasing shareholder value, and cash return/stock buyback

STELLA
INTERNATIONAL

THANK YOU