

STELLA

INTERNATIONAL

Stella International's Shipment Volumes Rise 3.4% in 1Q 2025

Hong Kong, 17 April 2025 – Stella International Holdings Limited ("Stella" or the "Group"; SEHK: 1836), a leading developer and manufacturer of quality footwear and leather goods, today announced its unaudited first quarter business update for the three months ended 31 March 2025.

Financial & Operational Highlights:

<u>Manufacturing Business</u>	For the three months ended 31 March (Unaudited)		
	<u>2025</u>	<u>2024</u>	<u>Change (%)</u>
Revenue (US\$ million)	320.5	326.3	-1.8
Shipment volume (million pairs)	12.1	11.7	+3.4
Average selling price ("ASP") (US\$/pair)	26.4	27.8	-5.0

For the three months ended 31 March 2025, the Group's unaudited consolidated revenue¹ decreased by approximately 2.2% to US\$331.0 million, compared to the unaudited consolidated revenue of approximately US\$338.4 million for the corresponding period of last year, due to a high base effect. Shipment volumes of the manufacturing business increased by approximately 3.4%, driven by the Sports segment. ASP of the manufacturing business decreased due to the higher proportion of Sports products orders which have a lower ASP.

Having achieved an operating profit margin of approximately 11.9% in 2024, the Group is ahead of schedule in meeting the targets of its Three-Year Plan (2023–2025), which are to achieve an operating margin of 10% and a low-teens compound annualised growth rate on profit after tax by the end of 2025.

Having recommended payment of additional cash of US\$60 million as a special dividend in 2024, we also remain committed to returning additional cash up to US\$60 million per year to shareholders in 2025 and 2026, through a combination of share repurchases and special dividends, on top of paying regular dividends with a payout ratio of approximately 70% (comprising final dividends and interim dividends).

Mr. Chi Lo-Jen, Chief Executive Officer of the Group said, "In the face of increasing geopolitical and trade uncertainties, we are working with our customers to support their sell-through by delivering differentiated quality products through our diverse production base."

Mr. Lawrence Chen, Chairman of the Group, said, "With our non-Sports manufacturing facilities continuing to operate at close to full utilisation, we will drive our quality growth through the ramp-up of our new production factories in Bangladesh and Indonesia, while continuing to meet the profitability and margin goals outlined in our Three-Year Plan."

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

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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. It is a constituent of the Hang Seng Composite Index and the MSCI Hong Kong Small Cap Index, and eligible to be traded on the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.

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