



## Stella Maintains Strong Full-year Revenue Performance

Hong Kong, 10 January 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 fourth quarter business update for the three months and twelve months ended 31 December 2022.

### **Financial & Operational Highlights:**

	For the three months ended 31 December (Unaudited)		For the twelve months ended 31 December (Unaudited)	
	<b><u>2022</u></b>	<u>2021</u>	<b><u>2022</u></b>	<u>2021</u>
Revenue (US\$ million)				
- Manufacturing	<b>335.1</b>	396.7	<b>1,596.1</b>	1,512.0
Shipment volume (million pairs)	<b>11.9</b>	14.4	<b>56.0</b>	55.8
Average selling price (“ASP”) (manufacturing) (US\$/pair)	<b>28.2</b>	27.5	<b>28.5</b>	27.1

For the twelve months ended 31 December 2022, the Group’s unaudited consolidated revenue<sup>1</sup> increased by approximately 5.9% to US\$1,631.0 million (2021: US\$1,540.6 million). For the three months ended 31 December 2022, the Group’s unaudited consolidated revenue decreased by approximately 15.4% to US\$343.3 million (2021: US\$405.8 million) due to a high base effect with our manufacturing business running at a full utilisation rate during the same period of last year despite the high level of COVID infections in southern Vietnam.

The increase in ASP during the fourth quarter and twelve-month period under review was mostly driven by changes to our product mix and customer mix, as well as higher raw material costs. This along with better production efficiency and cost controls supported our operating margin during the periods.

The rapidly changing macroeconomic and geopolitical environment is continuing to cloud the Group’s order book visibility as certain customers adopt a more cautious response. The increase in COVID infections in China may also temporarily impact the utilisation of our manufacturing facilities in the country although the impact will be partially offset by our geographically diverse production base and early Lunar New Year holidays. We will also continue to face tougher revenue and shipment volume comparisons in the first half of 2023 as our manufacturing business was operating at a full utilisation rate in the first half of 2022.

We are committed to our major long-term capacity expansion projects, with the ramp-up of our new manufacturing facility in Solo, Indonesia, remaining on track.

**Mr. Chi Lo-Jen, Chief Executive Officer** of the Group said, “Looking ahead, external headwinds remain, including economic slowdowns in North America and Europe and the COVID situation in China. However, our margin-accretive strategic initiatives continue, supporting ongoing margin expansion and our long-term profitability despite the slowdown in top-line growth momentum in the final quarter.”

<sup>1</sup> Including our manufacturing business, branding business and other businesses not covered hereof, and after the elimination of inter-segment sales.

**Mr. Lawrence Chen, Chairman** of the Group, said, "The further ramp-up of our new manufacturing facility in Solo, Indonesia will allow us to better cater to our improved mix of customers and grow with them. This will enable us to continue delivering value for our investors."

**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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