



Stella Sees Strong Volume Growth in Q4 2023

Hong Kong, 18 January 2024 – **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 twelve months ended 31 December 2023.

Financial & Operational Highlights:

	For the three months ended 31 December (Unaudited)		For the twelve months ended 31 December (Unaudited)	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenue (US\$ million)				
- Manufacturing	380.3	335.1	1,454.3	1,596.1
Shipment volume (million pairs)	13.2	11.9	49.0	56.0
Average selling price (“ASP”) (manufacturing) (US\$/pair)	28.8	28.2	29.7	28.5

For the three months ended 31 December 2023, the Group’s unaudited consolidated revenue¹ increased by approximately 13.5% to US\$389.5 million (2022: US\$343.1 million). For the twelve months ended 31 December 2023, the Group’s unaudited consolidated revenue decreased by approximately 8.5% to US\$1,492.7 million (2022: US\$1,630.8 million).

Shipment volumes in the three months ended 31 December 2023 increased by approximately 10.9% year-on-year, as our differentiated, high-quality footwear products continued to deliver strong sell-through for our customers. Shipment volumes in the twelve months ended 31 December 2023 decreased by approximately 12.5% year-on-year due to the reshaping of our product and customer mix as part of our Three-Year Plan (2023-2025), as well as destocking by some customers during the 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 under our Three-Year Plan 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, “The unique, premium products we have developed for our customers are continuing to perform well in the market. Some customers wanted to replenish their inventory and requested earlier shipments in the last quarter of 2023, leading to a better-than-expected performance and further demonstrating the success of our strategy.”

Mr. Lawrence Chen, Chairman of the Group, said, “We are well on the way towards achieving our operating margin and profit-after-tax targets under our Three-Year Plan, which will allow us to deliver further value for our shareholders.”

* For identification purposes

¹ Including the Group’s manufacturing business, branding business and other businesses not covered herein, and after 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 and is a constituent of the MSCI Hong Kong Small Cap Index.

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