



Stella Continued to Deliver Growth in 3Q 2022 Despite Increasing Macroeconomic Headwinds

Hong Kong, 20 October 2022 – **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 third quarter business update for the three months and nine months ended 30 September 2022.

Financial & Operational Highlights:

	For the three months ended 30 September (Unaudited)		For the nine months ended 30 September (Unaudited)	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue (US\$ million)				
- Manufacturing	453.6	431.6	1,261.0	1,115.3
Shipment volume (million pairs)	15.0	14.9	44.1	41.4
Average selling price (“ASP”) (manufacturing) (US\$/pair)	30.2	28.9	28.6	27.0

The Group’s unaudited consolidated revenue¹ increased by approximately 4.8% to US\$460.5 million (2021: US\$439.3 million) for the three months ended 30 September 2022. For the nine months ended 30 September 2022, it increased by approximately 13.5% to US\$1,287.7 million (2021: US\$ 1,134.8 million). This was mostly attributed to increased orders within our manufacturing business despite a higher base effect in the three months ended 30 September 2022.

Shipment volumes in the three months and nine months ended 30 September 2022 increased by approximately 0.7% and 6.5% year-on-year, mainly supported by our Sports and Fashion footwear segments. The increase in average selling price (‘ASP’) during the same periods was mostly driven by changes to our product mix and customer mix, as well as higher raw material costs.

We will continue to face tougher revenue and shipment volume comparisons in the coming months as our manufacturing business was operating at full utilisation in the second half of 2021. The rapidly changing macroeconomic and geopolitical environment also continues to cloud our order book visibility as certain customers adopt a more cautious response. We remain 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, “Macroeconomic headwinds, particularly COVID-19 related lockdowns in China that are impacting consumer demand, will continue to weigh on the confidence of some of our customers. At the same time, our top-line growth in the second half of the year is facing pressure from high base effects. But we expect our margin-expansion strategy will continue to deliver benefits in the coming quarters and beyond.”

Mr. Lawrence Chen, Chairman of the Group, said, “With our newest factory in Solo, Indonesia, ramping up as scheduled, we have not stopped focusing on improving our long-term cost base and efficiency which will enable us to continue delivering value to our investors and growing with our customers.”

¹ Including our manufacturing business, branding business and other businesses not covered hereof, and after the 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.

For further information, please contact:

Macy Leung

Head of Investor Relations

Email: macy.leung@stella.com.hk