

# STELLA

INTERNATIONAL

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 DIVIDEND<sup>1</sup>

145 HK CENTS / SHARE

Acquired a high-end handbag factory in Vietnam

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

Higher mix of lower-ASP Sports products

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

<sup>1</sup>Adjusted NP excluded the Group's investment in Lanvin Group

# Capex and Cashflow Summary

	FY 2024 audited	FY 2025 audited	Change
<b>Cashflows (used in) / from operating activities</b>	<b>264.1</b>	<b>194.8</b>	<b>-26.2%</b>
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 cashflows	(24.9)	(13.9)	44.2%
<b>Cashflows used in investing activities</b>	<b>(31.4)</b>	<b>(81.4)</b>	<b>159.2%</b>
Capital Expenditure	(67.0)	(91.2)	36.1%
Others <sup>1</sup>	35.6	9.8	-72.5%
<b>Cashflows from financing activities</b>	<b>(102.6)</b>	<b>(157.2)</b>	<b>53.2%</b>
Dividend paid	(131.6)	(169.2)	28.6%
Bank borrowings	(1.1)	(0.1)	-90.9%
Others	30.1	12.1	-59.8%
<b>Net (outflow)/inflow of cash</b>	<b>130.1</b>	<b>(43.8)</b>	<b>-133.7%</b>

<sup>1</sup>2024 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 Cash Return Program)

	FY 2024 audited	FY 2025 audited
<b>Cash &amp; Cash equivalents</b>	423.5	<b>373.3</b>
<b>Debt</b>	5.9	<b>5.8</b>
<b>Net Cash</b>	417.6	<b>367.4</b>
<b>Net Gearing Ratio*</b>	-37.4%	<b>-33.1%</b>
<b>Current assets</b>	893.2	<b>860.7</b>
<b>Non-current assets</b>	530.1	<b>579.3</b>
<b>Current liabilities</b>	279.1	<b>299.0</b>
<b>Non-current liabilities</b>	26.7	<b>30.6</b>
<b>Net assets</b>	1,117.5	<b>1,110.4</b>
<b>Quick ratio</b>	2.5	<b>2.2</b>
<b>Current ratio</b>	3.2	<b>2.9</b>

\*Net gearing ratio = net debt/shareholder equity

# High Dividend Pay-out Ratio + 3yr Excess Cash Return Program (2024–2026)

Committed to return excess cash up to US\$ 60m per year for a three-year period (2024 – 2026) to shareholders, not exceeding US\$180m 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

Net Income	US\$ 137.0m	
Dividend Payout Ratio	~70%	
Full Year Dividend	US\$95.9m	
	<u>1H25<sup>1</sup></u>	<u>2H25<sup>2</sup></u>
Dividend Payout	US\$ 56.1m	US\$ 39.8m
Dividend / Share	52 HK¢	37 HK¢

## ② Excess Cash Return Program

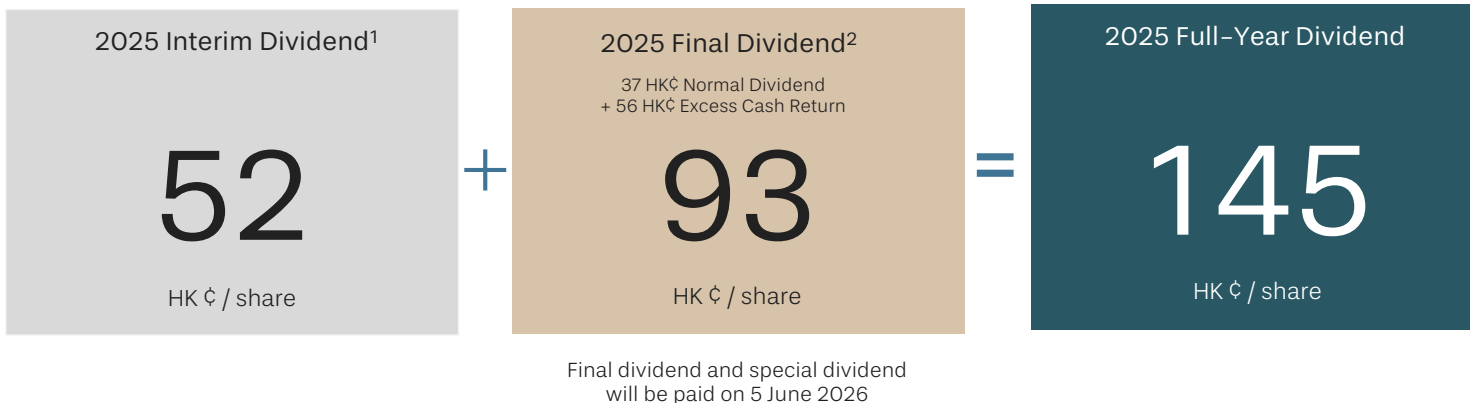
2025 Excess Cash Return Program	US\$ 60.0m
Excess Cash Return / Share <sup>2</sup>	56 HK ¢

<sup>1</sup> Based on total no. of shares 839.3m as at 3 Sep 2025

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

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

# 2025 Full-year Dividend



<sup>1</sup> Based on total no. of shares 839.3m as at 3 Sep 2025

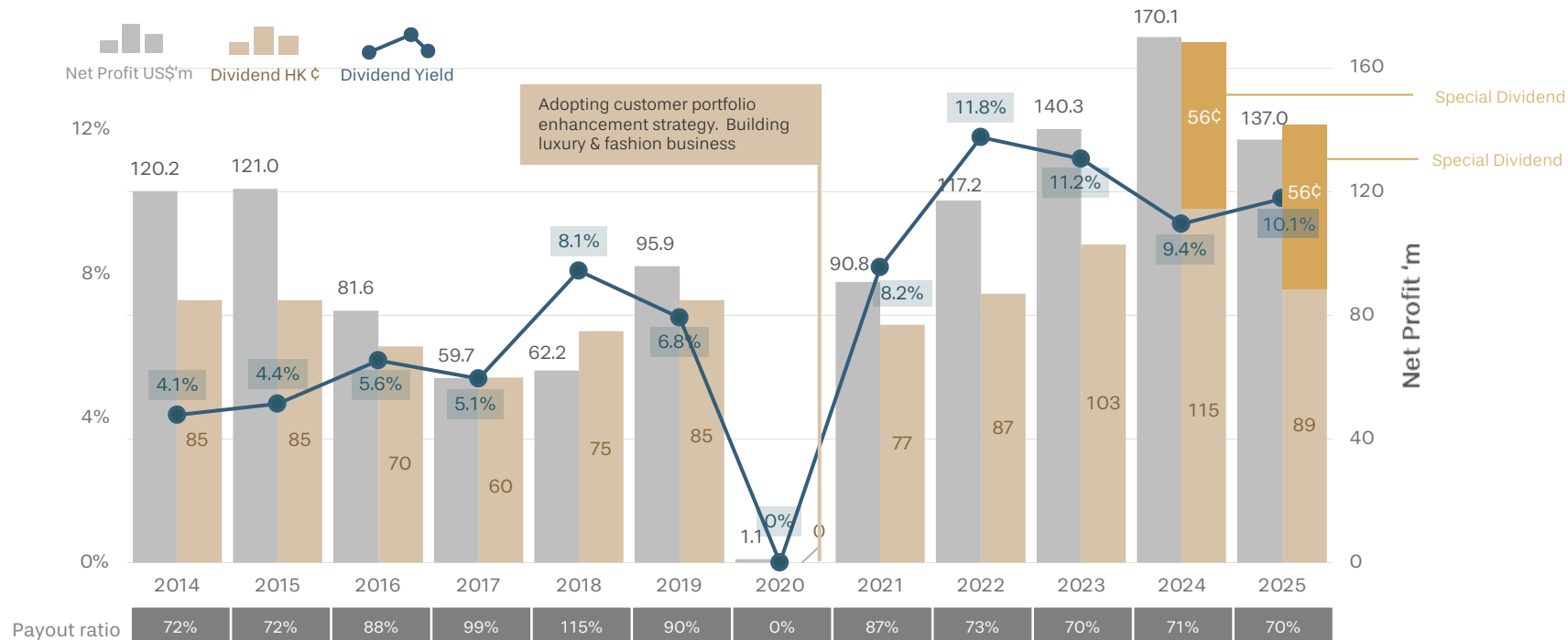
<sup>2</sup> Calculation based on total no. of shares 839.7m as at 31 Dec 2025

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

# Valuation & Dividend Yield

**70%**  
Payout Ratio<sup>1,2</sup>

**10.1%**  
Dividend Yield<sup>3</sup>



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

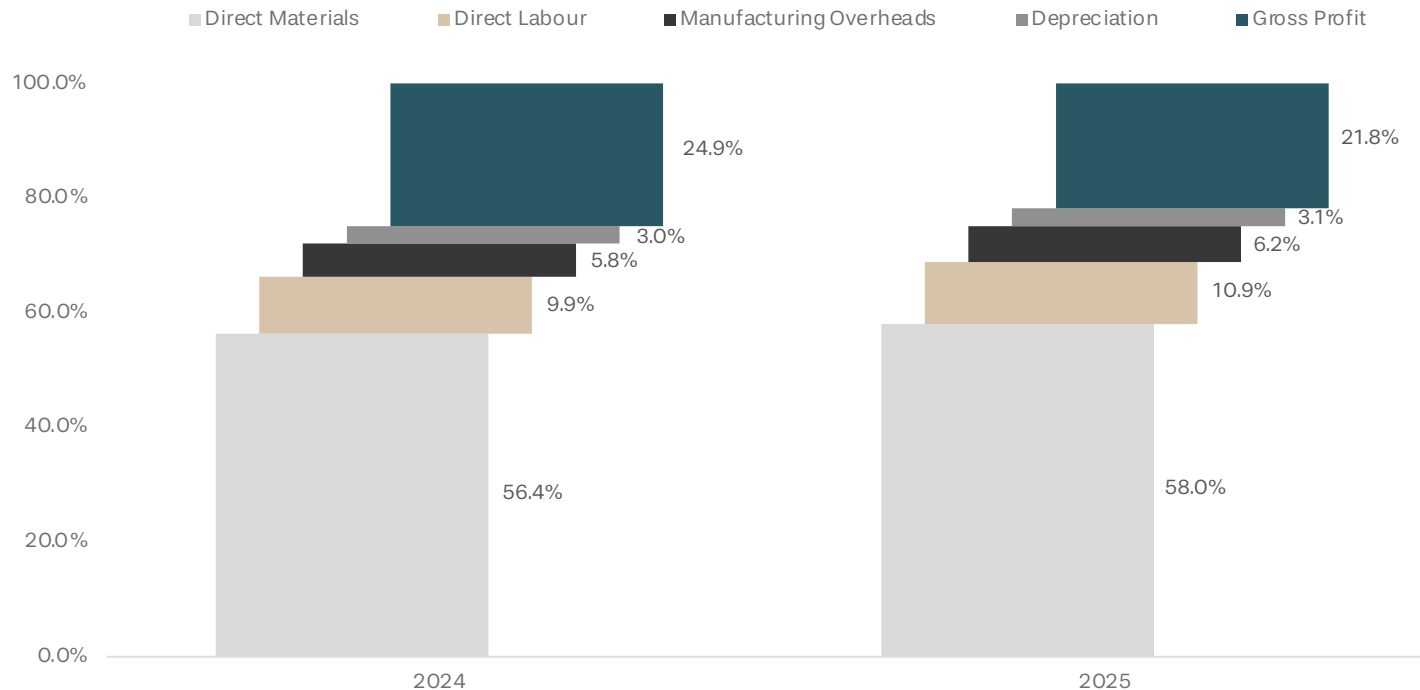
<sup>2</sup> Calculation of payout ratio from 2022 to 2025 is based on adjusted net profit which excluded the Group's investment in Lanvin Group

<sup>3</sup> 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)

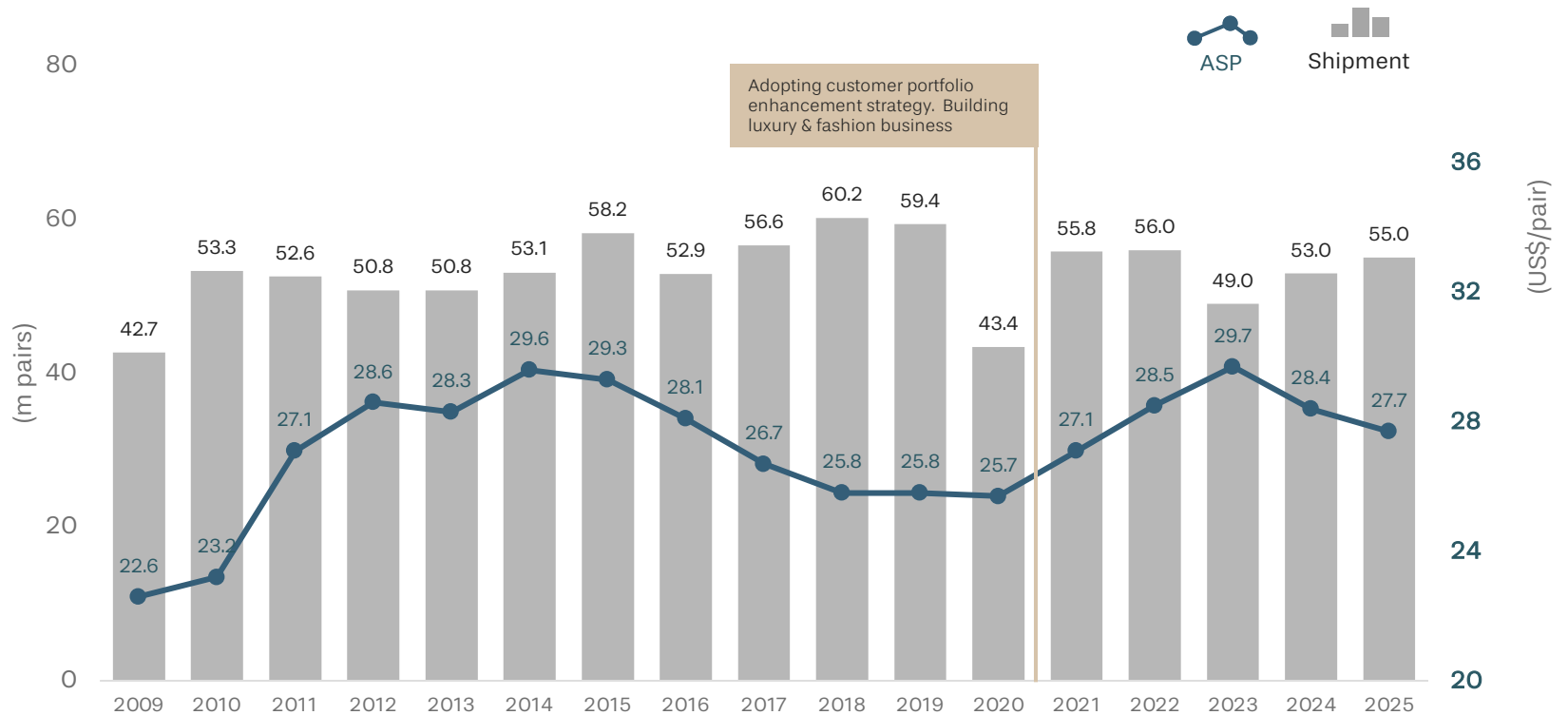
<sup>4</sup> Performance impacted by COVID-19 pandemic

# Cost Structure

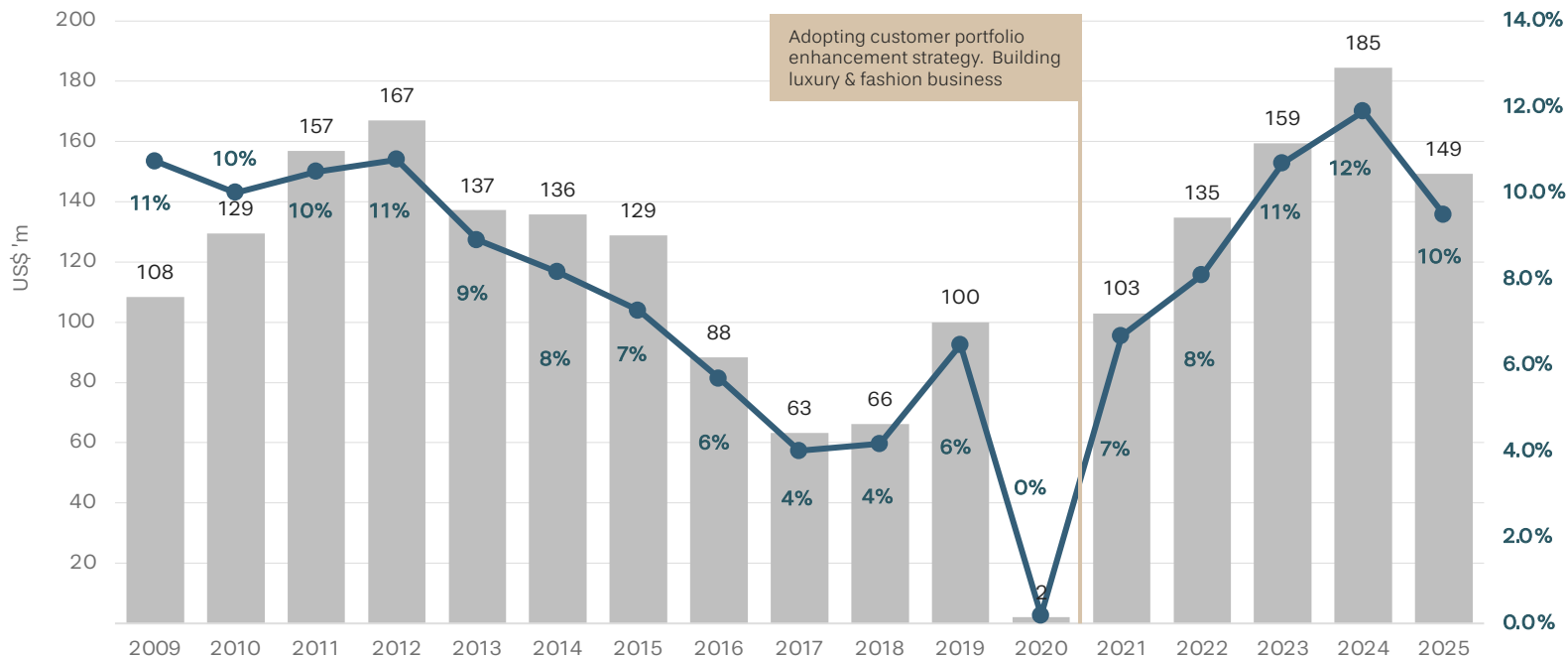
## BREAKDOWN FOR COSTS OF SALE (as % of Revenue)



# Volume & ASP Trends



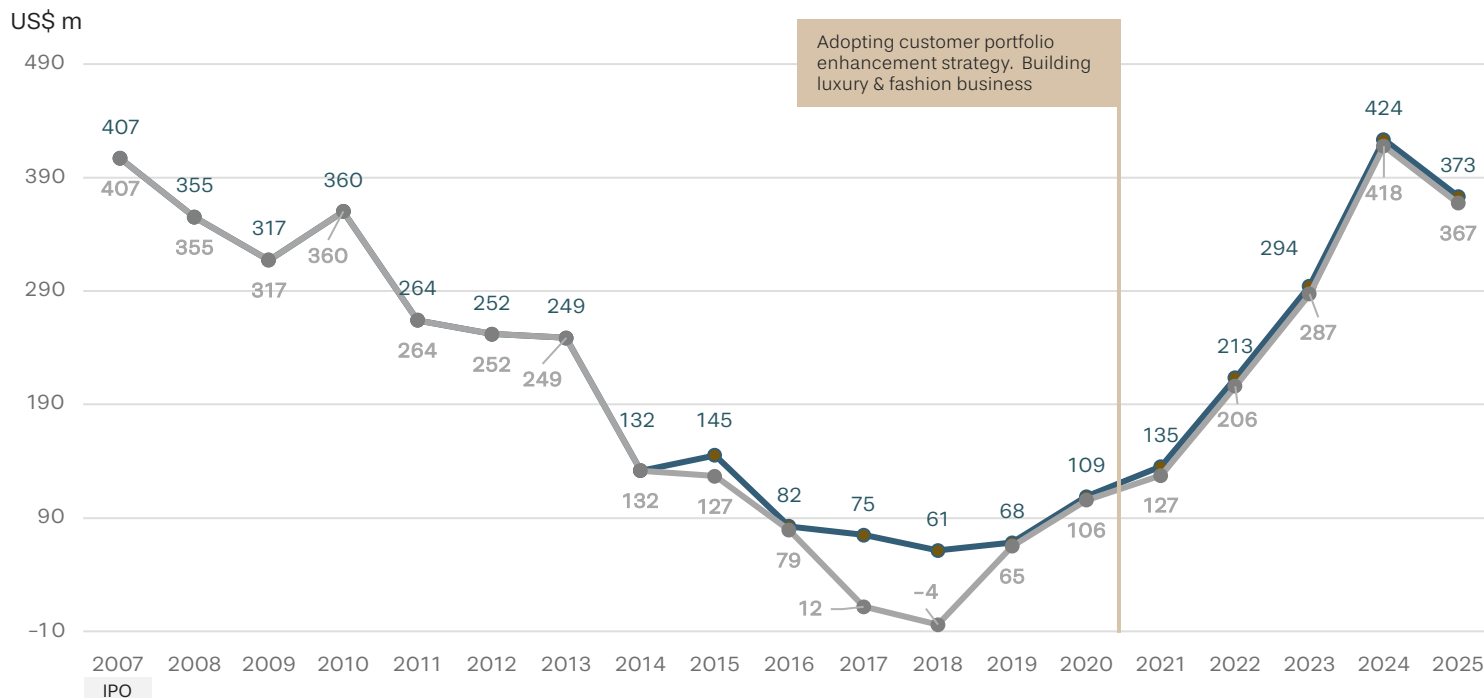
# Operating Profit and Margin



# Solid Net Cash Balance

Net Cash / (Debt)

Cash & Cash Equivalents





# BUSINESS REVIEW

# World's Leading Brand Customers

CLIENT BASE INCLUDES WELL-KNOWN GLOBAL SPORTS, LUXURY, FASHION & CASUAL BRANDS

▶ LUXURY

BALENCIAGA

PRADA

MIU MIU

Chloé

Off-White™

AMIRI

BALMAIN  
PARIS

LANVIN  
PARIS

MONCLER

JIMMY CHOO

sergio rossi

ALEXANDER WANG

▶ FASHION

COLE HAAN

MICHAEL KORS



TORY BURCH

LACOSTE

COACH

kate spade  
NEW YORK

MOON BOOT

CAMPER

rag & bone  
NEW YORK

STUART  
WEITZMAN

APL

▶ SPORTS



UNDER ARMOUR

SAUCONY

HOKA

VIVOBAREFOOT



lululemon

▶ CASUAL

UGG  
australia

Timberland

VIONIC  
SHOES

# Manufacturing Revenue by Product Categories

## LUXURY<sup>2</sup> & FASHION

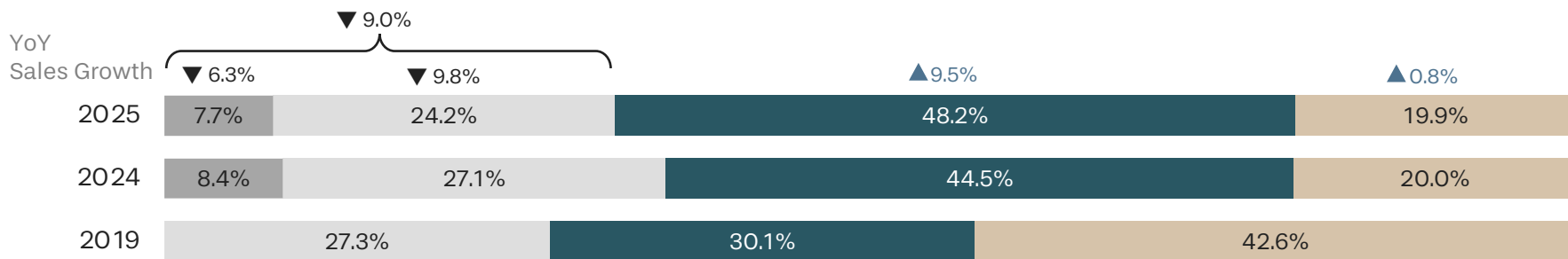
- Softer demand from select US customers
- Some December shipments delayed to early 2026
- Optimized capacity allocation between Luxury & Fashion for new sports customers
- Added new High-Fashion customers

## 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<sup>1</sup>

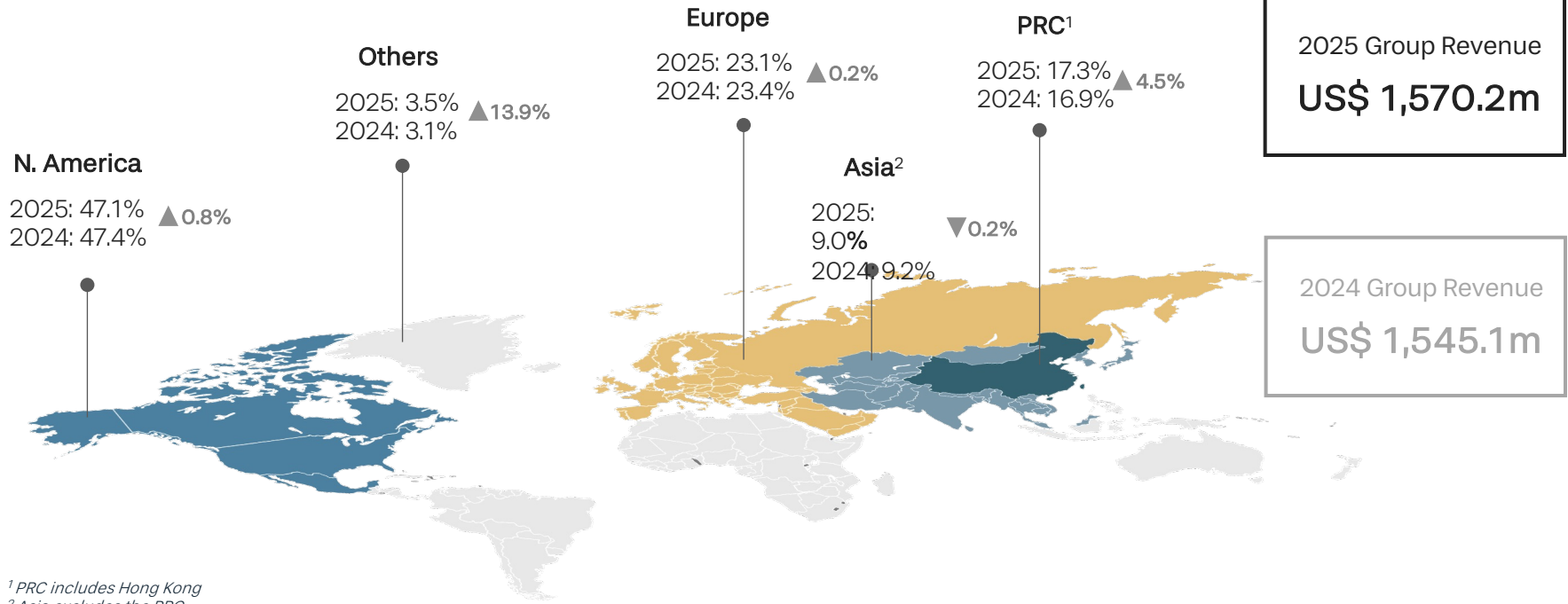
- Stable demand from existing customers



<sup>1</sup> Reallocated production capacity to more premium and capacity-consuming product styles

<sup>2</sup> Created luxury segment in 2020

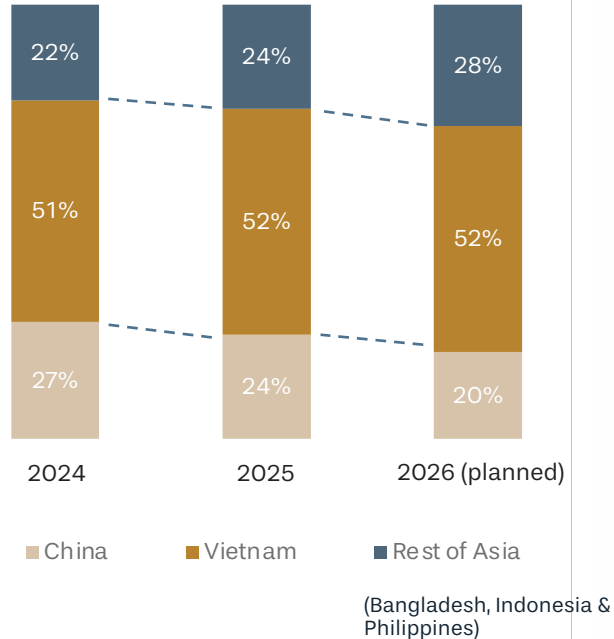
# Group Revenue by Geographic Regions



<sup>1</sup> PRC includes Hong Kong  
<sup>2</sup> Asia excludes the PRC

# Expanding Manufacturing Base

FOOTWEAR PRODUCTION BY GEOGRAPHY



# Capacity Ramp-up / Expansion Plan

Indonesia – Solo

▶ 7m pairs *ramp up*

## Commencing in 2H2026

Bangladesh – New 2<sup>nd</sup> Factory

▶ 3m pairs

Indonesia – New Sports Factory

▶ over 10m pairs

Vietnam – New Factory for a new premium Sports Customer

▶ 1.5m pairs

**Adding over 20m pairs in total**

# Performance Recognition – Sustainability

MSCI ESG RATING UPGRADED TO 'AA'

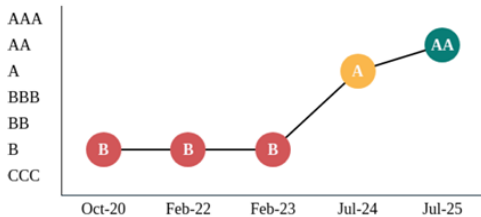
**MSCI**  
ESG RATINGS



CCC B BB BBB A **AA** AAA

RATING ACTION DATE: July 29, 2025  
LAST REPORT UPDATE: August 06, 2025

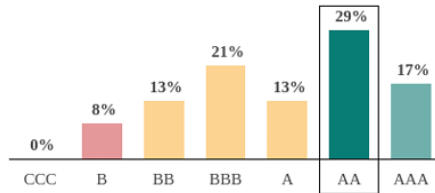
## ESG Rating history



ESG Rating history shows five most recent rating actions

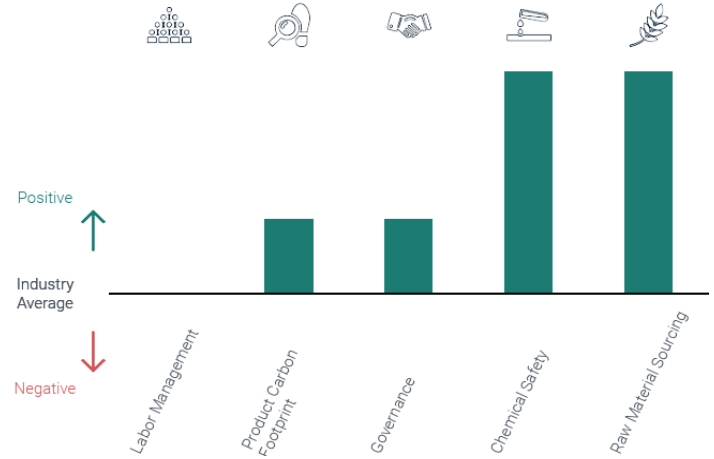
## ESG Rating distribution

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



## 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.





# 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

# 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



*Thank You*