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Stella Delivers 4.1% Shipment Volume Growth in 2Q 2025

Hong Kong, 17 July 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 business update for the three months and six months ended 30 June 2025.

Financial & Operational Highlights:

Footwear Manufacturing	For the three months ended 30 June (Unaudited)		Change (%)	For the six months ended 30 June (Unaudited)		Change (%)
	<u>2025</u>	<u>2024</u>		<u>2025</u>	<u>2024</u>	
Revenue (US\$ million)	433.0	422.5	+2.5	753.5	748.8	+0.6
Shipment volume (million pairs)	15.4	14.8	+4.1	27.5	26.5	+3.8
Average selling price ("ASP") (US\$/pair)	28.2	28.7	-1.7	27.4	28.3	-3.2

For the three months ended 30 June 2025, the Group's unaudited consolidated revenue¹ increased by approximately 2.9% to US\$444.0 million (2024: US\$431.6 million). For the six months ended 30 June 2025, the Group's unaudited consolidated revenue increased by approximately 0.7% to US\$775.0 million (2024: US\$770.0 million). In respect of the footwear manufacturing business, shipment volumes in the three months and six months ended 30 June 2025 increased by approximately 4.1% and 3.8% year-on-year respectively, mainly driven by the Sports segment. The ASP in both periods decreased due to the higher proportion of Sports product 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. We expect to continue meeting these Three-Year Plan targets, despite temporary margin headwinds associated with the ramp-up of our expanded production capacities in Indonesia and the Philippines, and broader macroeconomic uncertainties this year.

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, "We are expanding and ramping up new production lines in Indonesia and the Philippines to catch up with increased customer demand. Worker utilisation and efficiency will slowly improve over the course of the year. We remain focused on partnering with our customers to navigate market challenges, capitalising on the strength and flexibility of our diversified production base."

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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Mr. Lawrence Chen, Chairman of the Group, said, "Despite ongoing macroeconomic headwinds and trade pact uncertainties, we are partnering with our customers to optimise our production operations and further strengthen our strategic ties for the future."

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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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