



Stella Delivers Solid Performance in 2024

Hong Kong, 9 January 2025 – **Stella International Holdings Limited** (“Stella” or the “Group”; SEHK: 1836), a leading developer and manufacturer of quality footwear and leather goods products, today announced its unaudited business update for the three months and twelve months ended 31 December 2024.

For the three months ended 31 December 2024, the Group’s unaudited consolidated revenue¹ decreased by approximately 1.1% to US\$ 385.4million (2023: US\$389.5 million). For the twelve months ended 31 December 2024, the Group’s unaudited consolidated revenue increased by approximately 3.5% to US\$1,545.1 million (2023: US\$1,492.7 million).

The financial and operational highlights of the Group’s footwear manufacturing business is shown in the table below:

	For the three months ended 31 December (Unaudited)		Change (%)	For the twelve months ended 31 December (Unaudited)		Change (%)
	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
Revenue (US\$ million)	377.7	380.3	-0.7	1,504.5	1,454.3	3.5
Shipment volume (million pairs)	13.6	13.2	3.0	53.0	49.0	8.2
Average selling price (“ASP”) (US\$/pair)	27.9	28.8	-3.1	28.4	29.7	-4.4

Shipment volumes in the three months ended 31 December 2024 increased by approximately 3.0% year-on-year, despite a high base effect and adjustments to seasonal shipment patterns by some customers in response to the 2024 Paris Olympics. Shipment volumes in the twelve months ended 31 December 2024 increased by approximately 8.2%, which was mainly driven by the Sports and Fashion categories. The decrease of ASP in both periods was due to the higher proportion of Sports products orders, which have a lower ASP, as well as raw material price deflation.

We are ahead of schedule in meeting the targets of our 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 are confident about meeting these targets, having not only met but also surpassed the above operating profit margin target in both 2023 and in the six months ended 30 June 2024.

As previously announced, we remain committed to returning additional cash of up to US\$60 million per year for the three-year period (2024-2026) to our shareholders, not exceeding US\$180 million in total,

¹ Including the Group’s manufacturing business, branding business and other businesses not covered herein, and after elimination of inter-segment sales.

through a combination of share repurchases and payment of special dividends, on top of the payment of regular dividends (including final dividends and interim dividends) at the normal payout ratio of 70%.

Mr. Chi Lo-Jen, Chief Executive Officer of the Group said, “We look set to exceed our margin expansion goals for this year as we continue to benefit from our diverse customer portfolio with increased orders from customers in higher-margin categories. We believe this trend will continue into 2025 as we onboard more of these customers, commence production at our new production facility in Bangladesh and continue ramping up production capacity in Indonesia in 2025.”

Mr. Lawrence Chen, Chairman of the Group, said, “We expect the looming changes to global trade tariffs will not have a material impact on our order book. This resilience is largely due to our diversified production base and the proactive measures taken earlier by most footwear brands to mitigate the impact of previous tariffs hikes. We remain confident in our ability to achieve the targets outlined in our Three-Year Plan (2023-2025).”

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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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