



# Xtep International Holdings Limited

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 1368.HK

## 2025 Interim Results Presentation

18 August 2025



# 2025 Interim Results Highlights



Group's revenue

RMB 6,838 m

▲ 7.1%

Mass market



RMB 6,053 m

▲ 4.5%

Professional sports



MERRELL

RMB 785 m

▲ 32.5%



Operating profit

RMB 1,305 m

▲ 9.1%



Operating profit margin

19.1%

▲ 0.4% pt



Profit attributable to ordinary equity holders of the Company

RMB 914 m

▲ 21.5%<sup>1</sup>



Return on equity (annualized)

19.7%

▲ 3.3% pts



Interim dividend per Share

HK 18.0 cents ▲ 15.4%

Payout ratio : 50.0%



<sup>1</sup> Remark: The year-on-year growth included loss from discontinued operation in 1H2024



## Financial Review



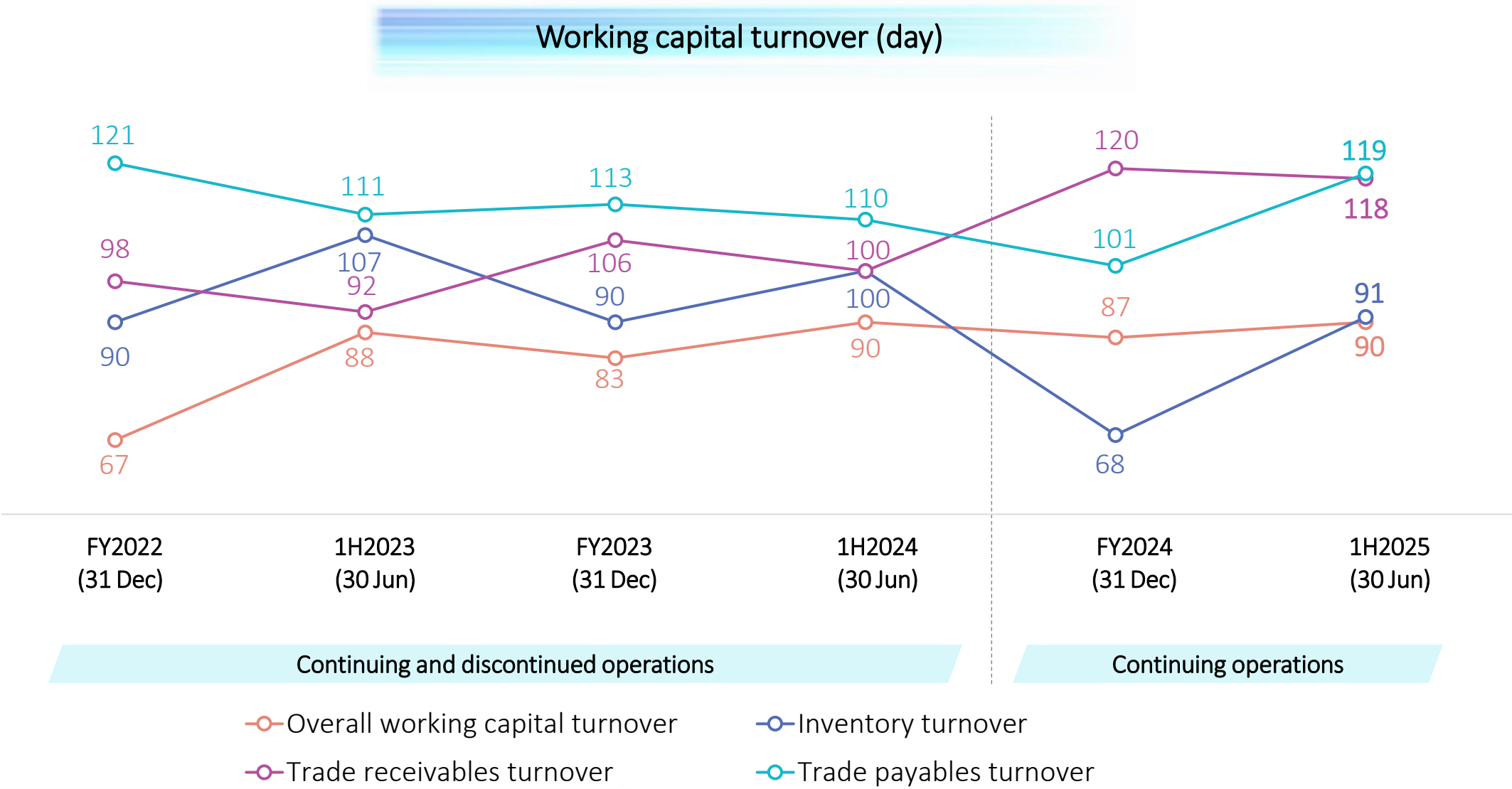
# Consolidated Income Statement

RMB m	1H2025	1H2024 (Re-presented)	YoY change
<b>Continuing operations</b>			
Revenue	6,838	6,382	▲ 7.1%
Gross profit	3,074	2,876	▲ 6.9%
Selling & distribution and general & administrative expenses ("SG&A")	(2,123)	(1,939)	▲ 9.5%
Operating profit	1,305	1,196	▲ 9.1%
Net profit from continuing operations (A)	914	858	▲ 6.4%
(Loss) from discontinued operation (B)	-	(106)	N/A
Profit attributable to ordinary equity holders = (A) + (B)	914	752	▲ 21.5%
Basic earnings per Share	RMB 34.6 cents	RMB 29.7 cents	▲ 16.5%
<b>Continuing operations</b>			
Gross profit margin	45.0%	45.1%	▼ 0.1% pt
SG&A to revenue ratio	31.0%	30.4%	▲ 0.6% pt
Operating profit margin	19.1%	18.7%	▲ 0.4% pt
Net profit margin	13.4%	13.5%	▼ 0.1% pt
<b>Group's net profit margin</b>	<b>13.4%</b>	<b>11.8%</b>	<b>▲ 1.6% pts</b>

# Consolidated Balance Sheet




RMB m	30 Jun 2025	31 Dec 2024	Change
Current assets	12,710	11,230	▲ 13.2%
Current liabilities	5,774	5,283	▲ 9.3%
Cash and cash equivalents (A)	3,218	2,979	▲ 8.0%
Pledged bank deposits and term deposits (B)	997	890	▲ 12.0%
Bank borrowings (C)	988	2,028	▼ 51.3%
Convertible bonds (D)	1,314	856	▲ 53.4%
<b>Net cash and cash equivalents = (A)+(B)-(C)-(D)</b>	<b>1,913</b>	<b>985</b>	<b>▲ 94.3%</b>
<b>Net current assets</b>	<b>6,936</b>	<b>5,947</b>	<b>▲ 16.6%</b>
<b>Current asset ratio (times)</b>	<b>2.2x</b>	<b>2.1x</b>	<b>▲ 0.1x</b>
Shareholders' equity	9,876	8,703	▲ 13.5%
Net asset value per Share	RMB 3.55	RMB 3.24	▲ 9.6%

# Group's Working Capital Analysis<sup>1</sup>



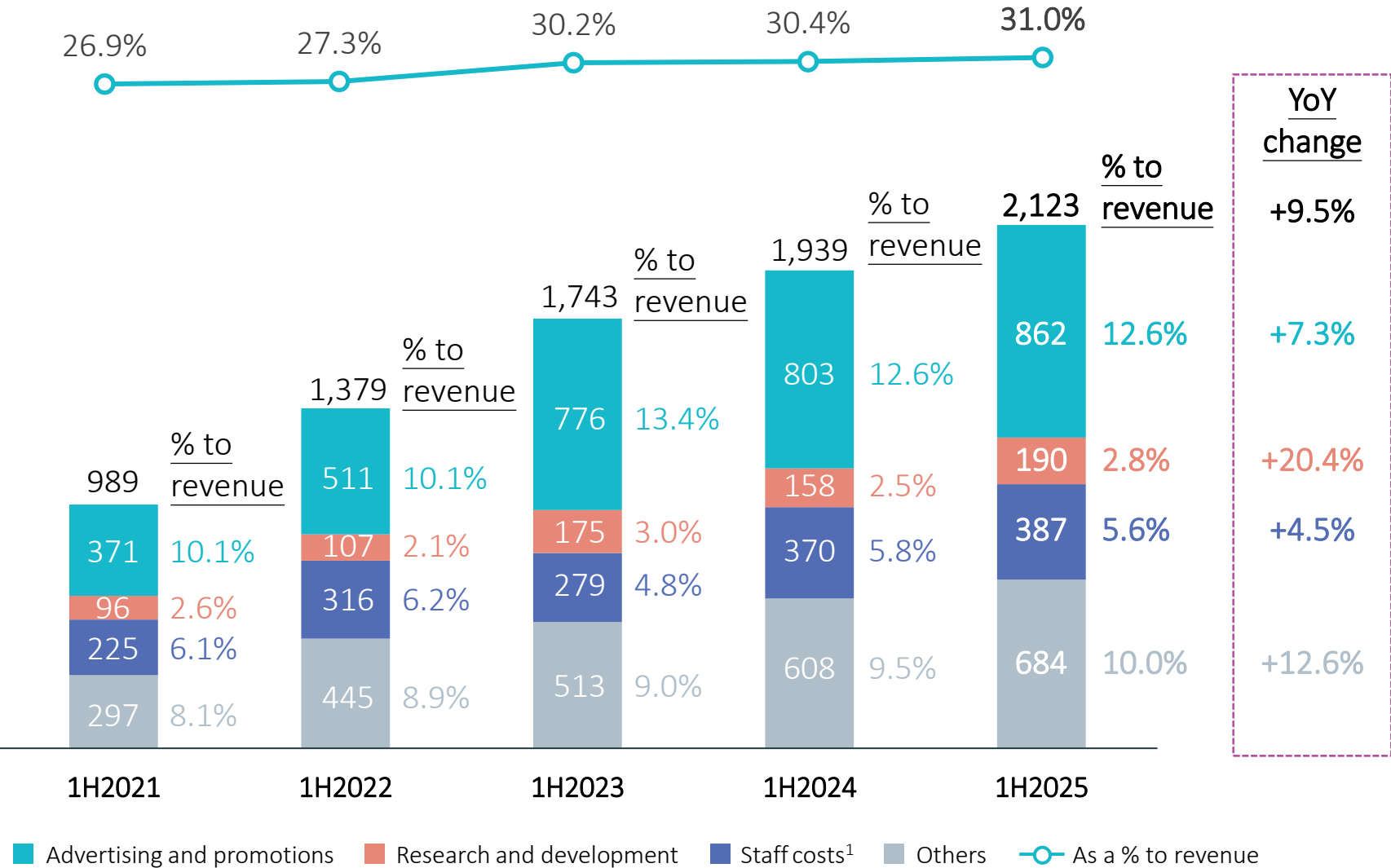
<sup>1</sup> Remark: Turnover days are calculated on a 12-month rolling basis

# Segment Performance<sup>1</sup> (RMB m)

	Mass market			Professional sports		
				 		
	1H2025	1H2024	YoY change	1H2025	1H2024	YoY change
Revenue	6,053	5,789	▲ 4.5%	785	593	▲ 32.5%
Gross profit	2,641	2,539	▲ 4.0%	433	337	▲ 28.7%
Gross profit margin	43.6%	43.9%	▼ 0.3% pt	55.2%	56.8%	▼ 1.6% pts
Operating profit	1,208	1,190	▲ 1.5%	79	23	▲ 236.8%
Operating profit margin	20.0%	20.6%	▼ 0.6% pt	10.0%	3.9%	▲ 6.1% pts

<sup>1</sup> Excluding the corporate and other unallocated expenses amounted to RMB86 m and RMB108 m in 1H2025 and 1H2024, respectively

# Group's SG&A Analysis (RMB m)



**12.6%** No change  
A&P expenses as a % to revenue

- ▶ Strengthen marathon and running event sponsorships
- ▶ Brand upgrade for Saucony
- ▶ Maintain a stable cost to revenue ratio

**2.8%** ▲ 0.3% pt  
R&D expenses as a % to revenue

- ▶ Core Xtep brand: Enhance professional running products
- ▶ Saucony: Increase R&D in apparel and lifestyle product offerings

<sup>1</sup> Excluding the staff costs related to manufacturing and R&D





## Business Review

# Group's Strategic Framework



“Professional-to-mass  
influence” strategy

Mass market

Continuous focus  
on running

No. 1 running brand  
in China



A century-old running heritage

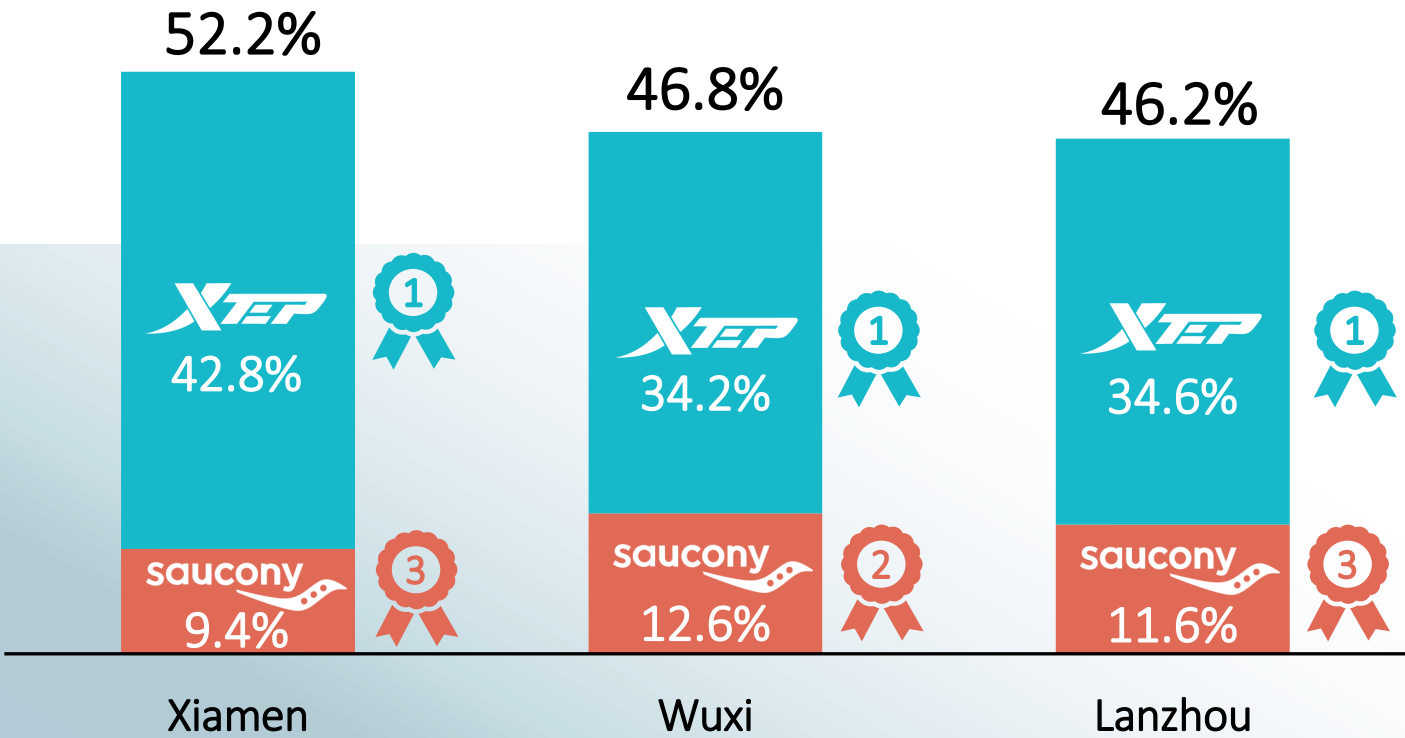
Professional outdoor  
sports brand

Premium market

# No. 1 Running Brand in China

## Leading overall wear rate

Overall wear rate and ranking in major marathons in 1H2025





# Signature Products to Lead Growth

## Empower elite athletes to shatter records

**特步冠军家族**  
超级耀配色

160X 7.0 MONSTER   160X 7.0 PRO   160X 7.0

**X 特步**  
屡获全球跑鞋大奖

**160X 7.0 PRO 十大期待理由**

「XTEP ACE+ 科技」 双密度中底，提升缓震性能	「XTEP POWER 科技」 内置TPU爆震板，提升推进力	「XTEP DURA 科技」 40000+次耐磨测试，提升耐磨性	「XTEP FIT 科技」 内置TPU爆震板，提升推进力	「外置解压槽」 提升透气性
「竞速鞋带」 轻量化设计	「轻量化鞋面」 提升透气性	「一体式鞋舌」 提升舒适度	「加厚泡棉」 提升舒适度	「竞速竞速车配色」 提升竞速感

**X 特步**  
屡获全球跑鞋大奖

160X 7.0 PRO  
为破纪录而生



160X 7.0 PRO  
RMB1,299



**He Jie**  
China's fourth  
all-time-best  
result at Tokyo  
Marathon

**Yang Shaohui**  
Chinese men's champion at  
Wuxi Marathon

**Xu Bingjie**  
Chinese women's champion at  
Wuxi Marathon



Expand Product Offerings

Accelerate the “professional-to-mass influence” strategy



QING YUN LITE  
RMB399



360X 2.0  
RMB599



## Strengthen Channel Management Enhance customer experience

~70%

New image stores

6,360

Adult branded stores  
in Mainland China and overseas

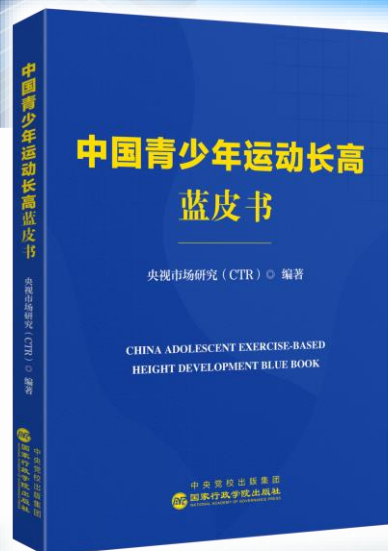
- ▶ Accelerate retail expansion in shopping malls and outlets
- ▶ Large-format stores to enhance store productivity

Store in Hangzhou, Zhejiang Province (300 m<sup>2</sup>)



X Young

Xtep Growth Sneaker to support height development through sports



Collaborated with authoritative institutions to  
release the *Blue Book on Youth Sports and Growth*



1,564

X Young branded stores in  
Mainland China

# E-commerce Steers Growth

- ▶ Robust revenue growth
- ▶ Strengthen supply chain flexibility and replenishment capabilities to drive high-quality development



Bestselling running products to drive growth

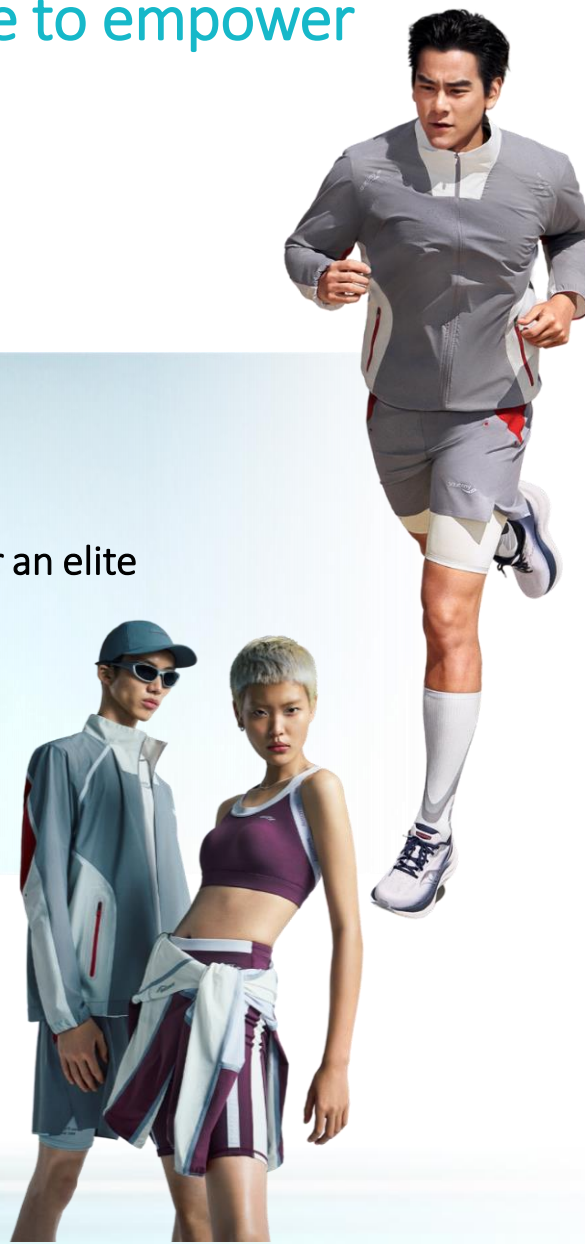


# Saucony

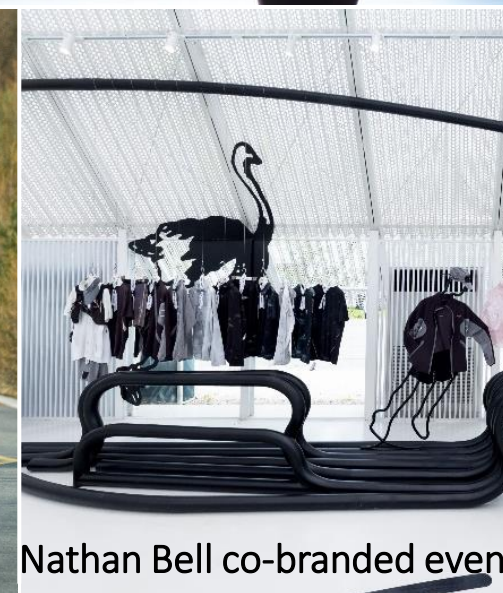
A century-old running heritage to empower an elite sports lifestyle

## Brand strategy

- ▶ Create a premium sports image to **empower an elite sports lifestyle** among elite consumers
- ▶ Continue to strengthen **channel expansion, marketing and product offerings**



Marketing campaigns to promote an elite lifestyle





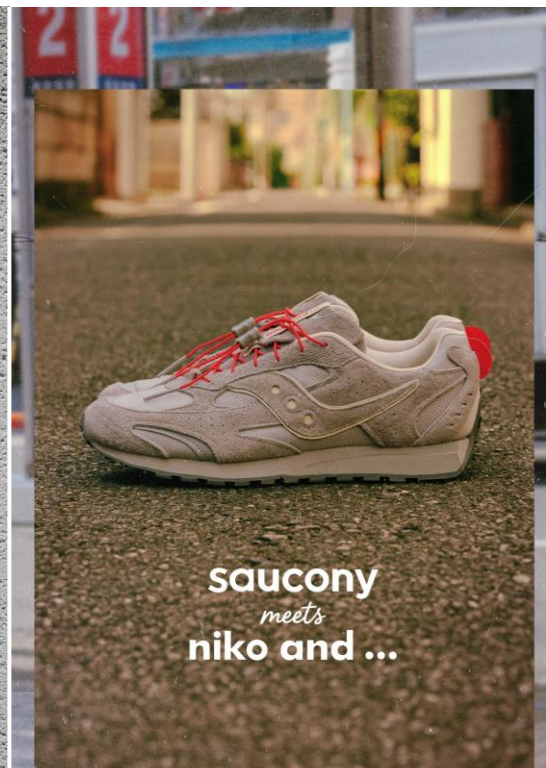
# Focus on Running Increase Apparel and Lifestyle Products



TRIUMPH 23



Wool series



niko and ... co-branded series



## Experiential Retail Strategy

Launch concept stores at prime locations to build a premium brand image



branded stores in Mainland China

155



Concept store in Hangzhou (267 m<sup>2</sup>)



Boutique store in Beijing (128 m<sup>2</sup>)

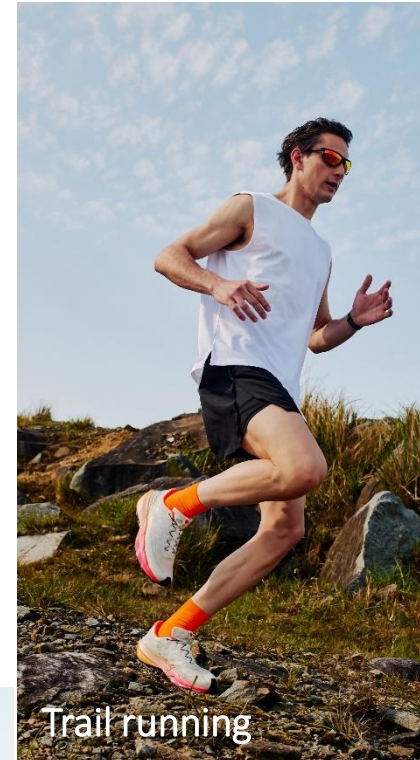


# Merrell

## Professional outdoor sports brand



Continue to focus on e-commerce and  
core outdoor product line





Sustainability



# 1H2025 Key Sustainability Achievements

## Environmental protection



- ▶ Joined the Zero Discharge of Hazardous Chemicals and held training across the supply chain to enhance chemical management
- ▶ X Young launched its first RCS-certified recycled textile apparel
- ▶ Earth Day Used Clothes Recycling Campaign

~ 3,000 kg  
Recycled clothes

Over 10,000 kg  
Reduction in carbon emissions



**MSCI**  
ESG RATINGS

AA

CCC B BB BBB A AA AAA

"AA" rating in MSCI ESG Rating

**Wind ESG**

特步国际  
2025评级

AA

"AA" rating in Wind ESG Rating

**新财富杂志**

2024 "New Fortune Magazine Best Hong Kong-Listed Companies"

Top Growth Stock in Smart Manufacturing

## Social responsibility

- ▶ Female management raised to 37%
- ▶ Employee training hours: 390,042 hours
- ▶ Marathon and running event sponsorships: 27
- ▶ Charity donation efforts are making progress, with cumulative donations exceeding RMB19 m in cash and supplies



## Corporate governance

- ▶ Published "Xtep Group Environmental Policy" and "Female Employee Protection System" to enhance governance transparency
- ▶ Completed and disclosed the dual materiality matrix to strengthen the integration of ESG and business strategy
- ▶ Conducted the first quantitative analysis of climate risks and opportunities to provide data support for sustainable development



Prospects



## Prospects

- ▶ Strengthen our position as the No. 1 running brand in China
- ▶ Leverage flagship products to drive growth while expanding product offerings to realize the “professional-to-mass influence” strategy
- ▶ Strengthen channel management and adopt DTC strategy to navigate market changes



- ▶ Empower elite sports lifestyle and establish a premium sports image
- ▶ Focus on running; expand apparel and lifestyle product offerings
- ▶ Continue to launch concept and flagship stores in high-tier cities



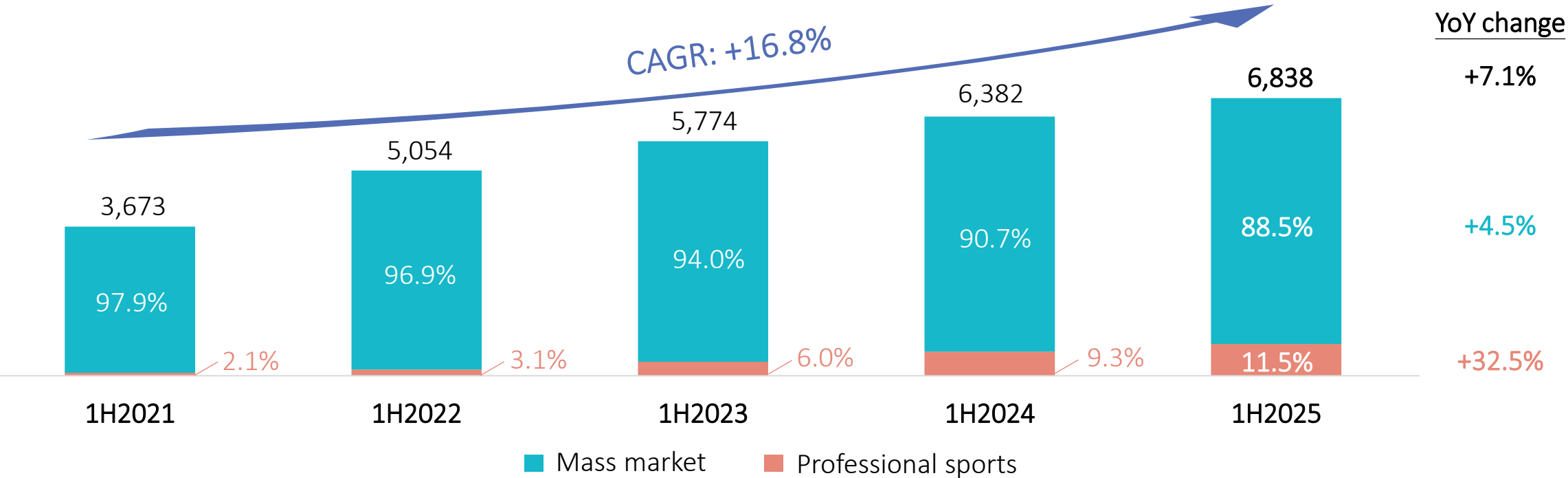
Focus on running  
to fuel growth





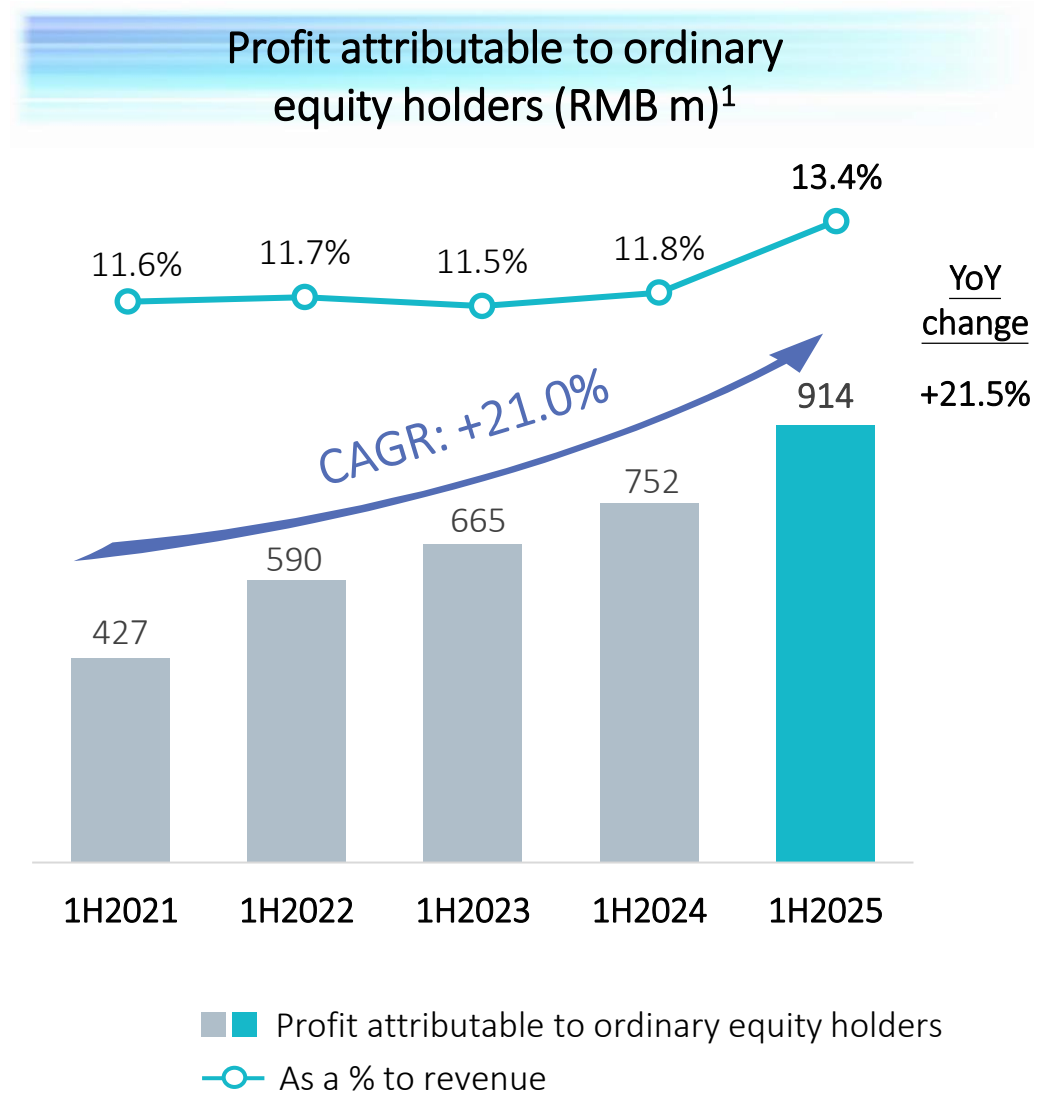
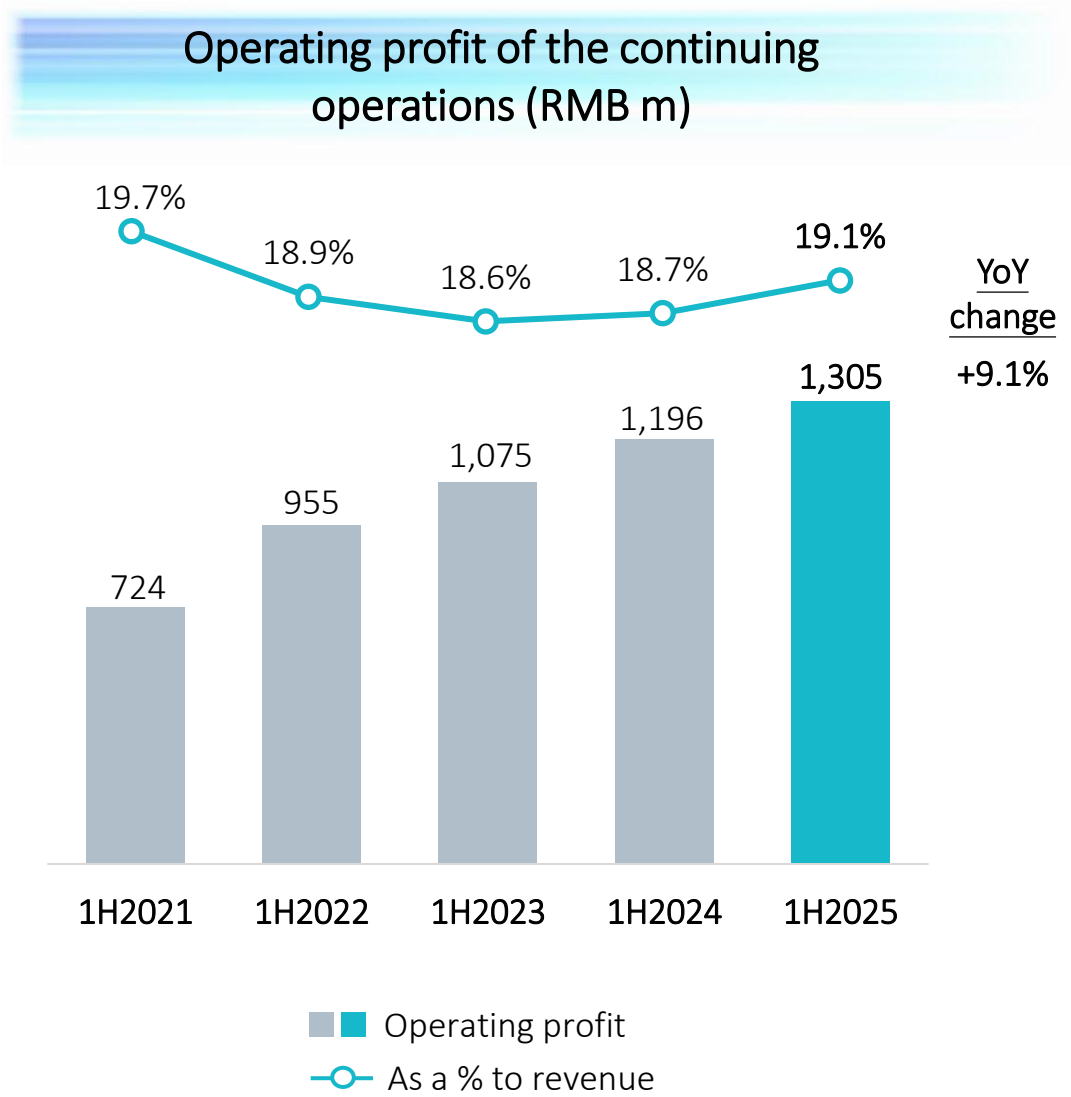
Appendix

# Group's Revenue by Brand Nature (RMB m) (From Continuing Operations)



RMB m	1H2025	1H2024	YoY change
Mass market	6,053	5,789	▲ 4.5%
Professional sports	785	593	▲ 32.5%
Overall	6,838	6,382	▲ 7.1%

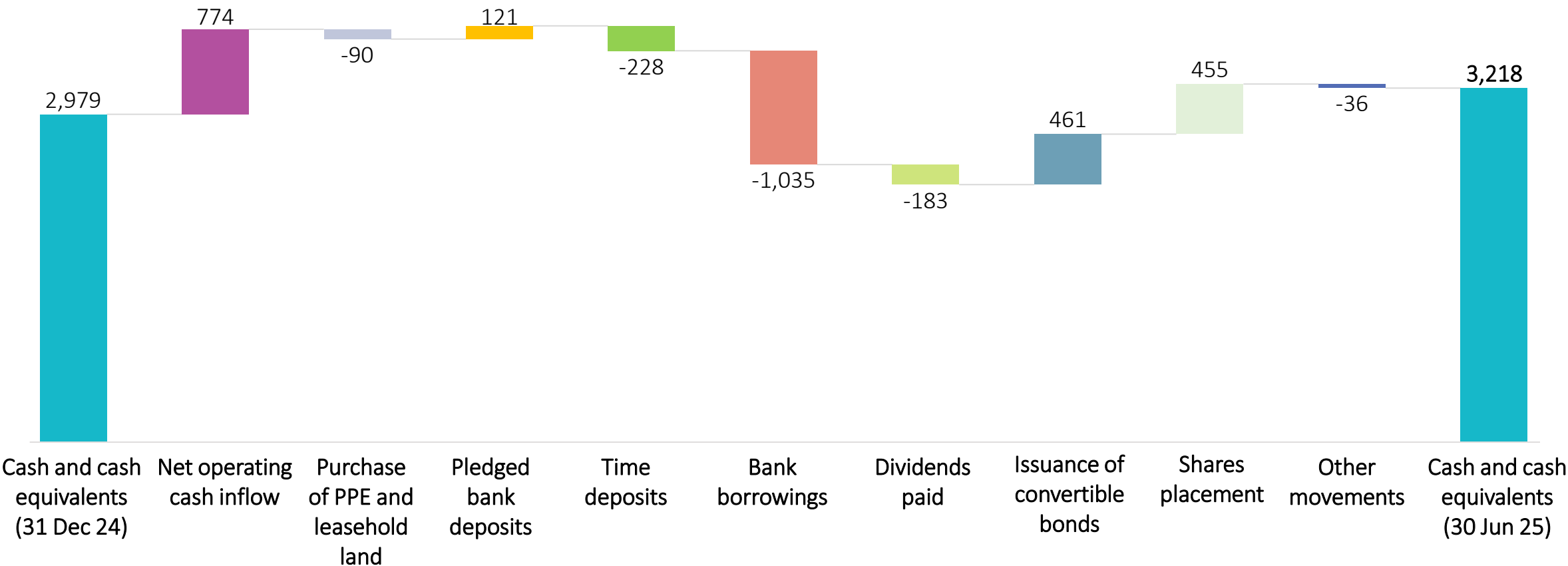
# Group's Profitability Analysis



<sup>1</sup> Including continuing and discontinued operations



# Cash Flow Analysis (RMB m)

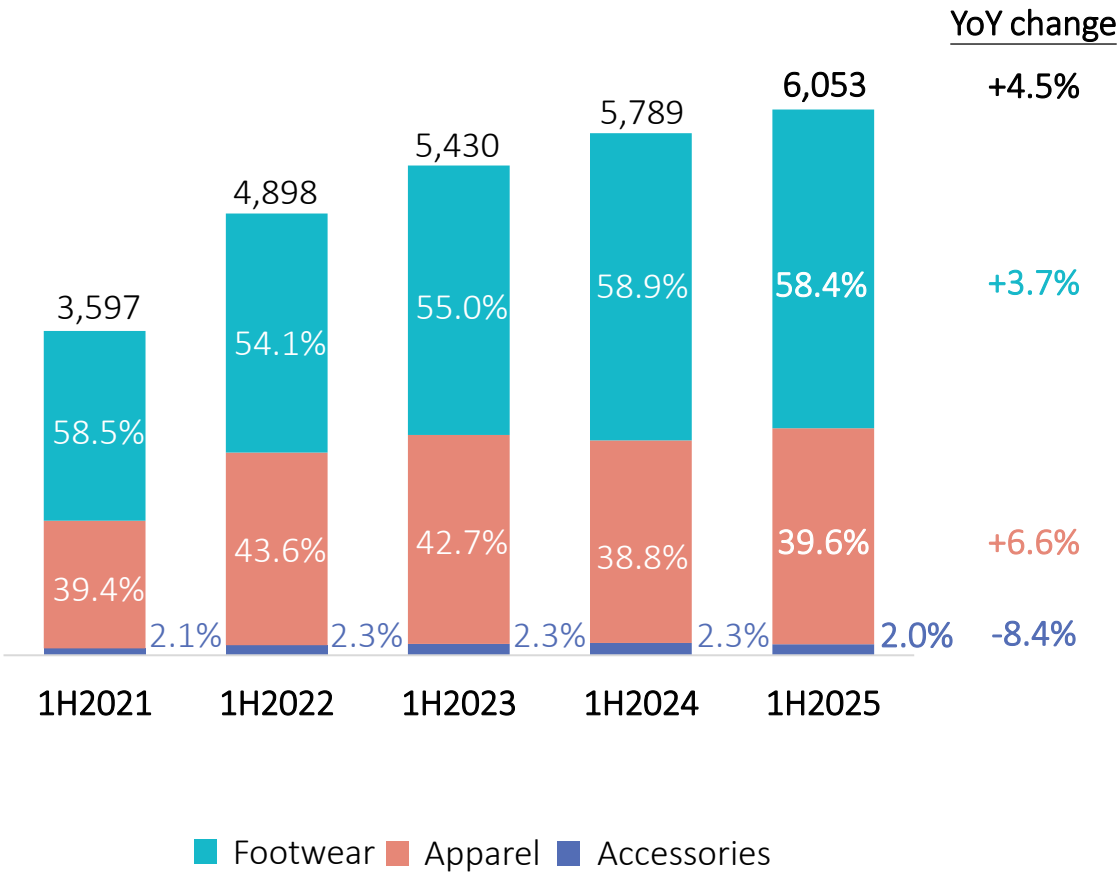




# Core Xtep Brand – Revenue and Gross Profit Analysis



Revenue by product (RMB m)



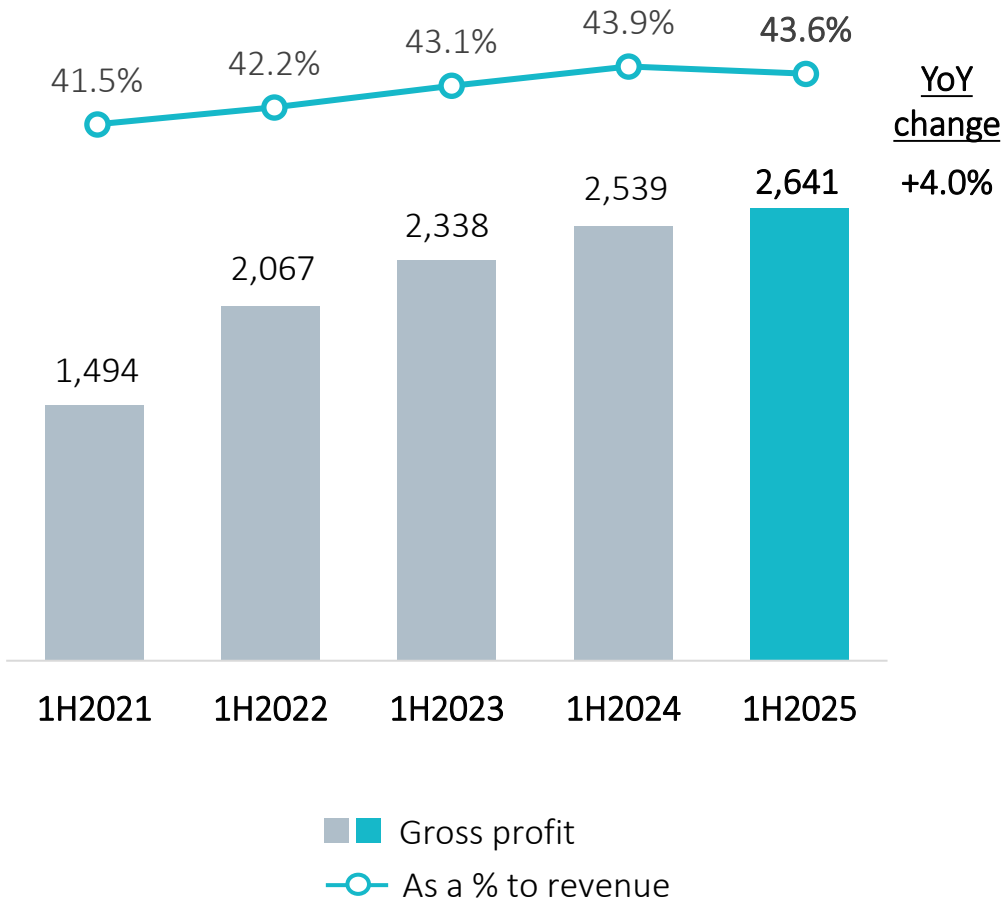
Gross profit margin by product (%)

	1H2025	1H2024	YoY change
Footwear	44.6%	44.0%	▲ 0.6% pt
Apparel	42.7%	44.3%	▼ 1.6% pts
Accessories	33.7%	33.7%	No change
Overall	43.6%	43.9%	▼ 0.3% pt

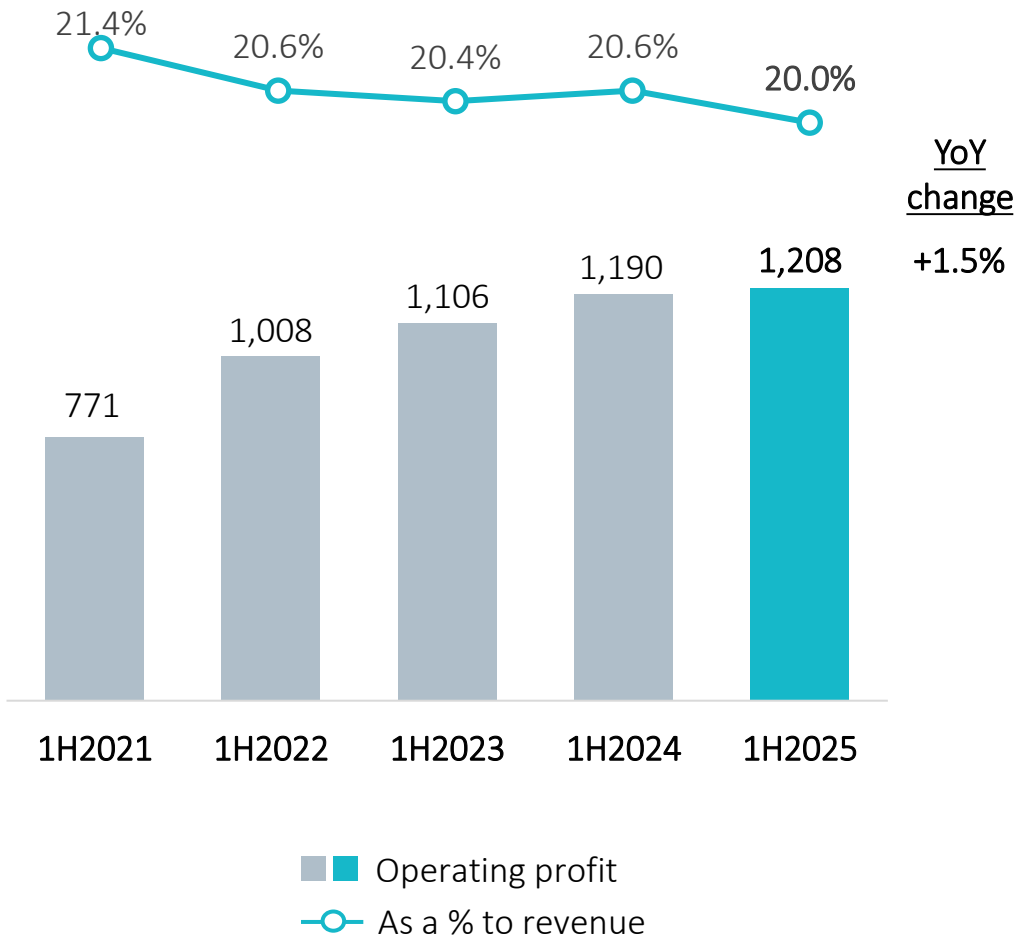
# Core Xtep Brand – Profitability Analysis



Gross profit (RMB m)



Operating profit<sup>1</sup> (RMB m)



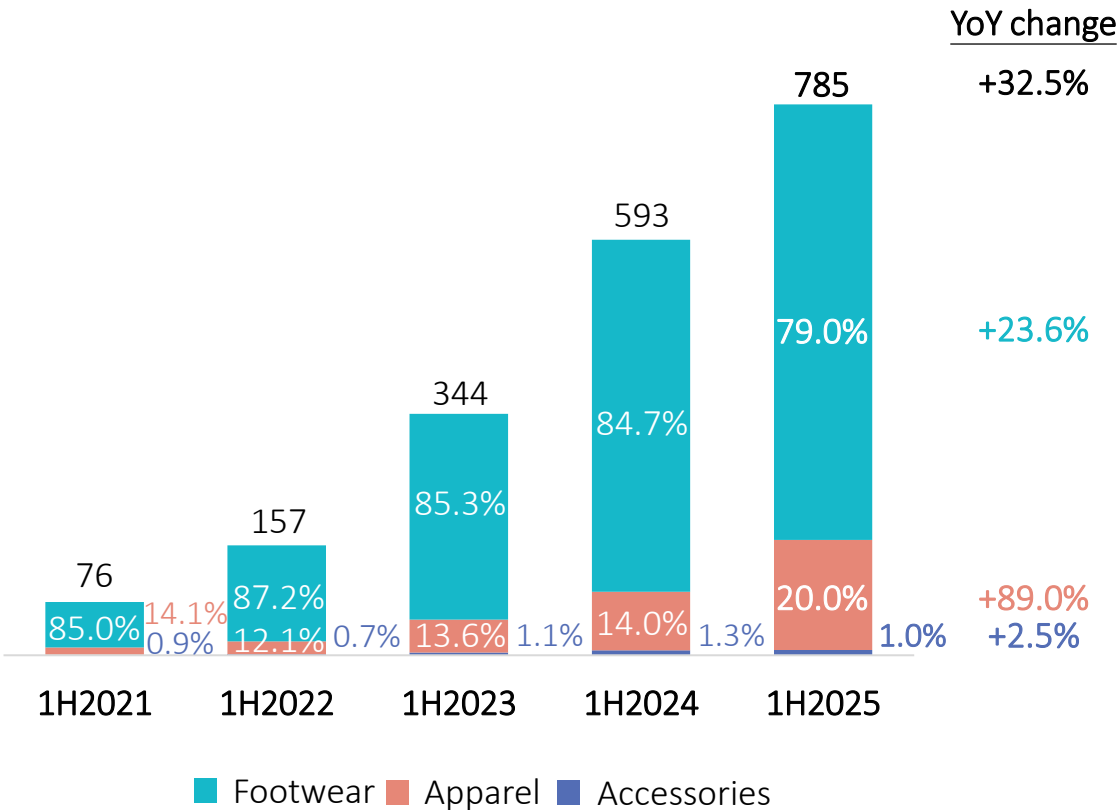
<sup>1</sup> Operating profit excluded corporate expenses



# Saucony & Merrell – Revenue and Gross Profit Analysis



Revenue by product (RMB m)

























Gross profit margin by product (%)

	1H2025	1H2024	YoY change
Footwear	57.4%	58.7%	▼ 1.3% pts
Apparel	46.2%	45.2%	▲ 1.0% pt
Accessories	60.8%	58.2%	▲ 2.6% pts
Overall	55.2%	56.8%	▼ 1.6% pts

# Core Xtep Brand – Mainstream Performance Products



PRICE RANGE (RMB)		
1,700 ←	900	800 ← 500 500 ← 200
Elite series	Professional series	Mass market series
 160X 7.0 MONXTER RMB1,699	 260X 2.0 RMB799	 360X 2.0 LITE RMB499
 160X 7.0 PRO RMB1,299	 260X RMB799	 2,000 KM RMB499
 160X 6.5 PRO RMB1,299	 XTEP 100 2.5PRO RMB799	 REACTOVE COIL 12 RMB499
 160X 6.0 PRO RMB1,299	 QING YUN 1.0ST RMB799	 FEATHER FOAM RMB439
 ZOUWU PRO RMB1,099	 360X 2.0 RMB599	 ULTRA FAST RMB399
 160X 7.0 RMB999	 360X RMB599	 QING YUN LITE RMB399
 160X 6.5 RMB999	 QING YUN 1.0 RMB599	 QING YUN GO RMB299

 The shoes are equipped with carbon fiber plate



# Saucony – Comprehensive Collection



Professional series

Racing

Training

RMB 2,090 ← RMB 1,690

RMB 1,390 ← RMB 790

Speed

Cushion

Stability

  
ENDORPHIN ELITE  
RMB2,090

  
ENDORPHIN SPEED 5  
RMB1,390

  
TRIUMPH 23  
RMB1,390

  
HURRICANE 25  
RMB1,390

  
ENDORPHIN PRO 4  
RMB1,690

  
SLAY 3  
RMB990

  
RIDE 18  
RMB990

  
TEMPUS 3  
RMB1,390

  
ENDORPHIN PRO 3  
RMB1,690

  
KINVARA 16  
RMB890

  
PHOENIX INFERNO 4  
RMB790

  
GUIDE 18  
RMB990

Commuter series

Commuter

RMB 1,390 ← RMB 690

  
TRIUMPH LFS  
RMB1,390

  
GRID ID  
RMB1,090

  
RIDE CMT  
RMB1,090

  
SHIFT FLOW 2  
RMB890

  
PUFF 3  
RMB690

  
GUARD 2  
RMB690

Original series

Heritage

Classic revamp

RMB 1,390 ← RMB 690

RMB 890 ← RMB 690

  
OMNI 9  
RMB1,390

  
GRID FUSION  
RMB890

  
TRIUMPH 4  
RMB1,190

  
KINVARA 4 RE  
RMB790

  
GUIDE 7  
RMB990

  
2K CAVALRY  
RMB790

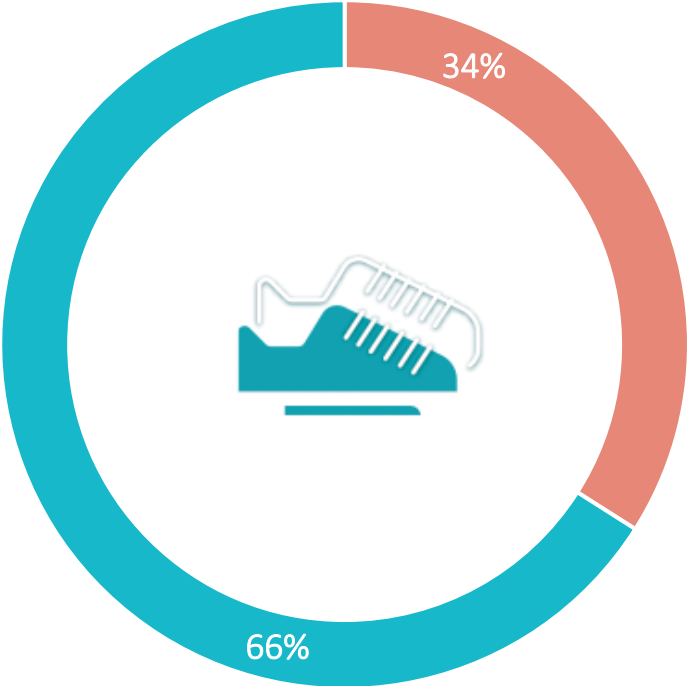
  
TRAINER 80  
RMB690

  
TRAINER 80 X  
RMB690

  
JAZZ RENEW 2  
RMB690

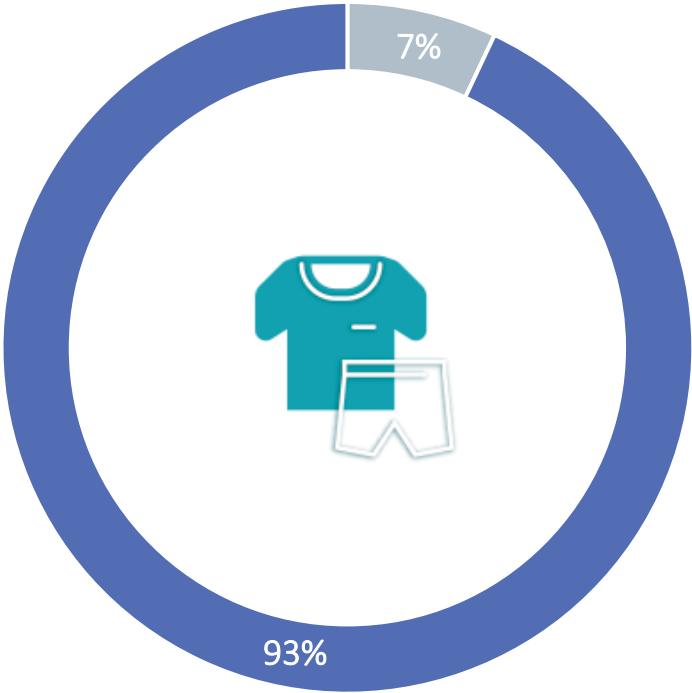
# Group's Production Capacity Allocation

Footwear



■ In-house  
■ Outsourced

Apparel



■ In-house  
■ Outsourced



# Disclaimer

This presentation is prepared by Xtep International Holdings Limited (the “Company”) and is solely for the purpose of corporate communication and general reference only. The presentation is not intended as an offer to sell, or to solicit an offer to buy or form any basis of investment decision for any class of securities of the Company in any jurisdiction. All such information should not be used or relied on without professional advice. The presentation is a brief summary in nature and do not purport to be a complete description of Company, its business, its current or historical operating results or its future prospects.

This presentation is provided without any warranty or representation of any kind, either expressed or implied. The Company specifically disclaims all responsibilities in respect of any use or reliance of any information, whether financial or otherwise, contained in this presentation.

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Company. These forward-looking statements represent the Company’s expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Certain statements, such as those that include the words “potential”, “estimated”, “expect”, “anticipates”, “objective”, “intends”, “plans”, “believes”, “estimates”, and similar expressions or variations on such expressions may be considered “forward-looking statements”.

Forward-looking statements involve inherent risks and uncertainties. Readers should be cautioned that a number of factors could cause actual results to differ in some instances materially, from those anticipated or implied in any forward-looking statement. Forward-looking statements speak only as of the date they are made, and it should not be assumed that they have been reviewed or updated in the light of new information or future events. Trends and factors that are expected to affect the Company’s results of operations are described in the “Financial Analysis”, “Business Review” and “Future Plans”.