



Xtep announced 2023 interim results, with professional sports segment achieving profitability for the first time

On 23rd August, Xtep announced its 2023 interim results. The Group's revenue was up 14.8% to RMB6,522.4 million. Profit attributable to ordinary equity holders of the Company increased by 12.7% to RMB665.4 million. Possessing solid product capability and synergy with the core Xtep brand, Saucony became the Group's first new brand to realize profit. The professional sports segment recorded an operating profit of RMB19.1 million for the first time. The Board has declared an interim dividend of HK13.7 cents per Share, equivalent to a dividend payout ratio of 50.0%.



Against a backdrop of increased public health awareness in the wake of the pandemic and ample government support for the sports industry to stimulate continued demand for sportswear, Xtep's expertise in running and specialization in functional products for mass market consumers seeking value for money will enable the Group to navigate the economic uncertainty smoothly. The Group will remain committed to maintaining competitive edge and strong governance to take the business to new heights.

Xtep hosted brand strategy upgrade achievement conference and launched strategic products

On 18th August, Xtep organized an achievement conference at the Great Wall in Beijing to unveil the milestones of its "World-class Running Shoes of China Xtep" brand strategy upgrade and launched "160X 5.0 PRO" and "160X 5.0", the latest additions to its championship running shoe series. The event was attended by number of heavyweight guests to witness how Xtep is leading China's running sector with its magnificent speed into the world and into the future.



Featuring the world-class "XTEP ACE" midsole technology, the new product unveiled at the event has achieved a 9.8% improvement in propulsion compared to the previous generation after retuning. The T700 full-foot carbon plate and the new shoe upper technology "Light Flex Technology" provides enhanced stability and ensures lasting breathability respectively. Such multiple upgrades allow runners to experience a powerful propulsion while maintaining comfort and stability.

The announcement of the strategic new products reflects Xtep's determination as the "World-class Chinese Running Shoes" to continue to further develop its running business and fully promote the development of China's running sector and the pursuit of nationwide fitness campaign. The Group will continue to solidify its running ecosystem in Mainland China and strive to create the most suitable equipment for professional runners in China to boost the "China Speed".



BRANDING



Xtep donated RMB20 million worth of sportswear for flood relief in Beijing, Tianjin and Hebei

In early August, the torrential rainfall from Typhoon Doksuri resulted in devastating floods, geological disasters, and significant damages across various regions in Mainland China, including Beijing, Tianjin and Hebei. In light of the dire situation caused by the floods, Xtep promptly took action and made a donation of sportswear worth RMB20 million through the China Youth Development Foundation for disaster relief efforts. This contribution aimed to provide immediate assistance and support for emergency rescue operations and the subsequent reconstruction of the heavily affected areas.



ESG

K-Swiss unveiled its first store in Shenzhen



K-Swiss



In August, K-Swiss launched its first store at Coastal City Shopping Centre, in the core CBD of Nanshan District, Shenzhen, catering to high-end consumers in the region. It embodies the essence of tennis life, highlighting the brand's tennis DNA while integrating a natural lifestyle attitude. The overall color scheme features white, wood grain and blue, creating a bright, comfortable, and lifestyle-oriented space that instills a sense of ease and comfort for customers. Moreover, the store showcases K-Swiss' brand history and its cultural heritage of exquisite elegance through various elements such as the brand wall, shop windows and fitting areas.

BRANDING



Saucony



Saucony's KINVARA PRO and TRIUMPH RFG hit the market

Saucony launched the KINVARA PRO, a line of running shoes equipped with advanced cushioning and a carbon plate for enhanced performance. These shoes feature a 42mm PWRRUN PB and PWRRUN dual support midsole, along with an integrated water droplet-shaped carbon plate. This combination improves the rebound and landing cushioning experience, providing runners with optimal support and comfort as they make progress on their running journey.



On 1st August, Saucony also unveiled another remarkable masterpiece, the TRIUMPH RFG, taking sustainability to the next level. The cotton upper of the shoes is dyed using natural plant-based dyes, while the midsole is made from 55% corn-based materials. Additionally, the outsole is crafted from 80% natural rubber. By incorporating these eco-friendly elements, Saucony injects green elements into the runners' path to victory while fully embracing the concept of environmental sustainability.

PRODUCTS