



# Xtep International Holdings Limited

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 1368.HK

## 2024 Annual Results Presentation

18 March 2025

# 2024 Annual Results Highlights

Group's revenue

RMB 13,577 m

▲ 6.5%



RMB 12,327 m

▲ 3.2%



RMB 1,250 m

▲ 57.2%



Operating profit

RMB 1,966 m

▲ 9.3%



Profit attributable to ordinary equity holders of the Company

RMB 1,238 m

▲ 20.2%



Final dividend per Share

HK 9.5 cents<sup>1</sup>

Full year payout ratio: 50.0%

Full year payout ratio (including special dividend): 138.2%



<sup>1</sup> The proposed final dividend per Share will be subject to the approval of shareholders at the forthcoming annual general meeting





## Financial Review

# Consolidated Income Statement

RMB m	2024	2023 (Re-presented)	YoY change
<b>Continuing operations</b>			
Revenue	13,577	12,743	▲ 6.5%
Gross profit	5,865	5,331	▲ 10.0%
Selling & distribution and general & administrative expenses ("SG&A")	(4,295)	(3,957)	▲ 8.6%
Operating profit	1,966	1,798	▲ 9.3%
<b>Net profit from continuing operations (A)</b>	<b>1,305</b>	<b>1,254</b>	<b>▲ 4.1%</b>
<b>(Loss) from discontinued operation (B)</b>	<b>(67)</b>	<b>(224)</b>	<b>▼ 70.1%</b>
<b>Profit attributable to ordinary equity holders = (A) + (B)</b>	<b>1,238</b>	<b>1,030</b>	<b>▲ 20.2%</b>
<b>Basic earnings per Share</b>	<b>RMB 48.7 cents</b>	<b>RMB 40.8 cents</b>	<b>▲ 19.4%</b>
<b>Continuing operations</b>			
Gross profit margin	43.2%	41.8%	▲ 1.4% pts
SG&A to revenue ratio	31.6%	31.1%	▲ 0.5% pt
Operating profit margin	14.5%	14.1%	▲ 0.4% pt
<b>Group's net profit margin</b>	<b>9.1%</b>	<b>8.1%</b>	<b>▲ 1.0% pt</b>

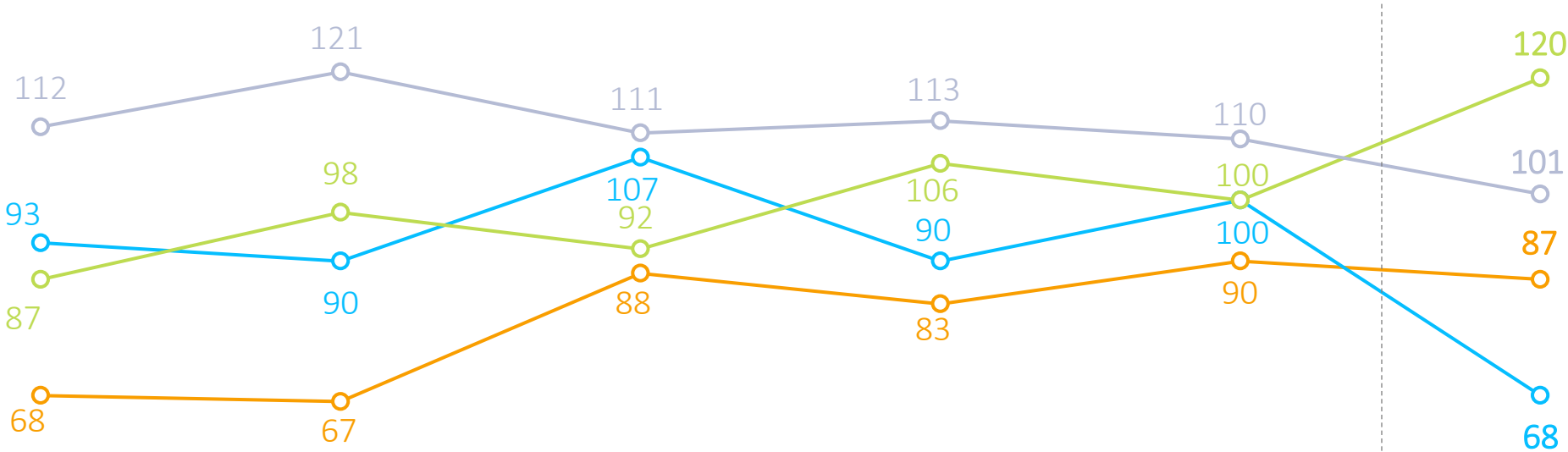


# Consolidated Balance Sheet

RMB m	31 Dec 2024	31 Dec 2023 (Restated)	YoY change
Current assets	11,230	12,044	▼ 6.8%
Current liabilities	5,283	5,892	▼ 10.3%
Cash and cash equivalents (A)	2,979	3,294	▼ 9.6%
Pledged bank deposits and term deposits (B)	890	1,162	▼ 23.4%
Bank borrowings (C)	2,028	2,645	▼ 23.3%
Convertible bonds (D)	856	879	▼ 2.6%
<b>Net cash and cash equivalents = (A)+(B)-(C)-(D)</b>	<b>985</b>	<b>932</b>	<b>▲ 5.6%</b>
<b>Net current assets</b>	<b>5,947</b>	<b>6,152</b>	<b>▼ 3.3%</b>
<b>Current asset ratio (times)</b>	<b>2.1x</b>	<b>2.0x</b>	<b>▲ 0.1x</b>
Shareholders' equity	8,703	8,863	▼ 1.8%
Net asset value per Share	RMB 3.24	RMB 3.38	▼ 4.1%

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

## Working capital turnover (day)




Continuing and discontinued operations



Continuing operations

- Overall working capital turnover
- Inventory turnover
- Trade receivables turnover
- Trade payables turnover

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

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

	Mass market		
			
	2024	2023	YoY change
Revenue	12,327	11,947	▲ 3.2%
Gross profit	5,151	5,013	▲ 2.8%
Gross profit margin	41.8%	42.0%	▼ 0.2% pt
Operating profit	1,954	1,891	▲ 3.4%
Operating profit margin	15.9%	15.8%	▲ 0.1% pt

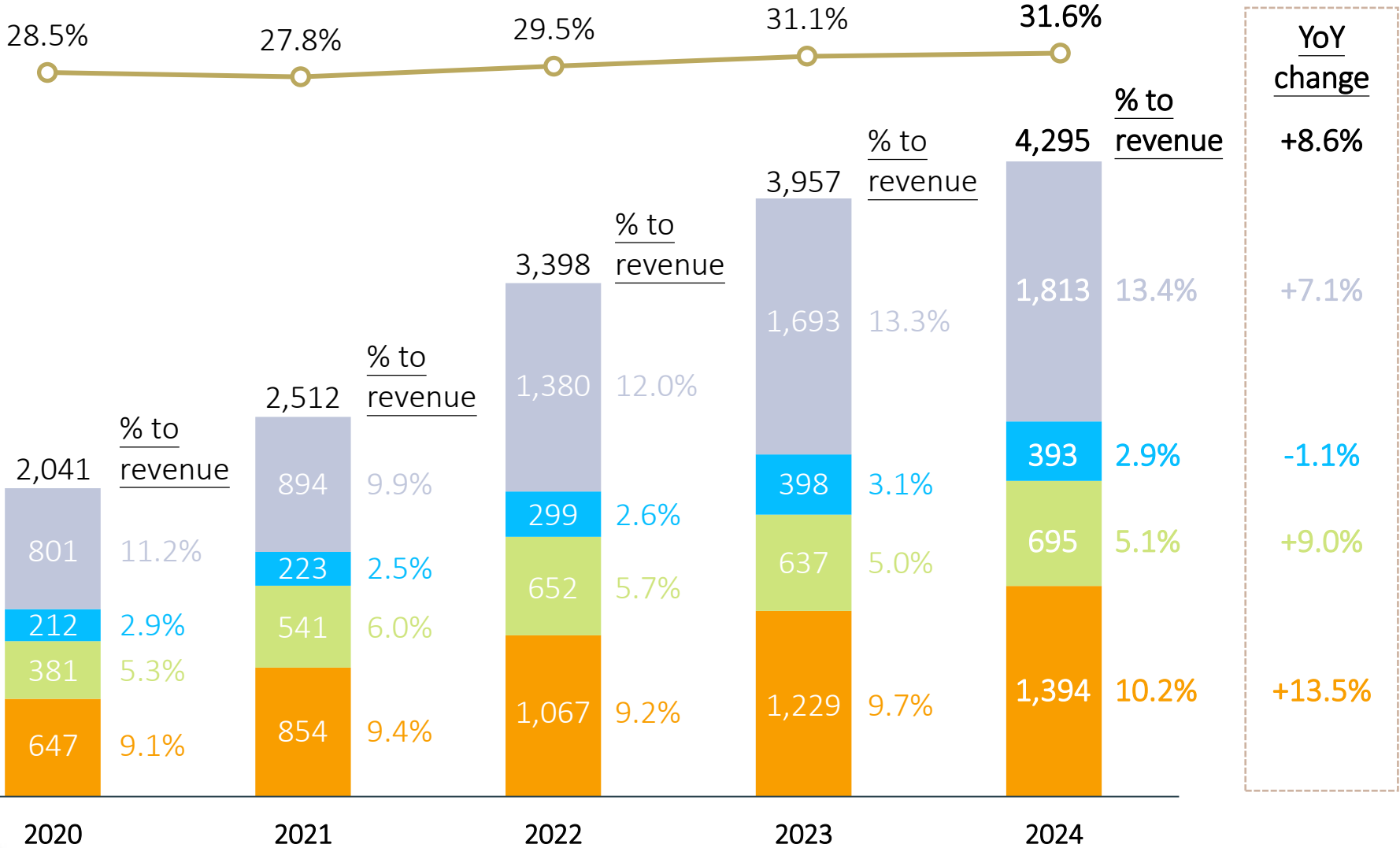
	Professional sports (non-GAAP) <sup>2</sup>		
	 		
	2024	2023	YoY change
Revenue	1,250	796	▲ 57.2%
Gross profit	715	443	▲ 61.5%
Gross profit margin	57.2%	55.6%	▲ 1.6% pts
Operating profit	78	8	▲ 853.0%
Operating profit margin	6.3%	1.0%	▲ 5.3% pts

<sup>1</sup> Excluding the corporate and other unallocated expenses amounted to RMB312 m and RMB234 m in 2024 and 2023, respectively

<sup>2</sup> For professional sports segment's GAAP financial highlights, please refer to P.33 of the appendix section



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



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



# Business Review

# Group's Strategic Framework

Mass market



“Professional-to-mass influence” strategy

Continuous focus on running

No. 1 running brand in China



A century-old running heritage



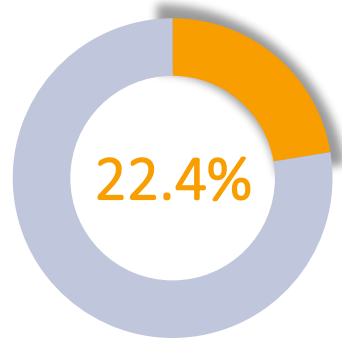
Professional outdoor sports brand

Premium market



# No. 1 Running Brand in China

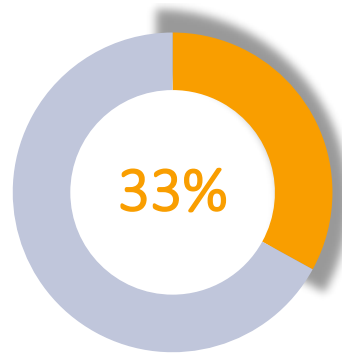
## “Profession-to-Mass Influence” Strategy Begin to Yield Results



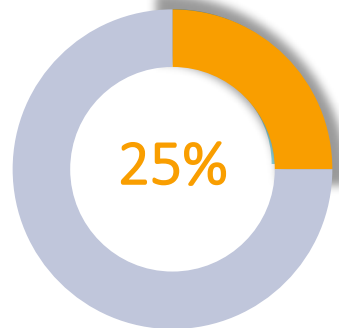
Six major marathons in China (Shanghai, Beijing, Xiamen, Guangzhou, Chengdu, Wuxi)

Top wear rates among all and sub-three hour runners<sup>1</sup>

No. 1 overall wear rate at the Shanghai Marathon for the first time<sup>1</sup>



Top 100 male runners in China  
No.1 wear rate for three consecutive years<sup>2</sup>



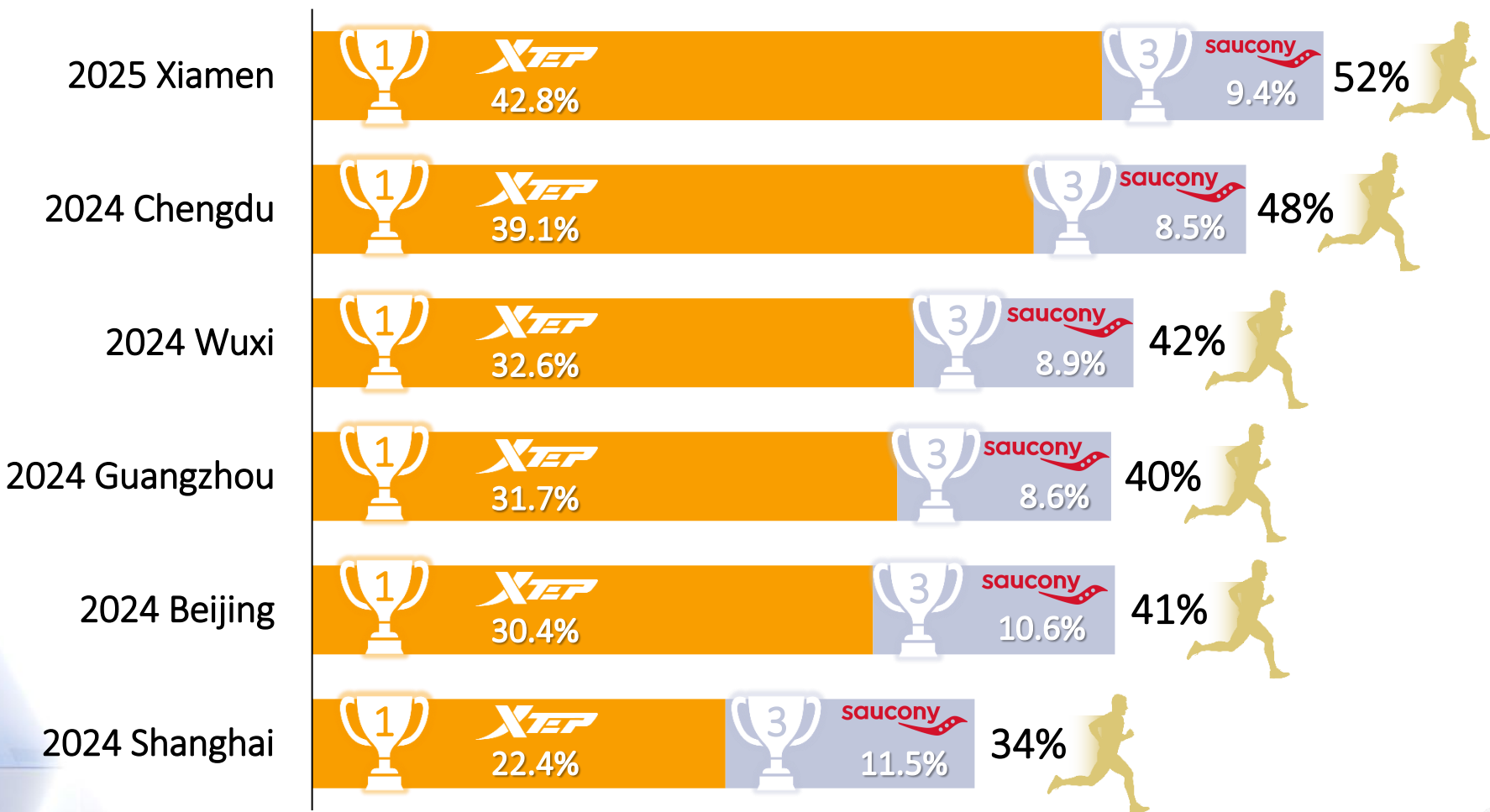
Top 100 female runners in China  
No.1 wear rate for two consecutive years<sup>2</sup>



<sup>1</sup> Source: Joyrun

<sup>2</sup> Source: 98 Run

# Unleash Brand Synergy to Achieve Leading Overall Wear Rate<sup>1</sup>



<sup>1</sup> Source: Joyrun



# Enhanced Professional Products to Create Record-breaking Results

160X 6.5 PRO



160X 6.5




260X 2.0




360X 2.0




360X 2.0 LITE




**He Jie**  
Broke the national  
marathon record  
once again  
**02:06:57**



**Yang Jiayu**  
Won gold in the  
20 km race walk  
in Paris  
**01:25:54**



**Yang Shaohui**  
Broke Chinese  
men's record of the  
Xiamen Marathon  
**02:08:07**



**Dong Guojian**  
Achieved a new  
personal best  
**02:08:12**

Helped **95** Chinese athletes claim **451** marathon championships





Strengthened Retail Management  
to enhance customer experience

65%+

 Ninth-generation stores

6,382

 Adult branded stores  
in Mainland China and overseas



# Xtep Kids

Expert in child growth and development in sport



XKIDS



Professional solutions and services to promote child development





# E-commerce

## Develop bestsellers to drive growth

approx. **20%**

E-commerce fueled revenue growth





Saucony

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



Revenue exceeded RMB1 billion  
Sustained high growth



Elite-focused brand strategy  
Strengthened channel expansion, marketing  
and product offerings





# Saucony Leading Wear Rates in Marathons<sup>1</sup>



<sup>1</sup> Source: Joyrun



# Saucony Brand Strategy



Focus on running  
Increase the proportion of  
apparel and lifestyle products

Strengthened channel management  
Launch of flagship and concept stores

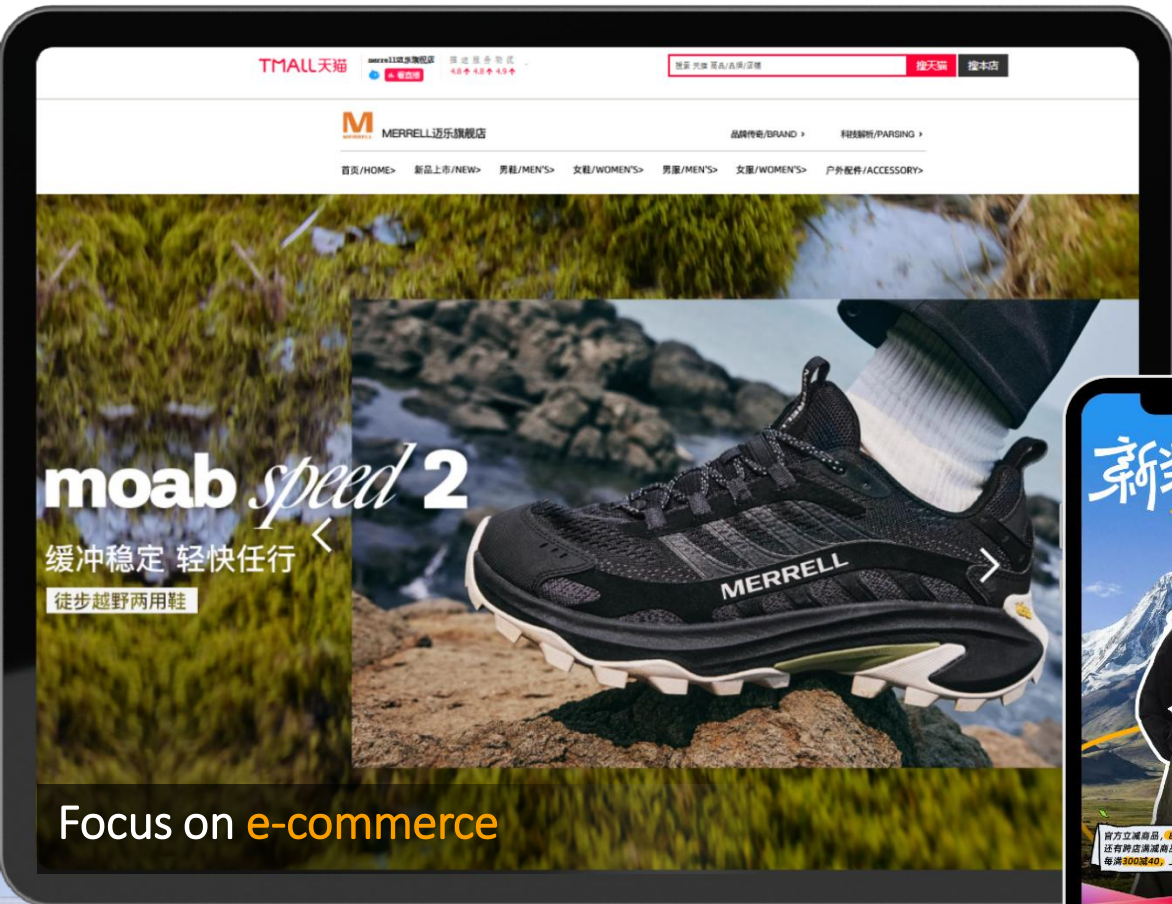


145 branded stores in Mainland China



# Merrell

## Professional outdoor sports brand



MERRELL



Enhanced core outdoor product line



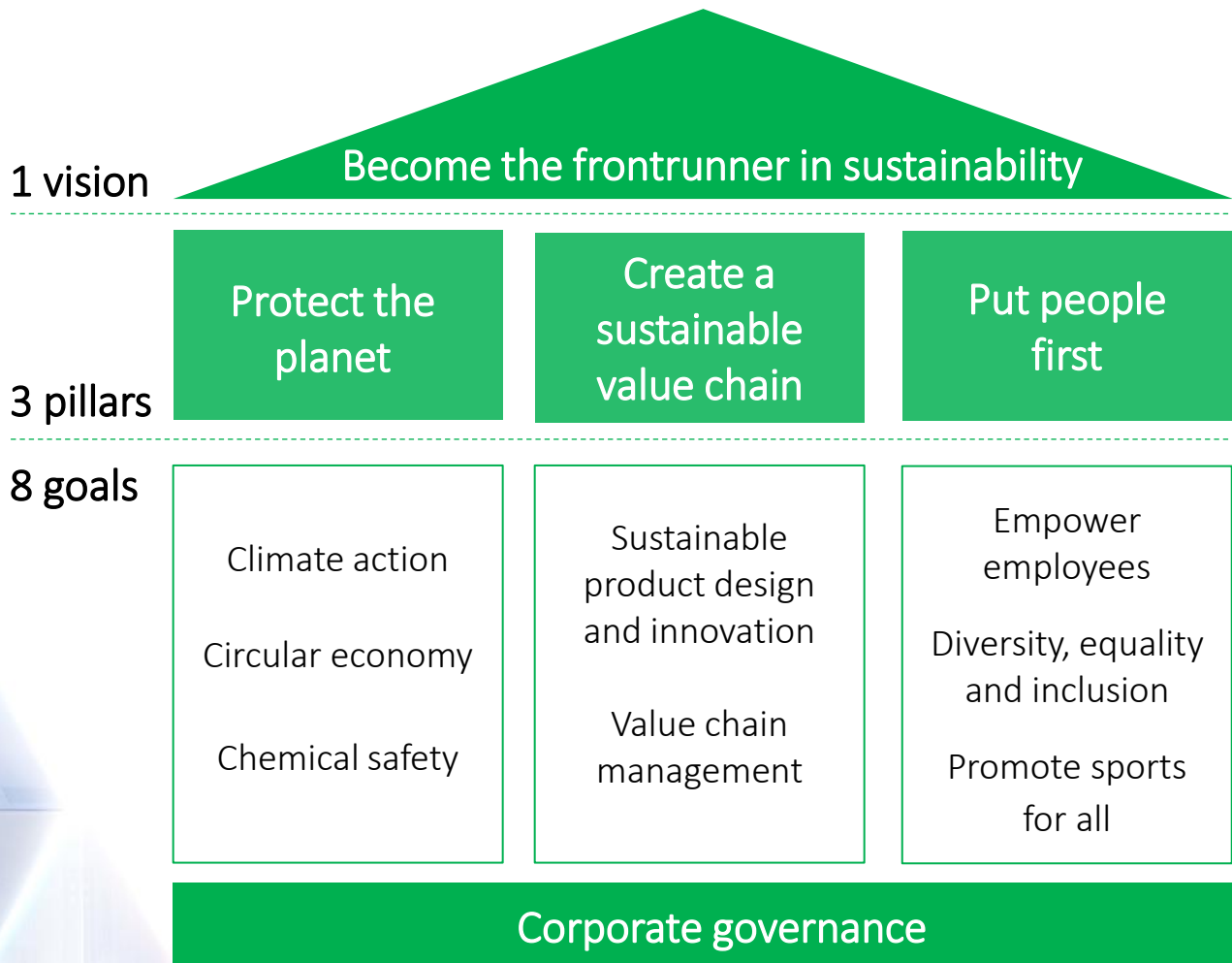


**Sustainability**



# Sustainability – 2024 Key Achievements

## 2030 ESG Strategic Framework



Sustainability rating



The **first** Chinese sportswear company to receive an “A” Rating in MSCI ESG Rating

Protect the planet



Eco-friendly T-shirts for Xiamen Marathon

**95%**

Solar power used in main self-operated factories

Sustainable value chain



Supplier Corporate Social Responsibility Management Manual 2024 Edition



Promotion of social responsibility and environmental compliance in the supply chain

Put people first

**58 m+**

Cash and supplies donations (RMB)

**37%**

Female in management

**44**

Marathon and running event sponsorships



Goatch Lin

Prospects



# Prospects

Focus on running to fuel growth



Enhance efficiency



Build momentum



Continue to focus on running and create a professional image



Flagship product to drive growth and implement the “professional-to-mass influence” strategy



Increase investment in DTC to boost store productivity



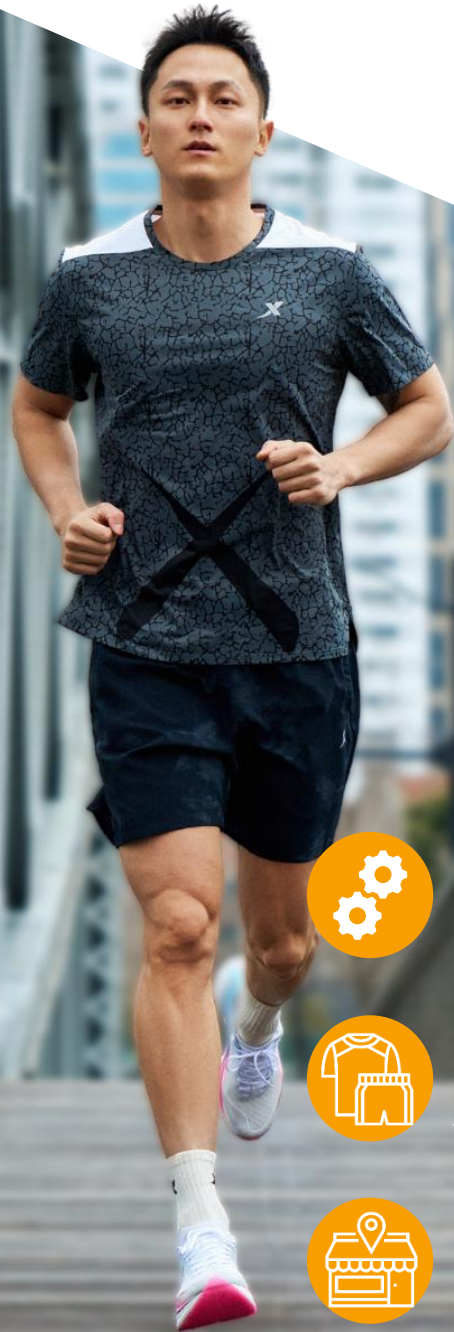
A century-old running heritage to empower an elite sports lifestyle



Open self-operated flagship and new image stores in high-tier cities



Focus on running while enhancing apparel, lifestyle, and original products





# DTC Strategy to Unlock Growth



- ▶ Streamline retail channel structure to enhance operational efficiency
  - ▶ Directly operate flagship stores and enhance in-store customer experience to boost brand loyalty and retention rates
  - ▶ Obtain timely and precise market insights for swift adjustments in product strategies and inventory management
- ▶ 2H2025 & 2026: Reclaim distribution rights from approximately 400 - 500 Xtep branded stores



- ▶ Enhance branding initiatives and accelerate the openings of new self-operated flagship and concept stores
- ▶ Strengthen product innovation and increase apparel and lifestyle offerings

Capex in  
2025-2026  
RMB500 m

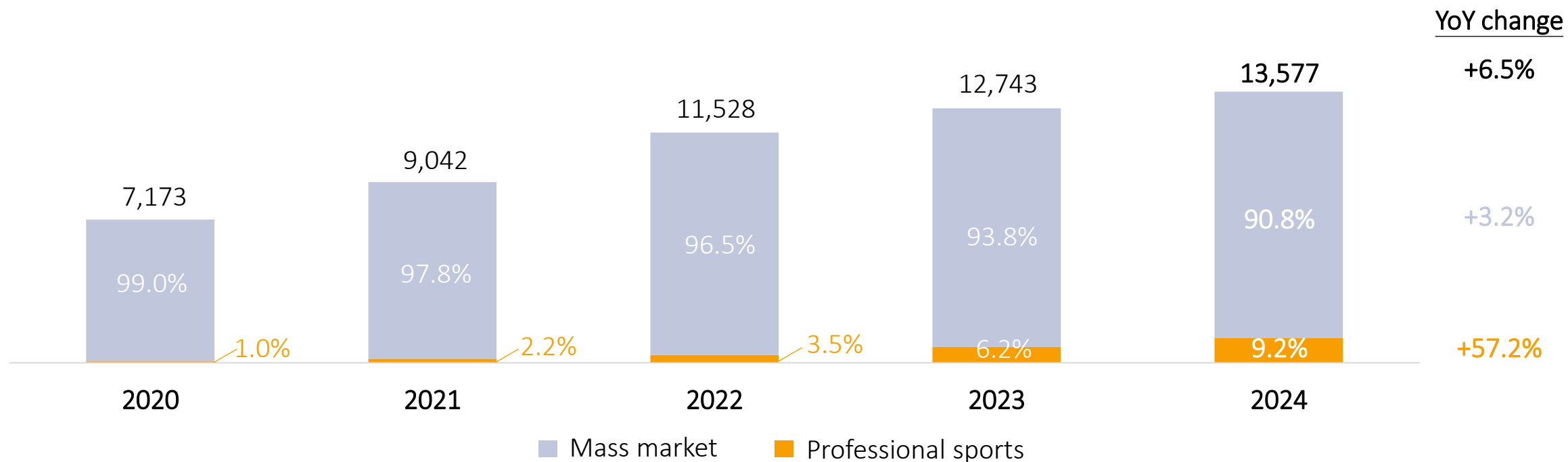






# Appendix

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

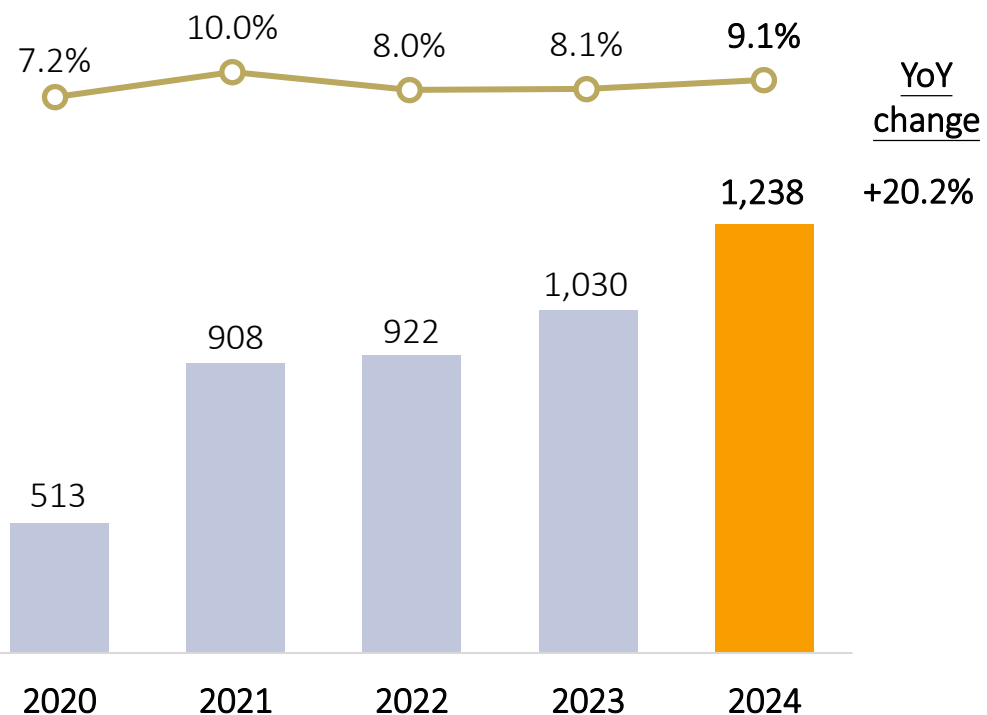


RMB m	2024	2023	YoY change
Mass market	12,327	11,947	▲ 3.2%
Professional sports	1,250	796	▲ 57.2%
<b>Overall</b>	<b>13,577</b>	<b>12,743</b>	<b>▲ 6.5%</b>



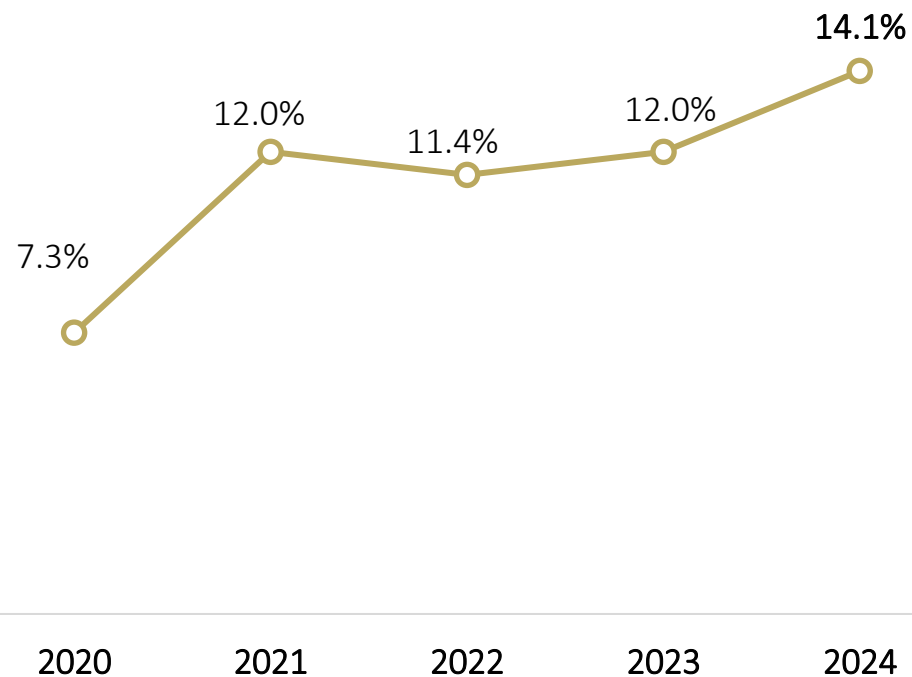
# Group's Net Profit and Return on Equity<sup>1</sup>

Profit attributable to ordinary equity holders (RMB m)



■ Profit attributable to ordinary equity holders  
 ○ As a % to revenue

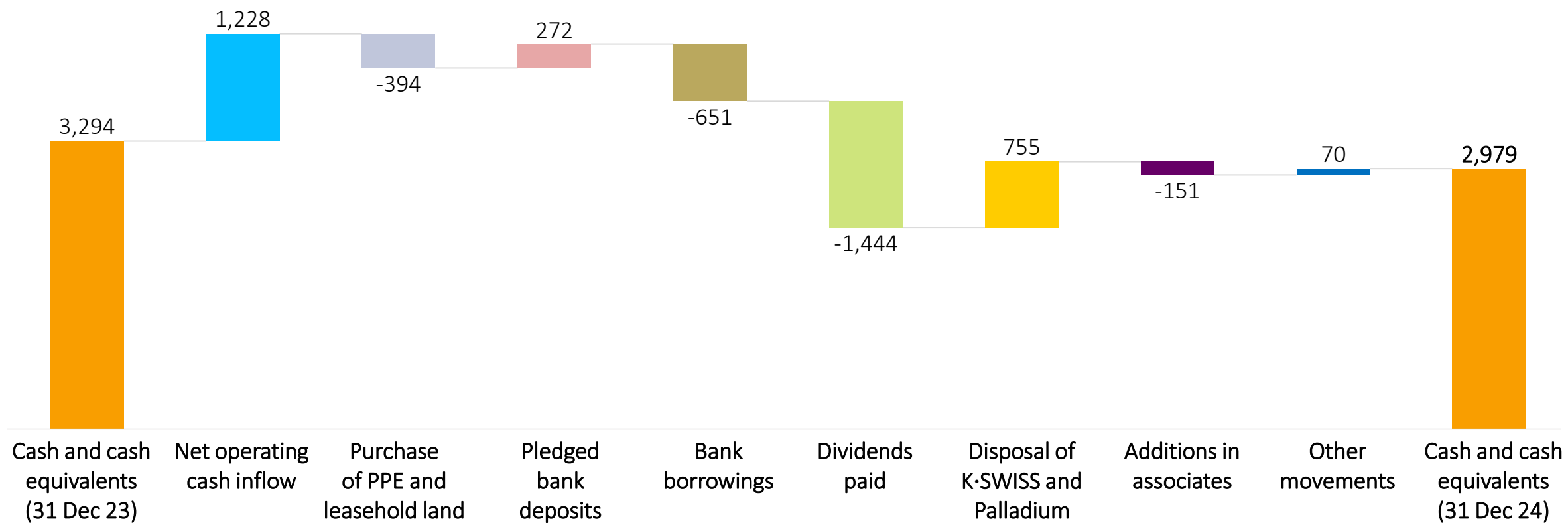
Return on equity (%)



○ Return on equity

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

# Cash Flow Analysis (RMB m)





# Core Xtep Brand – Income Statement



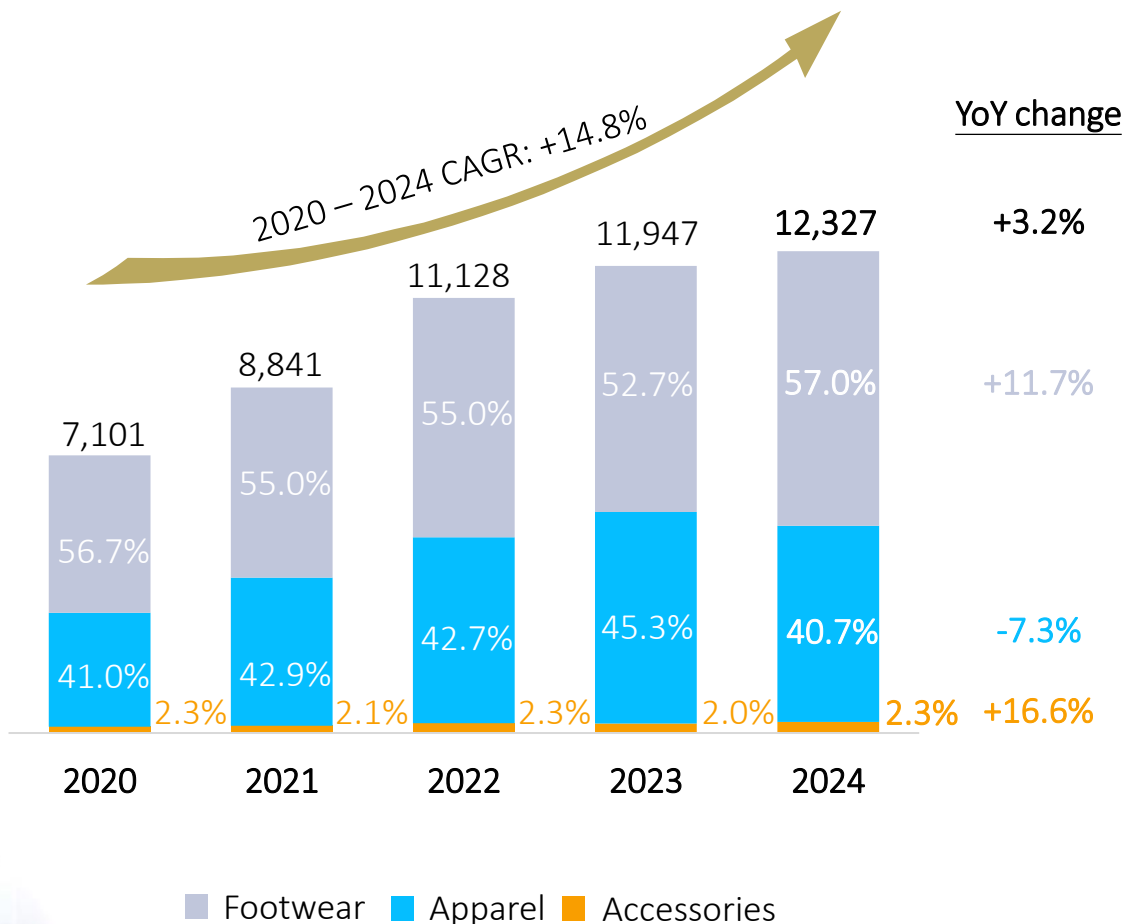
RMB m	2024	2023	YoY change
Revenue	12,327	11,947	▲ 3.2%
Gross profit	5,151	5,013	▲ 2.8%
Selling & distribution and general & administrative expenses (“SG&A”) <sup>1</sup>	(3,623)	(3,536)	▲ 2.4%
Operating profit	1,954	1,891	▲ 3.4%
Gross profit margin	41.8%	42.0%	▼ 0.2% pt
SG&A to revenue ratio	29.4%	29.6%	▼ 0.2% pt
Operating profit margin	15.9%	15.8%	▲ 0.1% pt

<sup>1</sup> SG&A excluded corporate expenses

# Core Xtep Brand – Revenue and Gross Profit Analysis



## Revenue by product (RMB m)



## Gross profit margin by product (%)

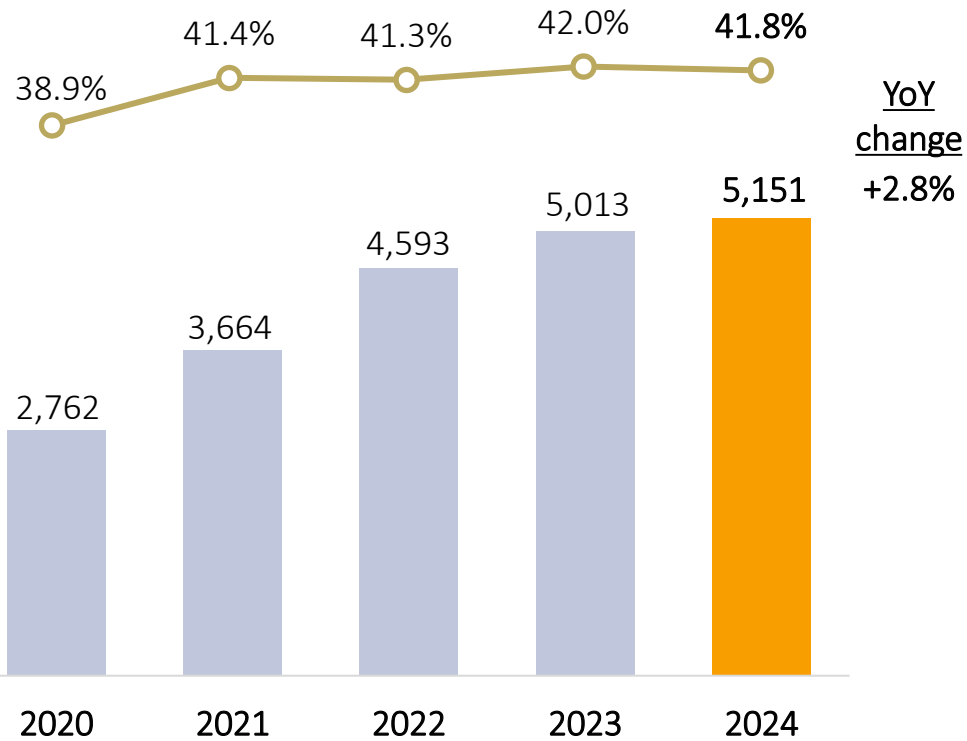
	2024	2023	YoY change
Footwear	42.9%	42.2%	▲ 0.7% pt
Apparel	40.8%	42.0%	▼ 1.2% pts
Accessories	32.0%	34.6%	▼ 2.6% pts
Overall	41.8%	42.0%	▼ 0.2% pt



# Core Xtep Brand – Profitability Analysis

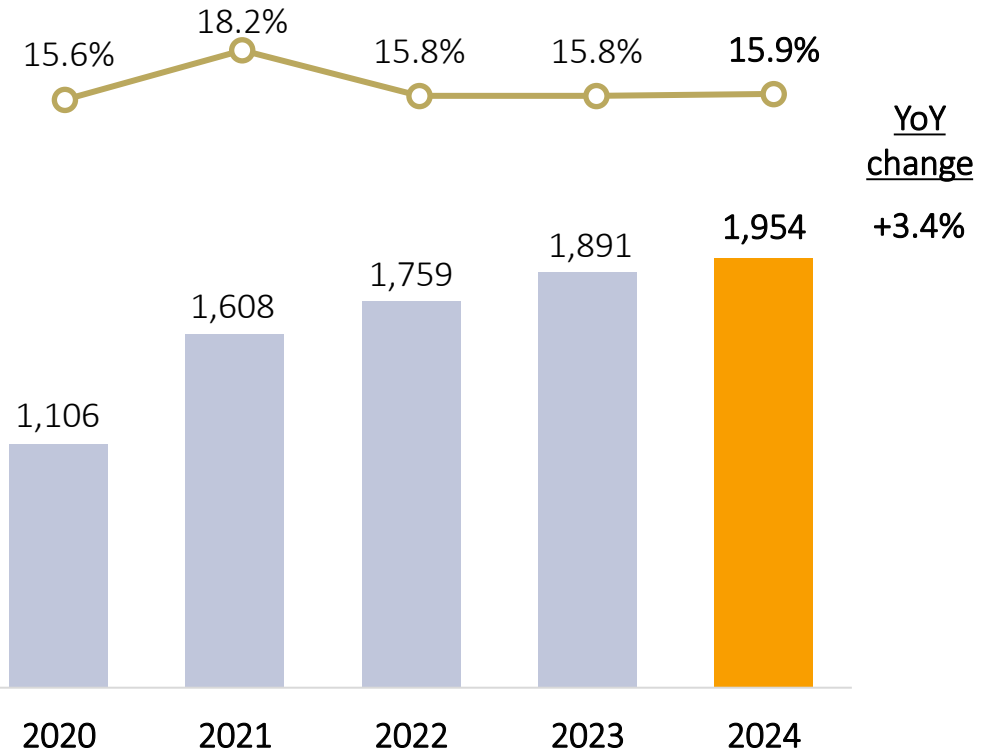


## Gross profit (RMB m)



■ Gross profit  
■ As a % to revenue

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



■ Operating profit  
■ As a % to revenue

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

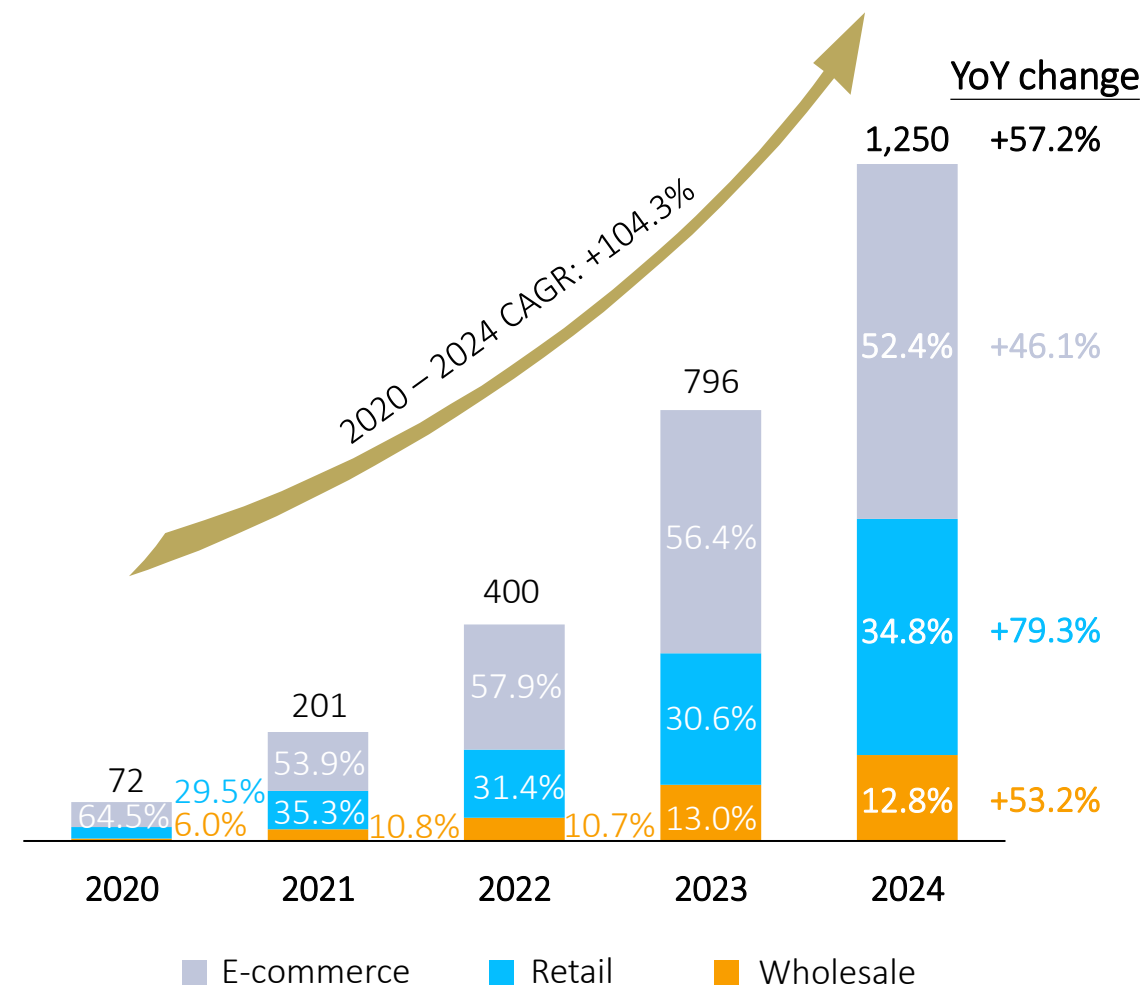
# Saucony & Merrell – GAAP Income Statement and Revenue Analysis



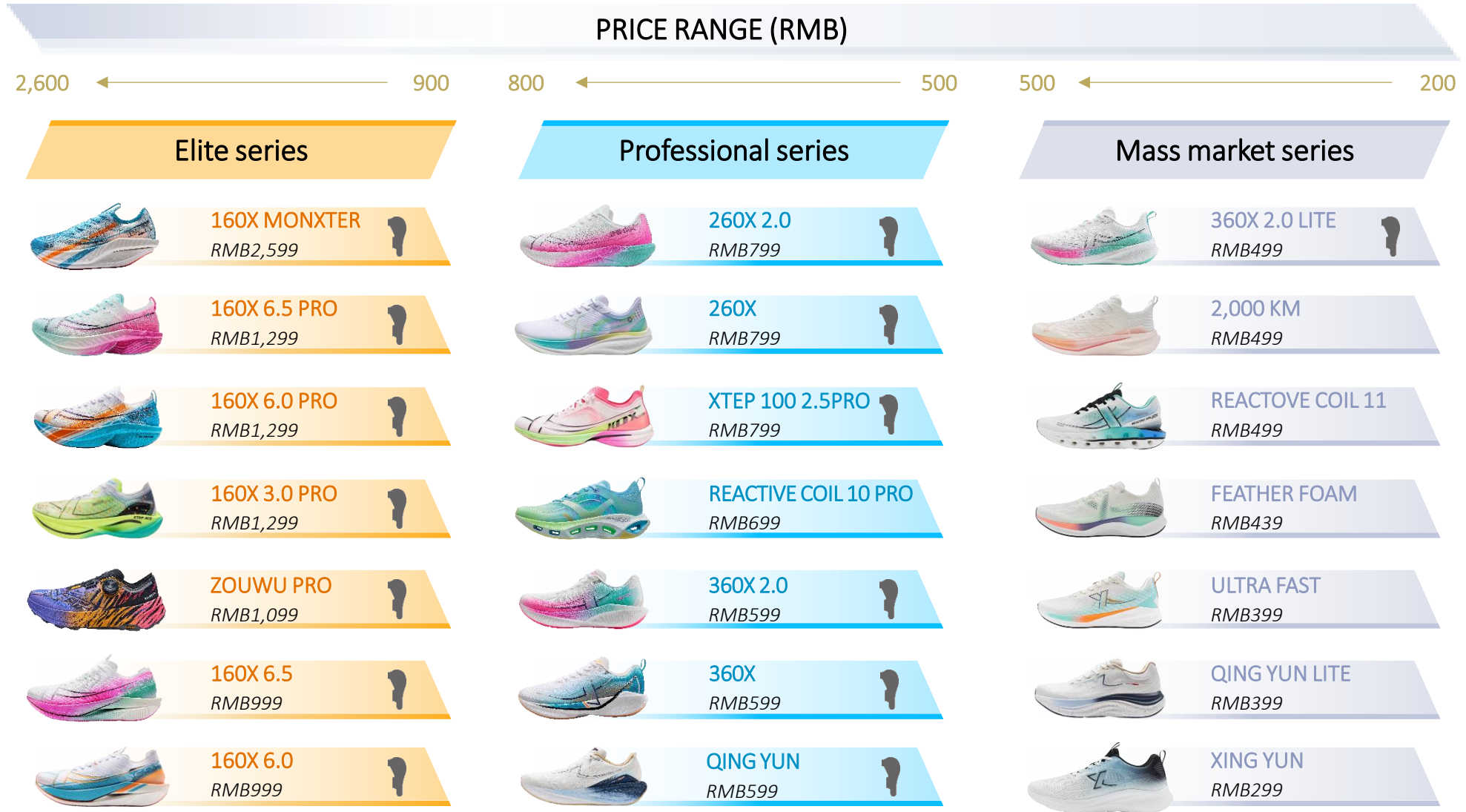
## GAAP Income Statement

RMB m	2024	2023	YoY change
Revenue	1,250	796	▲ 57.2%
Gross profit	715	319	▲ 124.4%
Gross profit margin	57.2%	40.0%	▲ 17.2% pts
Operating profit	78	8	▲ 829.5%
Operating profit margin	6.3%	1.1%	▲ 5.2% pts

## Revenue by business model (RMB m)



# Core Xtep Brand – Mainstream Performance Products



 The shoes are equipped with carbon fiber plate



# Saucony – Comprehensive Collection



## Professional series

### Racing

RMB 2,090 ← RMB 1,690



ENDORPHIN ELITE  
RMB2,090



ENDORPHIN PRO 4  
RMB1,690



ENDORPHIN PRO 3  
RMB1,690

### Training

RMB 1,390 ← RMB 890

Speed



ENDORPHIN SPEED 4  
RMB1,390



SLAY 2  
RMB990



KINVARA 15  
RMB890

Cushion



TRIUMPH 22  
RMB1,390



RIDE 18  
RMB990

Stability



HURRICANE 24  
RMB1,390



TEMPUS 2  
RMB1,390



GUIDE 17  
RMB999

## Commuter & lifestyle series

### Commuter

RMB 1,290 ← RMB 890



TRIUMPH CMT  
RMB1,290



SLAY ICON  
RMB990



SHIFT FLOW  
RMB890

### Lifestyle

RMB 990 ← RMB 690



SURGE 3  
RMB990



PHOENIX  
INFERNO 4  
RMB790



PUFF 3  
RMB690

## Original series

### Heritage

RMB 1,190 ← RMB 690



3D GRID  
HURRICANE  
RMB1,190



GRID SHADOW 2  
RMB1,090



PROGRID TRIUMPH 4  
RMB1,090



SHADOW 6000  
RMB1,090



TRAINER 80  
RMB690

### Classic revamp

RMB 890 ← RMB 590



CROSS 90  
RMB890



SHADOW 5000X  
RMB790



2K CAVALRY  
RMB790



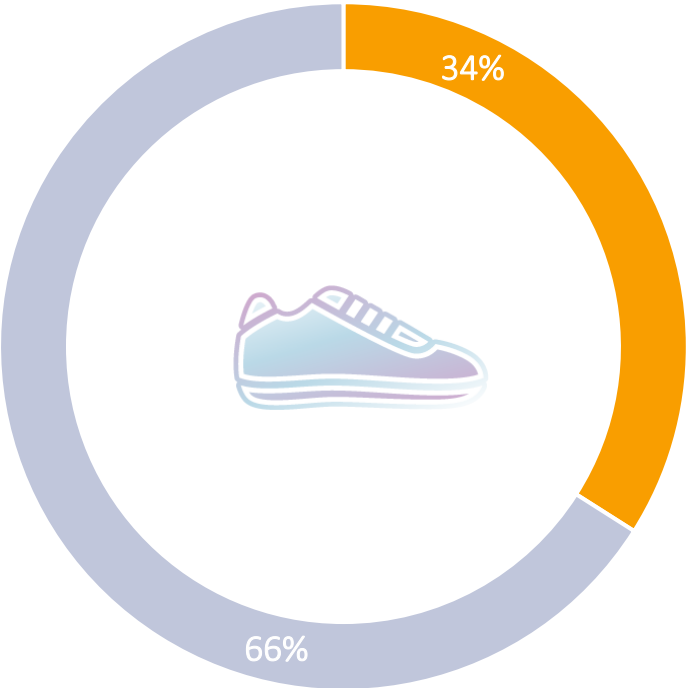
KINVARA 4 RE  
RMB690



JAZZ RENEW  
RMB590

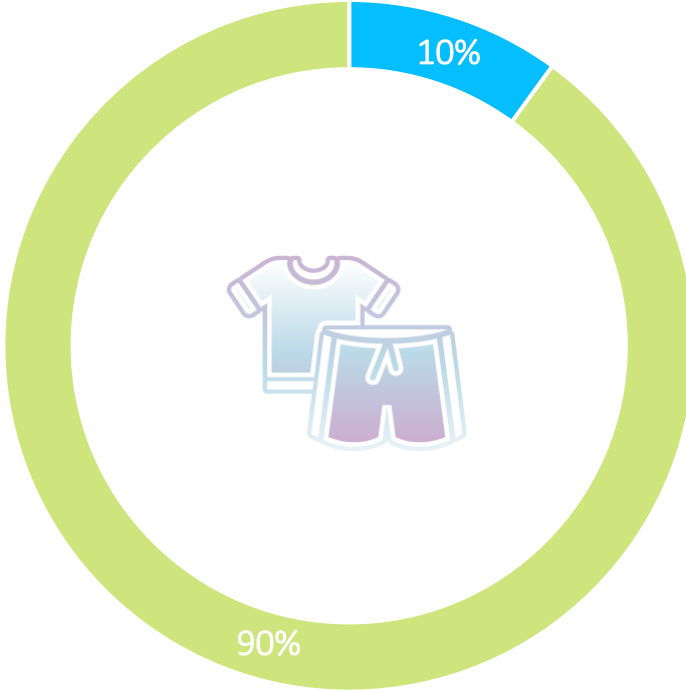
# Group's Production Capacity Allocation

## Footwear



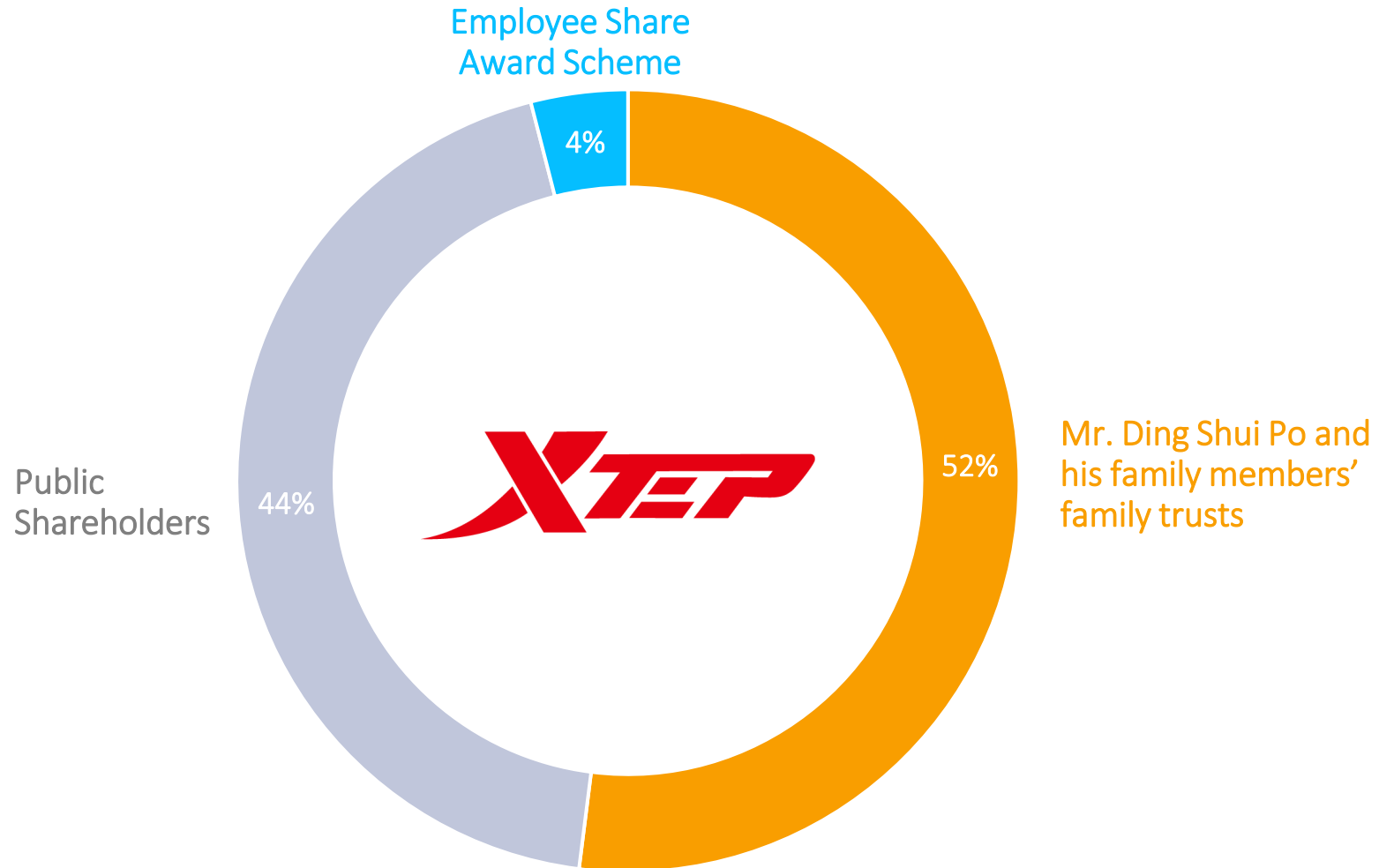
- In-house
- Outsourced

## Apparel



- In-house
- Outsourced

# Shareholding Structure as at 31 December 2024



Total no. of issued shares as at 31 December 2024: 2,683,650,072



# Disclaimer

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