



Xtep International Holdings Limited

Incorporated in the Cayman Islands with Limited Liability (HKSE Stock Code: 1368)

Xtep Announces 2025 Annual Results
Group's Revenue Increased by 4.2% to RMB14,151 Million
Net Profit Up 10.8% to a New All-Time High of RMB1,372 Million

Professional Sports Segment Sustained Strong Revenue Growth of 30.8%
to RMB1,636 Million

Highlights

- Revenue of the Group's continuing operations increased by 4.2% to RMB14,151.1 million, driven by the stable performance of the core Xtep brand and robust growth of the professional sports segment.
- Revenue of the core Xtep brand increased by 1.5% to RMB12,515.1 million. Revenue of the professional sports segment climbed by 30.8% to RMB1,636.0 million.
- Revenue of the overseas business nearly doubled, with cross-border e-commerce delivering over 220% growth, fueled by robust performance across key Southeast Asian platforms.
- Operating profit of the Group's continuing operations grew to RMB2,018.8 million. Operating profit of the professional sports segment recorded a substantial increase of 46.4% to RMB114.5 million.
- Including a loss of RMB67.1 million from the discontinued operation (K-SWISS and Palladium) in 2024, profit attributable to ordinary equity holders of the Company reached RMB1,371.6 million, representing an increase of 10.8%.
- The Group's financial position remains strong, with net cash surging by 73.4% to RMB1,707.0 million, and net asset value per Share increasing by 12.3% to RMB3.64.
- The Board has proposed a final dividend of HK9.5 cents per Share, with the option to receive scrip shares in lieu of cash. Together with an interim dividend of HK18.0 cents per Share, the full-year dividend payout ratio equates to 50.4%. Since its listing, the Group has maintained a dividend payout ratio of no less than 50% for 18 consecutive years, demonstrating its unwavering commitment to delivering long-term shareholder value.
- As at 31 December 2025, there were 6,357 Xtep Adult and 1,488 X Young branded stores in the Chinese Mainland and overseas, respectively. Saucony recorded 175 stores in the Chinese Mainland.

26 March 2026, Hong Kong – Leading PRC-based professional sportswear enterprise **Xtep International Holdings Limited** (the "Company", together with its subsidiaries, the "Group") (Stock code: 1368. HK) today announced its annual results for the year ended 31 December 2025 ("2025" or "the year").

In 2025, the Group's revenue from continuing operations rose 4.2% to RMB14,151.1 million with gross profit margin at 42.8%. Revenue of the core Xtep brand increased by 1.5% to RMB12,515.1 million. Revenue of the professional sports segment climbed by 30.8% to RMB1,636.0 million. Revenue of the overseas business nearly doubled, with cross-border e-commerce delivering over 220% growth, fueled by robust performance across key Southeast Asian platforms. Operating profit of the Group's continuing operations grew to RMB2,018.8 million. Including a loss of RMB67.1 million from the discontinued operation (K-SWISS and Palladium) in 2024, profit attributable to ordinary equity holders of the Company reached RMB1,371.6 million, representing an increase of 10.8%. Basic earnings per Share stood at RMB51.4 cents. The Board has proposed a final dividend of HK9.5 cents per Share, with the option to receive scrip shares in lieu of cash. Together with an interim dividend of HK18.0 cents per Share, the full-year dividend payout ratio equates to 50.4%. Since its listing, the Group has maintained a dividend payout ratio of no less than 50% for 18 consecutive years, demonstrating its unwavering commitment to delivering long-term shareholder value.

Mr. Ding Shui Po, Chairman and Chief Executive Officer of Xtep International Holdings Limited, said, "As China's leading running brand, our market dominance serves as a strategic buffer against volatility. In

2025, the Group has reinforced its strategic focus on running and maintained the highest wear rates across all major marathons in China, demonstrating the core Xtep brand's professional resonance with the broader mass market. At the Tokyo Marathon in March, we supported Feng Peiyu to break Chinese record and ranked 1st among Asian athletes as he wore the '160X 7.0 PRO', leading Chinese marathon running into the 2:05 era. Through continuous R&D to fortify our product matrix, alongside channel optimization and our direct-to-consumer (DTC) initiatives, we are set to enhance operational efficiency, capture greater market share, and deliver sustainable value.”

Business Review

Core Xtep brand

Extending leadership in running

Xtep has established a new industry benchmark amid China's ongoing running boom, achieving an unprecedented milestone in the nation's marathon history. Xtep now consistently ranks first in participant wear rates across all major domestic marathons, validating the efficacy of its “professional-to-mass influence” strategy. During the 2025-2026 period, Xtep secured the highest wear rate among all participants in each of the six key marathons—Shanghai, Beijing, Xiamen, Guangzhou, Wuxi, and Chengdu—completing a full sweep of these flagship events. Our performance-driven reputation was further strengthened when athlete He Jie won gold at the marathon event of the National Games, and Feng Peiyu, wearing Xtep shoes, clocked a time of 2:05:58, breaking the Chinese record and finishing as the fastest Asian runner at the 2026 Tokyo Marathon. This landmark accomplishment distinguishes Xtep as the first brand in Chinese marathon history to achieve such comprehensive market leadership.

“160X 7” Championship and “QING YUN” mass market flagship running series

In August, Xtep launched the next-generation championship running shoe, the “160X 7” series, featuring “160X 7.0 MONXTER”, “160X 7.0 PRO”, and “160X 7.0”. Equipped with pioneering technologies and state-of-the-art carbon fiber plates, these shoes are set to raise the performance standards of professional running shoes to a new level. The “160X” series continued to help elite athletes secure outstanding results in numerous international and domestic races. Additionally, the championship running series also includes the “260X” and “360X” models. Both series are engineered with carbon fiber plates and designed to elevate speed training and everyday running.

Driven by a commitment to delivering value-for-money, high-performance footwear, Xtep further expanded its mass-market offerings with the launch of “QING YUN” flagship cushioned running series, featuring a complete range of models – from those without a carbon fiber plate to those equipped with one – ensuring a more comfortable and ergonomic fit for everyday runners.

Fostering runner connections

In 2025, the Group reinforced its strategic commitment to China's running culture by sponsoring 74 landmark running events nationwide. This included its 17th consecutive year of supporting the Xiamen Marathon, a World Athletics Platinum Label race, alongside several Gold Label marathons. In addition, 71 Xtep Running Clubs are strategically situated in China's top urban parks and most popular running corridors, serving as full-service havens for athletes. Members enjoy tailored running guidance, organized group runs, and premium conveniences including charging and shower facilities. By hosting exclusive events and collaborating with affiliated running groups, Xtep actively promotes participation and fosters a more connected, thriving running community.

Upgrading retail network and branding

Xtep's commitment to retail management is a key driver of success, continuously enhancing its brand image and competitive standing. This commitment is powerfully demonstrated by the launch of its premium Gold Label store in Shanghai in December, effectively strengthening its professional running image and enhancing overall store productivity. Capitalizing on the rapid growth of outlet channels, Xtep further launched the Selected Xtep format, signifying the brand's strategic entry into the premium outlet space while effectively addressing the diverse needs of consumers with competitive value across all segments. At the same time, Xtep has accelerated channel reforms by introducing a direct-to-consumer (DTC) model to swiftly respond

to evolving consumer preferences, securing a foundation for long-term growth in this dynamic market.

As at 31 December 2025, there were 6,357 Xtep Adult branded stores, mainly operated by authorized distributors in the Chinese Mainland and overseas (31 December 2024: 6,382).

E-commerce

The e-commerce business continued to be a primary growth driver in 2025, accounting for more than one-third of the Xtep brand's revenue. Live streaming platforms such as Douyin and WeChat Channels emerged as high-performance retail channels for the Group, with revenue surging by around 40%. Meanwhile, the running segment within e-commerce demonstrated robust growth, led by the flagship "2,000 KM", which incorporates cutting-edge cushioning technology and a highly durable outsole. Sales volume for the series doubled in 2025, underscoring its strong market performance.

X Young

Building on over 13 years of commitment to youth athletics, Xtep has established itself as a trusted leader in children's sportswear and youth development. In 2025, we debuted the "Xtep Growth Shoes 1.0 PRO", which features three key supportive technologies to support youth growth through athletics. Meanwhile, we further deepened our collaboration with Tsinghua x-lab, making significant progress through in-depth discussions focused on sustainable sports and scientific-commercial solutions for youth development. Xtep and the Department of Physical Education of Tsinghua University completed the analysis of 330,000 children's foot morphology datasets, applying AI measurement technology to product research to develop a comprehensive "Growth Science" solution. As at 31 December 2025, there were 1,488 X Young stores in the Chinese Mainland (31 December 2024: 1,584), predominantly operated by the Group's authorized distributors.

Overseas business

Leveraging its established leadership in running from China, Xtep is accelerating its global strategy to unlock new avenues for growth. This initiative is advancing rapidly with targeted store openings and digital penetration in Southeast Asia. During the year, Xtep launched its first overseas Running Club in Singapore and a flagship running store through partnership with Bonia in Malaysia, successfully attracting international runners and supporting wider regional development. Xtep's cross-border e-commerce business has achieved remarkable progress, delivering over 220% growth fueled by robust performance across key Southeast Asian platforms including Shopee, TikTok and Lazada.

Saucony and Merrell maintaining strong growth momentum

Fueled by Saucony's robust revenue growth, the professional sports segment delivered a strong financial performance in 2025. Revenue rose by 30.8% year on year to RMB1,636.0 million, accounting for 11.6% of the Group's total revenue. The segment also recorded a significant rise in profitability, with operating profit reaching RMB114.5 million, a substantial increase from RMB78.2 million in the prior year.

Rooted in a century of running heritage, Saucony's high-performance gear has long been the trusted choice of professional athletes. To premiumize the brand and expand its influence, Saucony has executed a comprehensive transformation, elevating its product innovation capabilities, refining its retail channels, and launching sophisticated marketing campaigns. Premium Saucony flagship stores were opened in prominent upscale malls across key cities, paired with a greater product assortment that bridged performance and lifestyle, featuring premium running apparel and versatile lifestyle gear. This strategic transformation has successfully extended Saucony's appeal beyond elite runners to resonate with discerning, high-end consumers. As of 31 December 2025, there were 175 Saucony stores in the Chinese Mainland.

Merrell has maintained its commitment to delivering technically advanced apparel and footwear for the outdoor enthusiasts, striking an optimal balance between uncompromising performance, durable functionality, and all-day comfort. By prioritizing e-commerce as its primary growth engine and centering on three core product lines, including trail running, hiking and outdoor lifestyle, Merrell has turned the surge in outdoor industry into consistent market gains and long-term brand loyalty.

Leading the way with high ESG standards

Xtep has demonstrated its commitment to sustainable growth by integrating environmental protection, social responsibility, and corporate governance throughout its business operations. To support circular-economy practices, Xtep launched a dedicated program to recycle pre-consumer textile waste and established a closed loop system to collect and process production scraps for regenerating into yarn. During the year, 51.3 tons of fabric waste were recycled and further repurposed into the official race shirts for the 2026 Xiamen Marathon. The Group also supported various philanthropic initiatives through sportswear and financial donations valued at over RMB64 million, reinforcing its commitment to having a positive impact on society.

Prospects

Our deep commitment to the running market has laid a formidable foundation for enduring achievements. Through a relentless focus on innovation and investments in product development, channel expansion, and marketing initiatives, we have built a comprehensive and market-leading running ecosystem, bolstering our position as China's premier running brand. The complementary strengths of our portfolio—spearheaded by the core Xtep brand, alongside Saucony and Merrell—are poised to generate greater synergies and extend our competitive reach across the industry.

Our leadership in the running sector is consistently demonstrated by achieving the highest wear rates at major marathons across China. Breakthrough innovation is exemplified by our "160X" championship running series, which has empowered athletes to set national records and championship victories. In complementing our professional running products, we are committed to expanding our product offerings by introducing a wider range of high-quality, accessible products. This enables us to both deliver greater value to runners at every level and broaden our market presence.

To deepen engagement and loyalty, we introduced a direct-to-consumer (DTC) model in 2025. This strategic shift has enabled us to engage more directly with our community, swiftly respond to their evolving needs, and provide a more seamless purchasing experience. This foundation of agility and direct connection is critical for accelerating innovation, enhancing operational efficiency, and securing long-term growth.

As a heritage brand with over a century of history, Saucony has been successful in building up its premium brand image and effectively captured the growing demand for professional sportswear among running and social elites. This has enabled the brand to gather strong growth momentum, solidifying its role as the Group's secondary growth engine. Building on the positive market response to its apparel and lifestyle collection, Saucony will continue to expand this category while reinforcing its core performance running line. Saucony's expanded presence in premium retail locations has significantly strengthened its brand image, reinforcing our confidence in further refining our channel strategy to unlock greater store productivity and operational efficiency in the future.

The fundamentals of the sportswear industry remain strong, supported by favorable government policies and society's increasing focus on health and wellness. This sector-wide resilience, coupled with our distinct operational agility, bolsters our confidence in the future. Our competitive edge is driven by a fully optimized, end-to-end supply chain network that allows us to anticipate and respond with precision to evolving consumer preferences and emerging market niches. We are therefore well-equipped to strategically transform near-term volatility into growth opportunities and deliver sustained value to our stakeholders.

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About Xtep International Holdings Limited

Xtep International Holdings Limited (SEHK stock code: 1368) is a leading multi-brand sportswear company listed on the Main Board of the Hong Kong Stock Exchange in 2008. The Group principally engages in the design, development, manufacturing, sales, marketing and brand management of sports products covering footwear, apparel and accessories for adults and children. With the core Xtep brand, Saucony and Merrell under its diversified brand portfolio, the Group strategically targets the mass market and professional sports segments through an extensive distribution network of more than 8,000 stores.

Xtep is a constituent of the MSCI China Small Cap Index and Hang Seng Composite Index Series, and is an eligible stock under the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect. For more information, please visit Xtep's corporate website: www.xtep.com.hk or scan the Group's WeChat QR code below.



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Appendix

2025 Annual Results Financial Highlights

| For the Year Ended 31 December | 2025 | 2024 | Change |
|---|-----------------------------------|-----------------------------------|------------------|
| Profitability Data (RMB million) | | | |
| Continuing Operations | | | |
| Revenue | 14,151.1 | 13,577.2 | +4.2% |
| Gross Profit | 6,063.0 | 5,865.4 | +3.4% |
| Operating Profit | 2,018.8 | 1,965.5 | +2.7% |
| Net Profit from Continuing Operations | 1,371.6 | 1,305.5 | +5.1% |
| (Loss) from Discontinued Operation | - | (67.1) | N/A |
| Profit Attributable to Ordinary Equity Holders | 1,371.6 | 1,238.4 | +10.8% |
| Basic Earnings per Share (RMB cents) | 51.4 | 48.7 | +5.5% |
| Profitability Ratios | | | |
| Continuing Operations | | | |
| Gross Profit Margin | 42.8% | 43.2% | -0.4% pts |
| Operating Profit Margin | 14.3% | 14.5% | -0.2% pts |
| Net Profit Margin | 9.7% | 9.6% | +0.1% pts |
| Group's Net Profit Margin | 9.7% | 9.1% | +0.6% pts |
| Dividend Payout Ratio | 50.4% | 138.2% | -87.8% pts |
| | As at 31 December 2025 | As at 31 December 2024 | Change |
| Net cash and cash equivalents | 1,707.0 | 984.7 | +73.4% |

Group Revenue from Continuing Operations & Gross Profit Margin Breakdown

By product

| For the Year Ended 31 December | 2025 | 2024 | Change |
|--------------------------------|---------|---------|-----------|
| Footwear | | | |
| Revenue (RMB million) | 8,420.0 | 8,054.4 | +4.5% |
| Gross Profit Margin | 44.9% | 44.9% | No change |
| Apparel | | | |
| Revenue (RMB million) | 5,451.3 | 5,226.2 | +4.3% |
| Gross Profit Margin | 40.1% | 41.1% | -1.0% pt |
| Accessories | | | |
| Revenue (RMB million) | 279.8 | 296.6 | -5.7% |
| Gross Profit Margin | 35.4% | 33.3% | +2.1% pts |

By brand nature

| For the Year Ended 31 December | 2025 | 2024 | Change |
|--------------------------------|----------|----------|-----------|
| Mass Market | | | |
| Revenue (RMB million) | 12,515.1 | 12,326.9 | +1.5% |
| Gross Profit Margin | 41.2% | 41.8% | -0.6% pts |
| Professional Sports | | | |
| Revenue (RMB million) | 1,636.0 | 1,250.3 | +30.8% |
| Gross Profit Margin | 55.5% | 57.2% | -1.7% pts |