



**ESPRIT Announces Interim Results for FY 2023**

***The Group's Dynamic Initiatives Set to Fuel Remarkable Growth in Second Half of 2023***

(28 August 2023, Hong Kong) – **ESPRIT HOLDINGS LIMITED** (the “Company”, together with its subsidiaries, “ESPRIT” or the “Group”; HKEx: 00330) has announced its unaudited financial interim results for the six months ended 30 June 2023 (the “Period”).

The Company's performance during the Period was adversely impacted by the challenging global economic conditions and the ongoing conflict in Ukraine, which had a significant influence on consumer sentiment not only in Germany but also throughout Europe. The negative effects were further compounded by the Company's short-term adjustments stemming from brand elevation and repositioning in the fashion industry. These strategic changes, while necessary for long-term growth, played a role in the lower-than-anticipated results.

The Group recorded a total revenue of HK\$3,025 million and gross profit margin of 44.7% for the Period, representing a decrease of 17% and 1.1% points respectively as compared with the six months ended 30 June 2022. Nonetheless, the Group remained essentially debt free and recorded cash, bank balances and deposits of HK\$1,314 million in total as at 30 June 2023.

**Mr. PAK William Eui Won, Executive Director, Chief Executive Officer and Chief Operating Officer**, said, “Over the past six months, the Group has diligently implemented a range of progressive initiatives aimed at revitalizing its growth trajectory. The management remains optimistic about the anticipated outcomes of these initiatives, expecting them to yield tangible results during the second half of this year. Encouraging signs have already emerged from the June results, indicating positive developments. Moreover, the Group has an exciting array of upcoming events in the second half of this year. These dynamic endeavours are expected to not only strengthen the Group's market position but also propel its overall success to new heights.”

**Highlights of on-going initiatives**

**Market:** The Company continues to fortify its presence in both the US and international markets, as it aims to restore ESPRIT to its original, elevated, and globally recognized brand position. ESPRIT has successfully revitalized its global footprint through strategic expansion into North America. Several retail store openings are underway for launch in the latter half of 2023 in key cities such as permanent stores in Los Angeles, New York and Vancouver, and pop-up stores in Chicago, Los Angeles and New York. In Europe, the retail team is developing shop-in-shops under a brand-new elevated concept within twenty of ESPRIT's best European retail and franchise locations. These have been instrumental in creating buzz and reinstating ESPRIT's prominence on a global scale.

**Digital:** The Company is set to revolutionize the online customer experience with a simplified and innovative technology platform. Currently live in South Korea, this platform will be introduced to the US market by Q3 of 2023, followed by its launch in Europe by mid-2024. Simultaneously, the digital team is working on developing a modern data stack, scheduled to be completed by mid-2024, which seamlessly connect customers and products. By harnessing the power of artificial intelligence and large language models, ESPRIT aims to solidify its leadership position in the industry, providing unparalleled customer engagement and satisfaction.

**Omnichannel:** The Company is dedicated to embracing cutting-edge technology and implementing best industry practices to elevate customer experience. The on-going projects aimed at developing innovative in-store omnichannel digital solutions for stores-of-the-future to provide digital and hyper-personalized service experiences for upcoming Flagship and Experium stores, ensuring customers to experience the best when interacting with ESPRIT.

**Product:** ESPRIT is thrilled to introduce a captivating new collection that exemplifies unparalleled quality and exquisite design. Among the highlights is the highly anticipated unveiling of a new denim line developed at the Group's innovation centre in Amsterdam. Additionally, there will be a launch of an in-house developed kid's apparel line, catering to children aged two to twelve. With these exciting additions to the product assortment, ESPRIT continues to redefine fashion excellence and cater to the diverse needs of valued customers.

**Ms. CHIU Christin Su Yi, Chairperson and Executive Director,** concluded, "The Company's financial outlook is forward-looking in nature. Our unwavering commitment lies in fostering sustainable global growth. As we embark on the journey ahead, we acknowledge that challenges may arise, but our resolve remains unyielding in overcoming them. With utmost confidence, we believe that our commitment and relentless pursuit of excellence will pave the way for a brighter future for ESPRIT."

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### **About ESPRIT**

Known and beloved in the 80s, ESPRIT is an iconic lifestyle brand. Tapping into its innovative brand origins, rooted in creativity, community and playfulness, ESPRIT puts forward a confident and current aesthetic world around its "rules don't apply" brand promise. This world aims to attract the existing brand fans nostalgic for the brand as well as the young generation of consumers who are wearing the ESPRIT-pioneered styles without even knowing it. ESPRIT's brand direction comes to life through mischievous communication, aspirational visual language, cutting-edge retail experience and the new and differentiating product direction that mixes urban and country styles, dressiness and informality and is designed for all genders. Building upon being playful, modern, and cool as the three core brand pillars, ESPRIT is reinventing itself as the ultimate icon for the post-icon age.

With a commitment to being the pioneer of a hyper-personalized consumer experience, ESPRIT opened a global network of innovation headquarters. Design and creative is led out of New York as the brand's Global Creative hub. Amsterdam supports the network with its focus on technology and denim innovation, while Hong Kong remains as the global administrative headquarters. ESPRIT has presence in more than 30 markets around the world and has been listed on the Hong Kong Stock Exchange since 1993.

**For media enquiries, please contact:**

**Asia:**

Strategic Financial Relations Limited

Ms. Yoko Li

Email: [sprg\\_esprit@sprg.com.hk](mailto:sprg_esprit@sprg.com.hk) / [yoko.li@sprg.com.hk](mailto:yoko.li@sprg.com.hk)

**Investor Relations:**

ESPRIT Holdings Limited

Ms. Jennifer Lui

Email: [jennifer.lui@esprit.com](mailto:jennifer.lui@esprit.com)

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**Forward-Looking Statements**

This press release contains certain forward-looking statements relating to the Group that are based on the beliefs of the Group's management as well as assumptions made by and information currently available to the Group's management. Such forward-looking statements are subject to various risks and uncertainties, including without limitation, statements relating to our plans to transform the Company's business, make a significant investment in our businesses and achieve sustainable profitability in the future, and other risks and factors identified by us from time to time.

When used herein, the words "anticipate", "believe", "could", "estimate", "expect", "going forward", "intend", "may", "ought to", "plan", "project", "seek", "should", "will", "would" and similar expressions, as they relate to the Group or the Group's management, are intended to identify forward-looking statements. These forward-looking statements reflect the Group's views at the time such statements were made with respect to future events and are not a guarantee of future performance or developments. Actual events and/or results could differ materially. You are strongly cautioned not to place reliance on such forward-looking statements. The Group undertakes no obligation to publicly update or revise any forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or any other applicable laws and regulations. All forward-looking statements contained in this document are expressly qualified by these cautionary statements.