



ESPRIT Announces Annual Results for FY 2022

***ESPRIT Develops Strategic Initiatives
To Capture Key Opportunities For Its Growth***

(30 March 2023, Hong Kong) – **ESPRIT HOLDINGS LIMITED** (the “Company”, together with its subsidiaries, “ESPRIT” or the “Group;” HKEx: 00330) has announced its audited financial annual results for the year ended 31 December 2022 (the “Year”).

The Company has faced an unfavourable economic environment this year, particularly in Germany. Exacerbated by the Russia-Ukraine conflict and an overreliance on natural gas from Russia, energy prices soared and triggered a large inflationary spike. This led to an increase in interest rates and currency volatility that has affected consumer spending behaviour. In order to address these challenges, the management team has continued to focus on improving operational efficiency while reducing aged inventory in preparation for the Company’s exciting rebrand launch.

Against this backdrop, the Group recorded a total revenue of HK\$7,063 million and gross profit margin of 40.7% for the Year, representing a year-on-year drop of 15% and 7.9% points respectively. Nonetheless, the Group remained essentially debt free and recorded cash, bank balances and deposits in a total of HK\$2,012 million as at the end of the Year.

Mr. PAK William Eui Won, Executive Director, Chief Executive Officer and Chief Operating Officer, said, “Despite occasional slowdown in our performance as impacted by several external factors, the Company and the management team are consistently building a solid foundation for rebound. The Company launched a series of initiatives undertaken during the Year. Additionally, exciting new plans for 2023 relating to Retail, Omnichannel, Marketing, Product, and Information Technology (IT) are already in place.”

Highlights of 2022 initiatives and new plans in 2023

Relaunch in the US: The Company moved its global creative headquarters to New York City (NYC) at the end of 2022. The new NYC headquarters host the brand’s global design, branding, creative and marketing teams as well as a showroom and a photo studio. ESPRIT has redefined its global identity by distilling its brand origins into the three pillars - **Playful, Modern and Cool**. The 3 brand pillars will be expressed through creative direction and branding efforts. ESPRIT celebrated its return to the US with a LA pop-up in Beverly Hills followed by a NYC pop-up in Soho - paving the path for the official ESPRIT brand relaunch set for mid-2023, with a focus on modernizing the brand heritage and values for today’s consumer in a way that resonates across generations.

Retail: Company plans to open additional pop-up stores within 2023, building on the success of launching pop-up stores in Los Angeles, NYC, Hong Kong, and Seoul. The first flagship store in the US will be opened in Q3 2023 on the trendy Robertson Boulevard in LA. The Company is in the process of integrating a brand-new retail

store design to both new and existing stores. The first revamp of an ESPRIT flagship store in Duesseldorf, Germany, its first redesign in more than ten years, is expected to be completed in mid-2023.

Omnichannel: The Company finalized its omnichannel strategy in 2022 to strengthen ESPRIT’s omnichannel-commerce capabilities in building a highly personalized customer experience from 2023 onwards. Core elements within the omnichannel strategy includes omnichannel stores that utilize artificial intelligence, digital technology, and real-time data not only to support retail operations but, more importantly, to enrich the customer experience. Omnichannel platform which also includes a new loyalty program, gamification elements and hyper personalized one-of-a-kind shopping experience that bridges offline and online seamlessly. Dedicated E-shop was launched in several new key markets including America, Canada, Australia, South Korea, Hong Kong, Taiwan, Philippines, Thailand, and Singapore. ESPRIT mobile applications was also launched in several Asian countries to provide a seamless shopping experience.

Product: The Company vows to reposition ESPRIT back to its roots by focusing on design, fit and quality. The new product design translates the brand DNA of playful, modern and cool into product directions with an emphasis on premium fabric quality. This is achieved by streamlining the existing suppliers and through internal cross functional collaboration from design, product planning to sourcing. In addition to developing new fits that are relevant for all silhouettes, existing fit blocks have been closely examined and reviewed to provide the best fit and ensure consistency.

Ms. CHIU Christin Su Yi, Chairperson and Executive Director, concluded, “Amidst a challenging global business environment, the on-going initiatives, and new plans for 2023 are strategic opportunities planned for ESPRIT’s growth. The Company has a firm financial footing with a healthy balance sheet, which allows it to invest whenever good opportunities arise. We have great confidence to build towards a brighter and more successful future.”

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About ESPRIT

Fueled by the vision of essential positivity, ESPRIT was founded in California by couple Susie and Doug Tompkins in 1968. Inspired by the revolutionary spirit of the 60s the brand developed a clear philosophy – always celebrating real people and togetherness. The success story of ESPRIT is based on two pillars: Delivering joy every day through laid-back tailored, high quality essentials and carefully selected fashion-forward pieces while staying true to its core values of sustainability, equality and freedom of choice. In the early 90ies, long before "Eco Fashion" became fashionable, ESPRIT debuted its first “collection” made of 100% organic cotton and featured its own team instead of models in honor of their “Real People Campaign.” Listed on the Hong Kong Stock Exchange since 1993, ESPRIT represents the next fashion revolution: influence the ways we interact with our environment, create joy and care for things we love - the true essence of “ESPRIT de Corps”. ESPRIT has a presence in 30 markets around the globe. The Company’s administrative headquarters is located in Hong Kong and New York City hosts the brand’s creative headquarters.

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Forward-Looking Statements

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