

**For Immediate Release**



## **Esprit Revitalized with Series of Exciting Developments in the Pipeline**

*With new CPO onboard, the brand is set to launch new capsule collections drawing on its rich history and brand heritage*

(29 December 2021, Hong Kong) – **ESPRIT HOLDINGS LIMITED** (“Esprit”, “the Company” or “the Group”; HKEx: 00330) is pleased to announce that it has several exciting developments in the pipeline, which clearly hints at the return of the “Esprit” brand to the Asian market. After relocating its headquarters back to Hong Kong earlier this year, the Group is delighted to announce the appointment of its new Chief Product Officer (“CPO”), Mr. Sang Langill (“Mr. Langill”), who joined the Company in September 2021, spurring the creation of a series of new capsule collections and adjusting the Group’s strategy to focus on its e-commerce expansion.

For the six months ended 30 June 2021 (“the Period”), during which time the Group underwent a number of operational changes, Esprit recorded a turnaround from loss to profit for the first time since the annual results for the year ended 30 June 2017, highlighting the success of its ongoing restructuring activities. Unaudited profit attributable to the shareholders of the Company was approximately HK\$121 million, as compared with the unaudited loss attributable to the shareholders of the Company of approximately HK\$3,661 million for the prior corresponding period. This positive result was partly due to the stringent cost control measures implemented by the Group, as well as a significant reduction in losses for exceptional items and the improvement in sales, particularly from its e-commerce channels.

Additional noteworthy financial highlights for the six months ended 30 June 2021 (unaudited) include:

1. EBIT turned positive to HK\$164 million, a substantial improvement in performance reversing the HK\$3,119 million LBIT for the comparable six months period ended 30 June 2020. EBIT margin was reported at 4.2%;
2. Net profit attributable to shareholders for the six months ended 30 June 2021 was reported at HK\$121 million with net profit margin of 3.1%, reversing the HK\$3,661 million net loss for the comparable six months period ended 30 June 2020; and
3. Inventories as at 30 June 2021 was reported at HK\$1,249 million, representing 1.2% reduction compared with HK\$1,265 million reported as at 30 June 2020, and 32.3% reduction compared with HK\$1,845 million reported as at 30 June 2019 as a result of rationalisation of inventory management efforts.

Adhering to the Group's motto – “We want to make you feel good to look good” - Esprit has continuously been enhancing its products in terms of design and quality, focusing on apparel that last longer and in turn, are more environmentally friendly and sustainable. Having developed into a brand coveted by people around the world, Esprit is now excited to announce that it will be launching a series of new capsule collections throughout 2022 via omnichannel. The pieces in these collections are not just apparel products; they have been lovingly designed around themes infused with Esprit's DNA, ultimately aiming to ignite a sense of nostalgia with the customer and to evoke memories of love, joy and happiness that they shared with Esprit. By focusing on the brand's story back in the late 70s through the 90s, the team hopes to bring its colorful heritage and successes into the modern age, reminding customers of Esprit's long history as a leader in fashion, encouraging them to feel the same way that its designers do about the brand and their creations.

The limited edition capsule pieces have been curated and designed by members from garment and product design, merchandising, branding, and concept to consumer teams, located in different regions including Germany, Seoul, New York, Los Angeles, and, last but not least, Hong Kong. Together, these teams form Esprit's global design hub, led by the Company's CPO, based in Hong Kong. **Mr. Langill says**, “I am excited and honoured to be part of a brand with such a strong heritage. Furthermore, I am impressed by the passion and dedication exhibited by the teams throughout all our regions. I am confident that our love and passion for Esprit will be reflected in our upcoming collections.”

Going forward, e-commerce will be Esprit's key strategic pillar for its global ambitions. The Group is now looking into leveraging its e-commerce partnerships and expansion of its own proprietary direct-to-consumer e-commerce platform to accelerate this growth driver in Asia. Meanwhile, the Group is also accelerating its first-party data capture and smart use of data to increase brand awareness and strengthen customer loyalty.

**Ms. CHIU Christin Su Yi, Chairman**, concluded, “Sang will take on the global leadership of the product and merchandising side of the business. I have great confidence and expectations for Sang and his team to introduce new innovation and creativity to Esprit's product offering to not only drive sales but to also help our brand better engage with customers in a meaningful way.”

Please look out for the many more exciting developments to come!

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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, in line with the brand's promise: “We want to make you feel good to look good”. 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. Example: In the early 90s, long before "Eco Fashion" became fashionable, Esprit debuted its first “ecollection” made of 100% organic cotton and featured its own team instead of models in honor of their “Real People Campaign.”

Keeping this spirit alive since day one, today Esprit has a presence in more than 30 markets around the globe. The Group has been listed on the Hong Kong Stock Exchange since 1993, and Esprit’s global headquarters is located in Hong Kong.

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