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ANTA Sports | Asia Pacific

View Post 1Q25 and Acquisition:
Mixed Takes But Net Positive

Key Takeaways

- ANTA's ability to deliver ~15% retail sales growth in 1Q25 (not from low base) corroborates its competitive advantages in operating a brand portfolio.
- Its acquisition of Jack Wolfskin (JW) meets its M&A strategy to drive sustainable growth...
- ...Based on ANTA's record in operational enhancement and business expansion, we think the valuation is reasonable and ROIC will be good.
- Yet, we think group OPM could still be under pressure in 1H25, as ANTA/FILA's discount deepened in 1Q and given rising China macro risks amid trade tensions.
- It intends to reserve cash due to macro risks (and maybe more deals in the pipeline), but a pause on buyback could fall short of market expectations.

All considered, we think the market view on ANTA could be neutral to mildly positive after the 1Q25 update and Jack Wolfskin deal, so it is likely the stock will trade in line with the sector near term. We note the market's rising expectations about bigger and broader consumption stimulus policies, which should bode well for China sportswear. However, we will watch for potential macro risks as the magnitude of the current US-China trade tensions is unprecedented in recent history.

Longer term, we think ANTA will differentiate itself by delivering sustainable earnings growth. Its multi-brand operation provides a broader opportunity set to expand, and its M&A strategy will bring new growth engines. The JW deal is relatively small, with ~3% sales increment to ANTA in 2025 on a pro forma basis, but with a 100% stake, ANTA has gained another lever to expand globally. With its track record in FILA, Descente, Kolon and Amer, we think ANTA stands a good chance to re-build Jack Wolfskin.

Note that ANTA acquired Amer in 2018-19, when US-China trade tensions escalated with global economy/stock markets under pressure. Since JW's operation is primarily in Europe and China, we see limited geopolitical risk.

Related reports:

[ANTA Sports: 1Q25 Results Takeaways \(10 Apr 2025\)](#)
[ANTA Sports: Acquisition of Jack Wolfskin \(10 Apr 2025\)](#)
[ANTA Sports: Multi-brand and M&A to Drive Sustainable Growth \(19 Mar 2025\)](#)

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ANTA Sports Products (2020.HK, 2020 HK)

China/Hong Kong Consumer | China

Stock Rating	Overweight
Industry View	In-Line
Price target	HK\$117.00
Up/downside to price target (%)	43
Shr price, close (Apr 10, 2025)	HK\$81.55
52-Week Range	HK\$107.50-65.55
Sh out, dil, curr (mn)	2,921
Mkt cap, curr (mn)	US\$30,645
EV, curr (mn)	US\$30,564
Avg daily trading value (mn)	US\$110

Fiscal Year Ending	12/24	12/25e	12/26e	12/27e
EPS (Rmb)**	4.27	4.68	5.08	5.54
Prior EPS (Rmb)**	-	-	-	-
Revenue, net (Rmb mn)	70,826	78,419	85,368	92,884
EBITDA (Rmb mn)	17,837	19,776	21,633	23,329
ModelWare net inc (Rmb mn)	15,596	13,441	14,713	16,107
P/E	13.6	16.7	15.2	13.9
P/BV	3.5	3.3	3.0	2.7
RNOA (%)	29.1	21.0	23.5	26.1
ROE (%)	30.3	21.8	21.6	21.4
EV/EBITDA	11.9	11.0	9.7	8.6
Div yld (%)	3.9	3.2	3.5	3.8
FCF yld ratio (%)	(0.8)	4.7	5.3	5.8
Leverage (EOP) (%)	(9.1)	(17.7)	(26.6)	(34.7)

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework

** = Based on consensus methodology

e = Morgan Stanley Research estimates

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Valuation Methodology and Risks

ANTA Sports Products (2020.HK)

Base case value, 23x target P/E multiple (around the average trading multiple since 2019) on our 2025 EPS estimate. We think continued market share gains via its diversified brand portfolio will support the company's confident outlook for the year. Our price target implies 2.6x PEG.

Risks to Upside

- Stronger economic growth
- Continued FILA growth momentum
- ANTA brand's successful reengineering
- Rapid growth for other rising brands including Descente, Kolon, Arc'teryx and Salomon.

Risks to Downside

- Weak sales and earnings growth in 1H24
- Continued macro weakness
- Unfavorable shift in fashion trend and style
- Cannibalization within the brand portfolio
- Amer Sports' stock volatility

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	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1516	40%	387	46%	26%	694	40%
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Not-Rated/Hold	3	0%	0	0%	0%	0	0%
Underweight/Sell	598	16%	81	10%	14%	227	13%
Total	3,799		848			1726	

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INDUSTRY COVERAGE: China/Hong Kong Consumer

COMPANY (TICKER)	RATING (AS OF)	PRICE* (04/10/2025)
Carol Xia		
Angel Yeast Co. Ltd. (600298.SS)	O (02/20/2025)	Rmb34.00
Bosideng International Holdings Limited (3998.HK)	O (11/27/2024)	HK\$3.94
Chacha Food Co Ltd (002557.SZ)	U (02/20/2025)	Rmb26.62
Foshan Haitian Flavouring and Food (603288.SS)	++	Rmb42.20
Jonjee Hi-Tech (600872.SS)	U (12/18/2024)	Rmb21.40
Weilong Delicious Global Holdings Ltd (9985.HK)	O (07/19/2024)	HK\$16.30
Yihai International Holding Ltd (1579.HK)	E (03/01/2024)	HK\$13.38
Dustin Wei		
ANTA Sports Products (2020.HK)	O (04/12/2019)	HK\$81.55
C&S Paper Co Ltd (002511.SZ)	U (09/22/2021)	Rmb6.54
Giant Biogene Holding Co Ltd (2367.HK)	O (08/08/2024)	HK\$68.35
Health and Happiness (H&H) (1112.HK)	E (07/12/2021)	HK\$8.76
Hengan International Group (1044.HK)	E (05/06/2021)	HK\$20.55
Li Ning (2331.HK)	O (10/09/2019)	HK\$14.90
Pop Mart International Group (9992.HK)	O (05/17/2021)	HK\$143.80
Proya Cosmetics Co. Ltd. (603605.SS)	O (10/12/2021)	Rmb78.25
Samsonite Group (1910.HK)	O (06/15/2020)	HK\$14.42
Shanghai Jahwa United Co. Ltd. (600315.SS)	U (07/07/2023)	Rmb20.01
Sun Art Retail Group Limited (6808.HK)	E (03/05/2019)	HK\$1.90
Topsports International Holdings Ltd (6110.HK)	O (11/13/2019)	HK\$2.75
Yonghui Superstores (601933.SS)	U (05/18/2023)	Rmb6.23
Zhou Hei Ya International Holdings (1458.HK)	E (08/02/2022)	HK\$2.21
Hildy Ling		
Beijing Roborock Technology Co Ltd (688169.SS)	O (09/25/2024)	Rmb195.00
China Tourism Group Duty Free (1880.HK)	E (12/13/2023)	HK\$55.95
China Tourism Group Duty Free (601888.SS)	E (12/13/2023)	Rmb70.21
Chow Tai Fook Jewellery Group Ltd (1929.HK)	O (03/04/2025)	HK\$8.80
Chow Tai Seng Jewellery Co Ltd (002867.SZ)	U (03/04/2025)	Rmb13.11
Ecovacs Robotics Co Ltd (603486.SS)	E (10/30/2023)	Rmb47.10
Haidilao International Holding Ltd (6862.HK)	O (05/26/2021)	HK\$17.56

Hangzhou Robam Appliances Co Ltd (002508.SZ)	U (02/21/2024)	Rmb22.68
Jiumaojiu International Holdings Ltd (9922.HK)	U (01/20/2025)	HK\$2.67
Joyoung Co Ltd (002242.SZ)	U (09/25/2024)	Rmb9.19
Lao Feng Xiang Co Ltd (600612.SS)	U (06/04/2021)	Rmb49.10
Laopu Gold (6181.HK)	E (03/04/2025)	HK\$727.50
Oppein Home Group Inc. (603833.SS)	U (02/21/2024)	Rmb67.60
Suofeiya Home Collection Co. Ltd (002572.SZ)	U (02/21/2024)	Rmb16.42
Super Hi (HDL.O)	E (01/14/2025)	US\$20.35
Zhejiang Supor Co. Ltd. (002032.SZ)	E (01/17/2022)	Rmb56.82
Lillian Lou		
Anhui Gujing Distillery Company Limited (000596.SZ)	E (11/22/2022)	Rmb179.85
Budweiser Brewing Company APAC Ltd (1876.HK)	O (11/04/2019)	HK\$8.59
China Mengniu Dairy (2319.HK)	O (09/14/2017)	HK\$20.00
China Resources Beer Holdings Co Ltd (0291.HK)	O (12/11/2018)	HK\$27.35
Chongqing Brewery Co. Ltd. (600132.SS)	U (07/30/2021)	Rmb60.00
Gree Electric Appliances Inc of Zhuhai (000651.SZ)	O (04/14/2020)	Rmb44.81
Haier Smart Home Co Ltd (600690.SS)	E (01/17/2022)	Rmb25.51
Haier Smart Home Co Ltd (6690.HK)	E (01/17/2022)	HK\$21.35
Kweichow Moutai Company Ltd. (600519.SS)	O (10/17/2014)	Rmb1,549.00
Luzhou Lao Jiao Co. Ltd (000568.SZ)	E (01/23/2019)	Rmb132.80
Midea Group Co Ltd. (0300.HK)	O (11/01/2024)	HK\$69.25
Midea Group Co Ltd. (000333.SZ)	O (01/17/2022)	Rmb71.09
Nayuki Holdings Ltd (2150.HK)	U (11/01/2024)	HK\$0.95
Nongfu Spring Co Ltd (9633.HK)	E (07/30/2021)	HK\$35.00
Shanxi Xinghuacun Fen Wine Factory Co. (600809.SS)	O (10/28/2020)	Rmb222.00
Shuanghui Development (000895.SZ)	U (03/16/2021)	Rmb27.55
Tsingtao Brewery Co Ltd (0168.HK)	E (11/01/2024)	HK\$59.15
Tsingtao Brewery Co Ltd (600600.SS)	E (02/28/2024)	Rmb80.30
WH Group (0288.HK)	O (02/24/2025)	HK\$6.76
Wuliangye Yibin Company Ltd. (000858.SZ)	E (08/15/2024)	Rmb133.15
Yanghe Brewery (002304.SZ)	U (01/05/2021)	Rmb75.39
Yanjing Brewery (000729.SZ)	U (09/02/2015)	Rmb13.21
Yili Industrial (600887.SS)	O (01/29/2014)	Rmb29.68
Yum China Holdings Inc. (YUMC.N)	O (03/20/2018)	US\$44.82
Terence Cheng		
Chervon Holdings Ltd. (2285.HK)	E (04/12/2024)	HK\$12.12
Crystal International Group Ltd. (2232.HK)	O (01/26/2024)	HK\$4.46
Gongniu Group Co Ltd (603195.SS)	O (05/08/2023)	Rmb70.33
Hangzhou Greatstar Industrial Co Ltd (002444.SZ)	E (10/26/2022)	Rmb23.73
Huali Industrial Group Co (300979.SZ)	E (10/09/2024)	Rmb54.04
Shenzhen International Group Holdings (2313.HK)	O (07/13/2017)	HK\$49.05
Stella International Holdings Ltd (1836.HK)	O (05/21/2020)	HK\$14.20
Techtronic Industries Co Ltd (0669.HK)	O (12/05/2019)	HK\$76.20
Yue Yuen Industrial Hldg (0551.HK)	E (09/14/2021)	HK\$11.16
Wilkins Tong		
China Foods Limited (0506.HK)	E (04/17/2024)	HK\$2.95
Tingyi (Cayman Islands) (0322.HK)	O (08/24/2022)	HK\$13.28
Uni-President China (0220.HK)	U (09/11/2024)	HK\$9.04
Want Want China Holdings Ltd (0151.HK)	E (11/29/2023)	HK\$4.89
ZJLD Group (6979.HK)	O (08/15/2024)	HK\$6.88

Stock Ratings are subject to change. Please see latest research for each company.

* Historical prices are not split adjusted.