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Cross-Border M&A and High-End Brand Transformation: A Case Study of ANTA' s Acquisition of Amer Sports

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Abstract: With the deepening of global economic integration, cross-border mergers and acquisitions (M&A) have become a vital strategy for Chinese enterprises to achieve high-end brand transformation. This paper examines the leveraged acquisition of Amer Sports by a consortium led by ANTA Sports, a landmark transaction valued at 4.6 billion euros. Through case analysis and financial data verification, the motivations, risks, and integration strategies of this deal are systematically explored. The research indicates that the primary motivations include expanding global market share, optimizing the brand portfolio to move up the value chain, and seizing growth opportunities in the Chinese winter sports market. Despite challenges such as high financial leverage and cross-cultural integration issues, ANTA successfully achieved synergies. This was achieved by maintaining brand independence, empowering backend operations, and promoting a direct-to-consumer (DTC) model. Financial data reveals that Amer Sports achieved profitability in 2021, with revenue reaching 5.18 billion USD by 2024. This case provides significant insights for Chinese consumer goods companies seeking to expand internationally through strategic acquisitions.

Keywords: ANTA Sports; Amer Sports; Cross-border M&A; Multi-Brand Strategy; Financial Performance

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1.Introduction

In the context of deepening global economic integration, the internationalization of Chinese enterprises has entered a new stage. Unlike the early period, which mainly focused on acquiring upstream resources, current strategies have shifted toward seeking high-end brands, advanced technology, and global management experience. Cross-border mergers and acquisitions (M&A) are increasingly regarded as an essential tool for firms to move up the global value chain. For the sports equipment industry in China, this transition is particularly critical due to the changing domestic market environment.

Domestically, the sports equipment market has become highly competitive and is approaching saturation. The global sportswear market has long been dominated by international giants such as Nike and Adidas, creating high entry barriers for local companies. Although leading enterprises like ANTA Sports have established strong advantages in local retail operations, relying solely on internal growth is no longer sufficient to maintain long-term development. Furthermore, consumer demand has shown a clear polarization trend. With rising income levels, especially among consumers, the growing middle-income group has moved beyond basic functional needs and increasingly values brand culture and professional identity.

Against this background, acquiring international sports brands with clear positioning and strong technical foundations became a strategic priority. Amer Sports, a Finnish company that owns well-known brands such as Arc'teryx and Salomon, drew significant attention in the capital markets. While Amer Sports possessed a diversified brand portfolio covering both professional and lifestyle segments, its presence in the Chinese market remained limited. This created a complementary opportunity. The combination of Amer's brand assets and ANTA's local retail capabilities provided a solid foundation for value creation.

Therefore, this study aims to examine the motivations, implementation process, and post-merger integration strategies of this landmark acquisition. By analyzing strategic considerations and synergy mechanisms, empirical evidence is provided for the applicability of synergy theory to emerging-market multinational enterprises. This case offers valuable insights into how Chinese consumer goods firms can manage challenges, such as financial pressure and cultural integration, following international acquisitions.

2.Literature Review

The rise of emerging market multinational enterprises (EMNEs) has prompted extensive academic inquiry. While early research focused on resource seeking, recent scholarship emphasizes how these firms use cross-border mergers and acquisitions (M&A) to acquire strategic assets and enhance capabilities.

2.1 Theoretical Evolution: From Springboard to Upgrading

The Springboard Perspective, originally proposed by Luo & Tung (2007), remains foundational. It suggests EMNEs use international expansion to overcome latecomer disadvantages. Recently, Luo & Tung (2018) updated this theory, emphasizing that for Chinese firms, M&A is no longer just about survival but about aggressively accessing global innovation networks. This aligns with the specific characteristics identified by Ramamurti & Hillemann (2018), who argue that Chinese firms leverage government-created advantages and leapfrogging strategies to turn latecomer disadvantages into competitive edges. By aggressively acquiring mature global assets, firms like ANTA can bypass traditional evolutionary stages, leveraging policy support and capital to instantly establish a global brand ecosystem.

2.2 Knowledge Transfer and Brand Integration

Post-merger integration (PMI) is a critical determinant of M&A success, particularly for emerging-market enterprises seeking to upgrade their capabilities. Nair et al. (2015) emphasize the strategic importance of reverse knowledge transfer (RKT), arguing that emerging-market multinationals actively seek to acquire overseas subsidiaries that act as specialized contributors to access specific technological and managerial competencies. By tapping into these advanced knowledge bases, acquirers can effectively overcome the "liability of emergingness" and accelerate their catch-up process despite the complexity of the knowledge involved. This theoretical perspective explains ANTA's intent not merely to own Amer Sports' assets, but to internalize its R&D and global brand management capabilities to bridge its own capability gaps.

However, extracting this value requires a delicate balance to avoid destroying the target's unique culture. To facilitate knowledge transfer while minimizing cultural conflict, Liu & Woywode (2013) advocate for a light-touch integration approach. Their research defines this strategy as a synthesis of preservation and symbiosis: the acquirer retains the target's local management team and brand identity to protect its core competencies, while simultaneously providing strategic guidance and resources through advisory boards. This model perfectly aligns with ANTA's strategy of "brand independence with backend empowerment," enabling Amer Sports to retain its premium image and innovation culture while benefiting from ANTA's supply chain efficiency and local market access.

2.3 Research Gap

Current literature has extensively covered general manufacturing M&A. However, studies specifically addressing the sports and consumer goods sector, where emotional connection and brand heritage are paramount, remain limited. This paper aims to bridge this gap by examining how a Chinese firm manages the financial and cultural complexities of acquiring a mature Western brand consortium.

3.Case Overview

ANTA Sports was established in 1991 in Fujian. ANTA Sports evolved from a traditional manufacturing entity into a comprehensive sports equipment group. Prior to the acquisition, the company had successfully transitioned from a wholesale model to a retail-oriented strategy, managing a portfolio that included ANTA, FILA, and DESCENTE. This strategic shift reflects the broader industry trend in which Chinese firms are migrating from original equipment manufacturing (OEM) to original brand manufacturing (OBM) to capture higher-value-added segments (Yang, 2022). By 2018, ANTA operated over 10,000 stores and achieved revenue of 24.1 billion RMB. However, its revenue remained highly dependent on the domestic market, and the group lacked a strong foothold in the global high-end professional equipment sector.

Table 1 Main Financial Indicators of ANTA Sports in 2018

Indicator	2018	2017	Changes
Revenue (RMB million)	24100	16692.5	↑44.4%
Gross profit (RMB million)	12687.3	8241.1	↑54.0%
Profit from operations (RMB million)	5699.8	3988.7	↑42.9%
Profit attributable to equity shareholders (RMB million)	4102.9	3087.8	↑32.9%
Basic earnings per share (RMB cents)	152.82	117.01	↑30.6%
Free cash inflow (RMB million)	3448.9	2662.2	↑29.6%
Gross profit margin	52.60%	49.40%	↑3.2p.p.
Operating profit margin	23.70%	23.90%	↓0.2p.p.
Margin of profit attributable to equity shareholders	17.00%	18.50%	↓1.5p.p.
Total dividends per share (HK cents)	78	98	↓20.4%
Dividend payout ratio	44.90%	70.20%	↓25.3p.p.

Data source: ANTA's 2018 Annual Results Conference

Amer Sports is a Finland-based global group possessing premium assets such as Arc'teryx and Salomon. Unlike ANTA, Amer Sports maintained a mature global sales network across Europe and North America but faced stagnant growth and limited penetration in the emerging Chinese market. The operational complementarity between the two entities was significant. ANTA offered high retail efficiency and local market access, whereas Amer provided global brand equity and specialized R&D capabilities that were difficult to develop internally.

In December 2018, an investor consortium led by ANTA Sports, combined with FountainVest and Tencent, launched a formal tender offer for Amer Sports. The transaction was valued at approximately 4.6 billion euros with an offer price of 40.00 euros per share. This consortium structure enabled ANTA to mitigate financial risks while leveraging its partners' digital resources. Following regulatory approvals in multiple jurisdictions, the acquisition was finalized in March 2019. This deal marked a significant milestone, facilitating ANTA's transformation from a regional leader into a globally competitive sports group.

4.The Motivations and Risks

The acquisition of Amer Sports by ANTA was not only a financial transaction but a complex strategic maneuver designed to reshape the company's global trajectory. The multidimensional motivations behind the deal and the significant risks that accompanied such a high-stakes leverage buyout.

4.1 Strategic Motivations

The primary driver of the acquisition was the urgent need for global expansion and market diversification. Before 2018, ANTA Sports had established a dominant position in the domestic market. However, the company faced the growth ceiling characteristic of local leaders. Its revenue was heavily concentrated in mainland China, leaving it vulnerable to fluctuations in the single market. As noted in the case data, international business accounted for a negligible proportion of total revenue. To overcome this, acquiring Amer Sports provided an immediate global footprint. Amer Sports possessed a mature sales network across Europe, North America, and the Asia-Pacific region. By leveraging these established channels, ANTA aimed to bypass the lengthy, costly process of organic internationalization and, through the acquisition, use it as a springboard to transform from a regional entity into a global sports group. This aligns with the Springboard Perspective, updated by Luo & Tung

(2018), which posits that emerging-market enterprises use M&A to acquire global assets and aggressively reduce latecomer disadvantages.

Secondly, the acquisition was driven by the strategic necessity to optimize the brand matrix and ascend the value chain. Before the merger, one part of ANTA's brand portfolio was anchored by the main ANTA brand, which targeted the mass market with functional, cost-effective products. The other part was occupied by FILA, which successfully catered to the sports fashion segment. However, a critical gap existed in the middle: the specialized, high-end professional sports equipment sector. Amer Sports, with its portfolio of luxury professional brands like Arc'teryx (outdoor), Salomon (skiing/running), and Wilson (ball sports), perfectly filled this void. Integrating these brands enabled ANTA to build a comprehensive brand gradient spanning the mass-market, sports fashion, and professional high-end sectors. Strategic Asset Seeking is essential for firms aiming to enhance brand equity and capture higher profit margins in a competitive industry.

Furthermore, policy-driven market opportunities played a crucial role. The acquisition coincided with the Chinese government's strategic initiative to promote winter sports, aiming to reach "300 million people participating in ice and snow sports" ahead of the Beijing Winter Olympics. While Amer Sports held a strong position in winter equipment, its presence in China was weak. Conversely, ANTA possessed deep local retail capabilities but lacked top-tier winter sports products. The merger created a perfect synergy, allowing ANTA to capitalize on the explosive growth of the domestic winter sports market by introducing Amer's premium products through ANTA's extensive distribution network.

4.2 The Risks and Challenges

Despite the clear strategic logic, the acquisition entailed substantial risks, primarily financial pressure due to high leverage. The transaction value of 4.6 billion euros was enormous relative to ANTA's asset size at the time. This scenario necessitated significant debt financing, leading to a sharp increase in the group's leverage ratio. The immediate consequence was a heavy burden of interest expenses, which compressed distributable profits and strained operational cash flow. Moreover, a significant portion of the transaction value was recorded as goodwill. If the post-merger performance of Amer Sports failed to meet expectations, or if the market outlook for specific segments declined, the company faced the risk of massive goodwill impairment, which could severely damage financial results.

In addition to financial risks, cultural and managerial integration posed a severe challenge. Successful cross-border M&A requires not just financial resources but the ability to manage cultural friction. As Liu & Meyer (2020) highlight, the liability of foreignness often hinders integration. ANTA and Amer Sports operated with fundamentally different organizational DNAs. ANTA, rooted in the competitive Chinese market, was characterized by a result-oriented, KPI-driven, and highly efficient retail culture. In contrast, Amer Sports, headquartered in Finland, emphasized R&D, professional functionality, and a slower-paced, engineering-driven approach. Imposing ANTA's aggressive sales targets on Amer's product teams could potentially stifle innovation and lead to the loss of core technical talent. Therefore, finding a balance between maintaining Amer's brand independence and improving its operational efficiency was a critical test for ANTA's management.

Finally, operational risks associated with business model transformation were significant. A key part of the post-merger strategy was to transition Amer Sports from a wholesale-dominated model to a Direct-to-Consumer (DTC) model. While DTC offers higher margins and better consumer data, it demands exceptional capabilities in supply chain management, inventory control, and retail operations. For a company like Amer, which had relied on distributors for decades, this transformation involved a steep learning curve. Improper execution could lead to inventory backlogs and increased operational costs, further exacerbating financial pressure from debt service. External factors, such as global trade tensions and the unforeseen impact of the COVID-19 pandemic shortly after the deal, further amplified these risks, creating a volatile environment for the integration process.

5.Performance Analysis

The ultimate measure of a cross-border merger and acquisition (M&A) lies in whether the integration strategy effectively translates into tangible operational and financial performance. Following the acquisition of Amer Sports, ANTA Sports faced the dual challenge of managing high financial leverage and integrating a complex global brand portfolio. Data from 2019 to 2024 indicates that the company successfully navigated the initial integration period and achieved significant value creation, validating the strategic motivations outlined in the previous section.

5.1 Enhancement of Market Position

The most immediate impact of the acquisition was the substantial expansion of ANTA's market share and global influence. By integrating Amer Sports, the group successfully consolidated its leadership in the Chinese market while establishing a formidable global presence. According to financial data, ANTA's market share in China steadily increased to 23.0% by 2024. This growth allowed the company to surpass international competitors and rank first in the domestic industry(See Table2). Furthermore, the group's consolidated revenue exceeded 100 billion RMB, placing it among the top three sports equipment groups globally, trailing only Nike and Adidas. This shift demonstrates that the acquisition effectively propelled the company from a regional leader to a top-tier global player. The brand synergy was particularly evident in the Greater China region. By leveraging ANTA's extensive retail network, Amer Sports accelerated its market penetration. In 2024, revenue from Greater China accounted for nearly 25% of Amer Sports' revenue, making it the fastest-growing market for the subsidiary. This outcome confirms the efficacy of the global brand, local operation model.

Table 2. Anta Market Share from 2020 to 2024

Year	2024	2023	2022	2021	2020
Market Share	23.0%	19.0%	19.5%	17.7%	15.5%

Data source: ANTA annual reports over the years

5.2 Operational Efficiency and Asset Turnover

Analyzing operational indicators reveals a trajectory of "short-term pressure followed by long-term recovery." In the immediate post-merger period (2019-2020), the company experienced a decline in efficiency due to integration friction and the consolidation of Amer's heavy asset structure. For instance, the accounts receivable turnover ratio dropped from 5.76 times in 2018 to 5.50 times in 2020, while the total asset turnover ratio decreased from 1.11 to 0.76 times. These fluctuations reflected the challenges of aligning different channel systems and the financial burden of the leveraged buyout. However, as integration deepened, these metrics showed a robust rebound. Starting from 2021, operational efficiency improved significantly. By 2024, the accounts receivable turnover ratio climbed to 17.10 times, and the total asset turnover ratio recovered to 1.78 times, both surpassing pre-merger levels. This improvement suggests that management successfully optimized the supply chains and retail operations of the acquired brands, thereby verifying the theoretical argument by Luo & Tung (2018) that emerging market firms can create value by combining their manufacturing efficiency with acquired brand assets (see Table 3)..

Table 3. Key Operating Efficiency Indicators (2016-2024)

	Accounts receivable turnover ratio	Inventory turnover	Current asset turnover ratio	Total asset turnover ratio
2016	5.51	5.79	1.24	1.00
2017	5.24	5.01	1.24	1.00
2018	5.76	4.42	1.39	1.11
2019	6.20	4.14	1.59	1.03
2020	5.50	3.09	1.27	0.76
2021	7.48	2.92	1.36	0.86
2022	10.53	2.53	1.24	0.78
2023	16.70	3.20	2.21	1.69
2024	17.10	2.98	2.35	1.78

Data source: Oriental Wealth Network

5.3 Financial Returns and Profitability

From a financial perspective, the acquisition has generated comprehensive returns, characterized by structural profit optimization and successful capital market validation. Firstly, the inclusion of high-margin brands such as Arc'teryx significantly bolstered the group's profitability. The gross profit margin rose consistently, breaking the 60% threshold in 2021 and maintaining a high level of 62.16% in 2024. This structural improvement indicates that the company successfully transitioned from selling mass-market products to high-value-added professional equipment. Consequently, the net profit margin on sales reached a historical high of 23.99% in 2024. Secondly, the independent listing of Amer Sports on the New York Stock Exchange in early 2024 marked the completion of value realization. The initial public offering (IPO) raised approximately 1.365 billion USD, which was primarily utilized to repay the debt incurred during the acquisition. This move significantly reduced the leverage ratio and optimized the capital structure. Following the IPO, Amer Sports' market capitalization grew substantially, reaching approximately 21.27 billion USD by December 2025. As the controlling shareholder, ANTA saw its equity interest increase nearly fivefold from the initial investment (Table 4.).

In summary, the performance data confirms that the acquisition has achieved its strategic objectives. Despite early financial constraints, the company successfully leveraged synergy effects to enhance market share, improve operational efficiency, and deliver superior financial returns.

Table 4. Profitability Analysis and Structural Optimization (2016-2024)

Year	Net profit margin on sales	Gross Profit Margin	ROE	ROA
2016	18.32%	48.40%	25.52%	17.32%
2017	18.92%	49.37%	27.24%	19.04%
2018	17.57%	52.64%	27.13%	18.44%
2019	16.58%	55.00%	29.49%	16.15%
2020	15.68%	58.15%	24.08%	11.40%
2021	16.66%	61.64%	29.55%	13.66%
2022	15.37%	60.24%	22.96%	11.01%
2023	18.08%	62.60%	23.84%	12.23%
2024	23.99%	62.16%	27.28%	16.00%

Data source: Compiled and analyzed based on ANTA Company's financial reports from 2016 to 2024

6.Conclusion and Implications

This study has systematically examined the leveraged acquisition of Amer Sports by ANTA Sports, analyzing the strategic motivations, integration challenges, and subsequent performance implications. The research confirms that the acquisition was a pivotal strategic maneuver enabling ANTA to overcome domestic market saturation and achieve a global brand hierarchy.

6.1 Research Summary

The analysis indicates that the primary motivations, global expansion, brand portfolio optimization, and the acquisition of strategic assets, have been largely realized. Despite initial concerns regarding high financial leverage and cultural heterogeneity, ANTA successfully navigated the post-merger phase. By adopting a strategy of brand independence with backend empowerment, the company effectively mitigated integration risks. Financial data from 2021 to 2024 demonstrates a clear trajectory of recovery and growth, with Amer Sports achieving profitability and ANTA's operational metrics surpassing pre-merger levels. This supports the conclusion that cross-border M&A is an effective mechanism for emerging-market enterprises to ascend the global value chain.

6.2 Theoretical and Practical Implications

Theoretically, this case provides significant empirical evidence regarding the critical role of post-merger integration in cross-border transactions. The value realization of acquisitions in the consumer goods industry is not determined solely by the purchase of assets but is heavily contingent upon the subsequent coordination of marketing capabilities and supply chains. ANTA's strategy supports this perspective, demonstrating that a light-touch integration approach, which preserves the target's brand identity while empowering its backend operations, is an effective mechanism for overcoming the liability of foreignness often faced by emerging-market enterprises. This suggests that, for future cross-border deals, the focus of strategic planning should shift from simple asset acquisition to the design of mechanisms for synergistic integration that respect cultural heterogeneity.

From a financial management perspective, although the successful listing of Amer Sports has provided a clear exit path for initial investors, optimizing the capital structure remains a priority for the entity's sustained health. The high leverage ratio associated with the acquisition created substantial pressure on the group's cash flow during the early stages. Therefore, it is recommended that the company continue to utilize the strong internal cash flow generated by the revitalized brands to systematically reduce debt levels. Deleveraging will not only lower interest expenses but also build a financial buffer against potential fluctuations in the global economic environment, ensuring that the company maintains the flexibility to invest in future growth opportunities without being constrained by debt service obligations.

At the operational level, the long-term success of the acquisition hinges on deepening business model transformation and retaining human capital. The shift towards a Direct-to-Consumer (DTC) model, initiated post-merger, requires further reinforcement to ensure that the acquirer's operational efficiency characteristic is fully transferred to the acquired brands. This involves tailoring differentiated retail solutions to specific markets rather than relying on a "one-size-fits-all" approach. Simultaneously, maintaining the stability of the core management and R&D teams at Amer Sports is essential. To prevent the loss of key personnel, which often occurs in the aftermath of cross-border deals, establishing a long-term incentive mechanism that aligns the international team's interests with the group's strategic goals is strictly necessary.

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Conflict of Interests

The authors declare that there is no conflict of interest regarding the publication of this paper.

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