

# Anta Sports International Acquisition Battle: From Nothing to Something and From Small to Big Metamorphosis

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**Abstract.** Under the impact of the three-year epidemic, China's total retail sales of consumer goods declined and consumers' propensity to consume continued to weaken, but sales in the sporting goods industry continued to grow steadily, with growth rates exceeding those of total retail sales of consumer goods. Chinese consumers are more resilient in their consumption of sporting goods, and after China's opening up, the proportion of Chinese people participating in outdoor sports has increased dramatically, creating greater demand in the market. In this context, the high-end outdoor sports brand beginning of the fire. However, in this the biggest winner is behind the Anta, a local Chinese brand acquired Finland's high-end sporting goods brand Amer Sports, and successfully turned a loss into profit. As matter of fact, such an opportunity Anta not only seized once, this paper focuses on the analysis of Anta's acquisition of FILA and Anta's acquisition of Amer Sports two classic cases, explored Anta through cross-border mergers and acquisitions to achieve the metamorphosis from scratch, from small to large, for other popular clothing brands to reshape the product grade, expand the share of the international market to provide experience and reference.

**Keywords:** Cross-border merger and acquisition (M&A), comparative analysis, Anta sports.

## 1. Introduction

Rising inflation, continued interest rate hikes by major central banks and ever-tightening monetary policy have hit the domestic retail market hard in 2019-2022 due to recurring epidemics and declining consumer sentiment. Data from China's National Bureau of Statistics ("NBS") showed that GDP grew by 3.0% in 2022, lower than the 5.5% growth expected at the beginning of 2022. Total retail sales of consumer goods reached RMB43.97 trillion in 2022, down 0.2% year-on-year, while the consumer confidence index fell to a record low in November 2022, reflecting a challenging business environment for the industry. Nevertheless, the overall sports footwear and apparel industry continued to grow steadily in 2012 at a higher rate than the overall retail sales of consumer goods, reflecting the resilience of Chinese consumers' demand for sports footwear and apparel. The following chart shows the trend of China's apparel industry sales from 2012 to 2021, which clearly shows that the industry's sales are generally on an upward trend, and although they declined during the epidemic, they quickly recovered to return to or even exceed pre-epidemic figures.

In July this year, the General Office of the General Administration of Sport of China issued a notice on the restoration and expansion of sports consumption work programmed, the restoration and expansion of sports consumption in the priority position, in line with the upgrading trend of differentiation, diversification and quality of residents' consumption, to promote economic growth, build a new pattern of development to contribute to the power of sports, for the development of sporting goods industry after the epidemic to provide policy support. Nowadays, the national fitness boom is gradually emerging, along with the continuous upgrading of the national consumption structure, the focus of people buying sporting goods is also gradually changing, from focusing on comfort and low cost to focusing on professionalism and fashion. The continuous upgrading of consumer demand has prompted major sports brands to carry out brand upgrading. At the end of 2022, the Chinese government officially announced the release of the epidemic, and under the influence of

the three-year epidemic, people pay more attention to outdoor sports, and the outdoor trend is emerging, rock climbing, hiking, skiing, etc., has gradually become a popular sport, which makes the outdoor sports brand of Amer sport, which was acquired by Anta in 2019, the first ancestor of outdoor sports brands. a big hit, becoming the Hermes of outdoor sports brands. Anta sports in the decade from 2009 to 2019 acquired a total of six international brands: fila in China's trademark use rights and operating rights, British sports brand Sprandi, children's clothing brand KINGKOW, Japanese ski brand Descent, South Korea's outdoor brand Kolon and Finnish sports giant Amer sports, all the way to the high tide, the acquisition of the momentum of increasing. The company has achieved the metamorphosis from nothing to something, from small too big. China's textile and apparel industry has become the world's largest in terms of both production and export volume. As economic globalization continues to advance, China is gradually becoming integrated into the global textile and apparel value chain [1]. As a national sportswear brand, Anta has also become increasingly involved in communicating with the international sportswear industry.

With the continuous implementation of globalization strategy, "cross-border mergers and acquisitions" began to enter the vision of China's various industries, some domestic large-scale enterprises began to gradually try to open up the international market with the help of this initiative, and as China's pillar industries of the textile and garment industry is naturally not an exception, so cross-border mergers and acquisitions has become an important initiative for Chinese textile and garment enterprises to enter the overseas market. Therefore, cross-border mergers and acquisitions have become an important measure for Chinese textile and garment enterprises to enter the overseas market [2]. Anta in the domestic market, since the domestic market has successfully built itself into a popular brand, want to change people's impression of the brand is very difficult, so Anta chose to use cross-border acquisitions, so that the brand diversified development, low, medium and high-end brands all together, not only broke through the overseas market, but also to achieve the upgrading of the positioning of Anta sports brand. In the garment industry, there are countless cases of cross-border mergers and acquisitions, such as the Shandong Ruyi Group cross-border mergers and acquisitions of overseas textile and garment enterprises, such as the French SMCP Group, to successfully achieve the transformation and upgrading of the enterprise, to create a well-known brand, and expand the overseas market; HLA merger and acquisition of the Ying's Baby, harvesting a good synergy effect, and successfully increasing the level of the company's operating profit; Semir's acquisition of Kidiliz, to expand the scale of the enterprise, and it has expanded the scale of the enterprise, optimised the allocation of resources, and built a bridge to connect with the international market.

In the current context of China's industrial transformation and upgrading is at a critical stage, garment enterprises in addition to the predicament of their own development bottleneck, as well as faced with the whole industry, the pace of development is slowing down and consumption of the environment is declining, in order to cope with the downturn, to break the bottleneck at the level of development, the increasing number of new enterprises need to integrate through large-scale M&A, the key objective is to obtain high-quality resources, synergy, lowering the barriers to enter new markets and lowering the cost of competition, to achieve rapid business development. The main purpose is to acquire high-quality resources, obtain synergies, lower the barriers to entering new markets and reduce competitive costs, and achieve rapid business development [3].

## **2. Analysis of Anta's Acquisition of FILA**

### **2.1. Social Hot Spot (Acquisition Motivation)**

The 2008 Beijing Olympic Games set off a wave of sporting goods fever. Facing the competition from foreign brands such as NIKE and Adidas, in order to improve the competitiveness of the enterprise, make up for the gap in the middle- and high-end market, and enter the first and second-tier cities, Anta began to merge and acquire the brands located in the middle- and high-end market to expand its own market. The first target is FILA, which has been losing money for years since it first entered the Chinese market. Anta acquired FILA in 2009, as the representative of a century-old sports

and fashion brand, FILA has always presented a passionate and energetic, classic and luxurious brand image, which involves a variety of series, such as tennis, golf, skiing, hiking, basketball, etc. With the development of China's economy, the high-end market has become more and more competitive. With the development of China's economy, the high-end market demand should not be underestimated, re-establishing the brand image requires a lot of time and energy, the acquisition of FILA can effectively realize the main brand of Anta to take the route of the mass market, a number of acquired sub-brands to enter the high-end market layout strategy [7].

## 2.2. Acquisition Methods, Characteristics, and Sources of Funds

Equity acquisition and asset acquisition are two common ways of mergers and acquisitions [8]. First of all, it should be clear that FILA is an Italian brand, Anta in 2009 acquired only FILA in China part of the trademark operating rights, does not belong to the overall acquisition of the target company mergers and acquisitions. 2007, Belle Group through the establishment of Full Prospect to buy FILA Greater China ownership, and then due to poor management losses decided to sell FILA business. 2009, Anta's wholly owned subsidiary Original Power at a price of 325 million Hong Kong dollars, the original power of the company's assets. In 2009, Anta's wholly-owned subsidiary Power to buy Belle's 85% stake in Full Prospect at a price of HK\$325 million, the acquisition of the FILA brand in China's trademark rights and operating rights, after the transaction was completed, Anta Sports owns 100% of the equity interests in the original power, the original power owns 85% of the equity interests in Full Prospect and FILA Marketing 100%. Therefore, the acquisition of FILA by Anta is a merger and acquisition of equity. Anta acquisition of Belle's FILA belongs to the agreement acquisition, the main body of a small number of acquirers Anta and the acquired Belle's controlling shareholders or major shareholders. Compared to the acquisition of Amer Sport by Anta for the tender offer, the total cost of communication of the agreement acquisition is lower, the completion of the higher efficiency, more for the goodwill, friendly and voluntary.

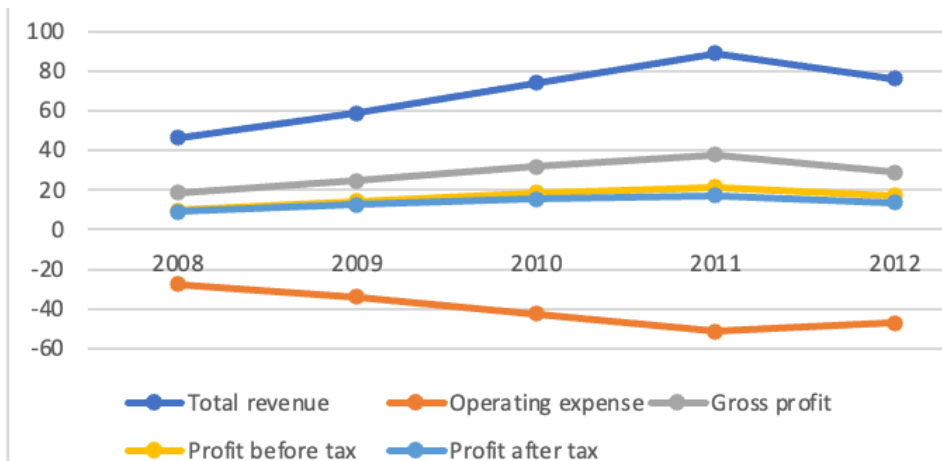
## 2.3. Risks Arising from Acquisitions

According to the company's financial report, in 2009, Anta's revenue was 5.87 billion yuan, and the net profit was 1.25 billion yuan, and the acquisition of FILA needs to come up with more than one-fourth of the annual net profit. Besides, the overestimation of the marketing effect brought by the 2008 Olympic Games has caused a large amount of inventory hoarding in the sporting goods industry. According to information, Belle Full Prospect had a net loss of 5.53 million yuan in 2007, expanding to 32.182 million yuan in 2008; FILA Marketing had a loss of 5.43 million Hong Kong dollars in 2007 and a loss of 6.996 million Hong Kong dollars in 2008. In addition, FILA was mainly engaged in the development of products related to elegant sports such as tennis, golf, skiing, mountaineering, etc., but the demand for these elegant sports products was very limited in the Chinese market at that time. How to solve the fundamental demand problem of FILA in the Chinese market greatly enhanced the risk of Anta's acquisition of FILA. Since the 2008 Beijing Olympics, the sporting goods industry has received a great boost with the emergence of numerous sports fashion brands. Li Ning, Anta, 361 Degrees, Tebu, Hongxingerke, etc. hope to capitalize on the Olympic wind and make a big splash on the international stage. Under such circumstances, the Chinese market knows little about FILA, and it is even more difficult for Anta to manage a newly incorporated brand.

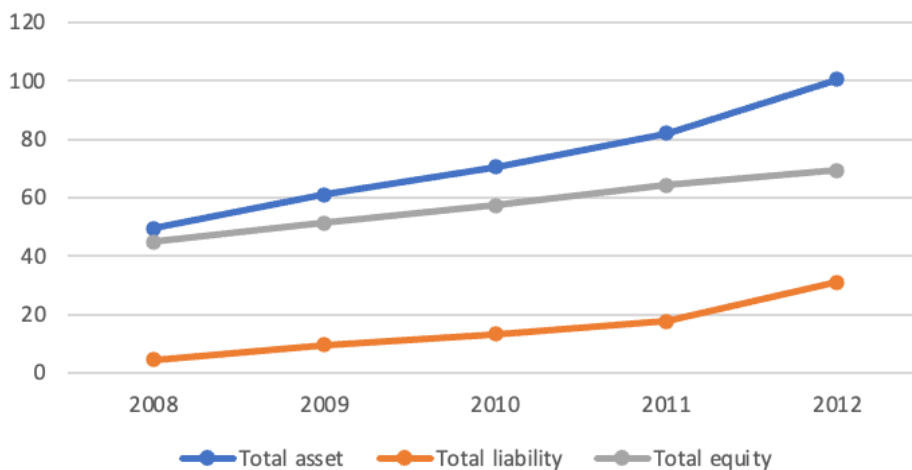
## 2.4. Overall Evaluation

Before the acquisition, Anta's main brand positioning for economic and practical brand, go to the mass market, focusing on cost-effective products, although the sales volume is high, but it is difficult to increase the brand premium on the product, after this Anta through the middle and high-end positioning of FILA, combined with the history of the FILA brand classic style to be improved, to achieve the value of the goods of the brand effect, to broaden the middle and high-end consumer market. Since being acquired by Anta, FILA has grown from a second-tier brand with annual losses of tens of millions of dollars to a popular online brand with annual revenues of tens of billions of

dollars, making it a cash cow for Anta. In order to combine internationalization with localization while maintaining the brand's Italian character, Anta has introduced an international design team to FILA, collaborating with mid- to high-priced brands such as Staple and Fendi, as well as renowned designers such as Ana Sui and Jason Wu, and focusing on developing a sense of fashion and design in its products. To emulate the collection effect of Adidas, Adidas Originals and Adidas Neo, FILA has launched three offshoots in addition to its core brands. In terms of marketing, FILA boldly adopted a multi-endorser strategy, with different celebrities endorsing different product lines, increasing the brand's public opinion atmosphere. In order to cater to the sports retro trend in the fashion world, FILA launched fisherman's hats and pops shoes in response to the trend, coupled with the depth of consumer groups reached by social media accounts such as Weibo, Xiaohongshu and Jieyin, some products were directly out of stock [6].



**Figure 1.** 2008-2012 Anta sports income statement (unit: 100million).



**Figure 2.** 2008-2012 Anta sports balance sheet (unit: 100million).

Seen from Fig. 1, Fig. 2 and Fig 3, a full decade from Anta's acquisition of FILA, in the middle of FY2019, for the first time, the financial data of FILA was disclosed: in the first half of the year, FILA's revenue increased by 79.9% year-on-year, and its contribution to the group accounted for 44% of the total, and its gross profit margin was as high as 71.5%. Anta main brand revenue grew 18.3% year-on-year to 7.589-billion-yuan, accounting for 51% of the entire group. Anta since 07 years listed in Hong Kong to the time, revenue from 3.1 billion to 24.1 billion yuan, an increase of nearly 7 times; net profit from 540 million to 4.1 billion, an increase of 6.6 times, during this period the stock price also rose 10 times, the market capitalization of 140 billion, ranked third in the world, second only to Adidas and Nike, FILA is the main engine of its performance growth. According to the first half of 2020 results announcement, Anta's total revenue fell slightly by 0.95% year-on-year to 14.699 billion yuan, and the overall gross profit margin was 56.8%, a record high. Among them, FILA grew 9.4% year-on-year to 7.152 billion yuan, with a gross margin of 70.5%; Anta's main brand declined 10.7%

year-on-year to 6.777 billion yuan, with a gross margin of 41.6%. And the remaining brand revenue was 770-million-yuan, accounting for only 5.2% of total revenue. It is worth noting that as of June 30, 2020, FILA had 1,930 stores compared to 10,197 for Anta, with the former about 20% of the latter. However, after the initial ten years of rapid growth after being acquired by Anta Sports, the beginnings of FILA's stalling have already appeared. From 2019 to 2022, FILA's revenue growth rate was 73.9%, 18.1%, 25.1% and -1.4% respectively. Not only that, the financial report shows that the gross profit of FILA in 2022 is 14.283 billion yuan, down 7.2% from 15.394 billion yuan in 2021; the gross profit margin of FILA in 2022 is 66.4%, down 4.1% points from 70.5% in 2021. Overall, despite the inflection point of FILA's performance in 2022, the overall impact on Anta Sports in the short term is still controllable. Entering China for ten years, it is undoubtedly a successful acquisition for Anta by virtue of its own international brand effect and Anta's sales channel advantages.

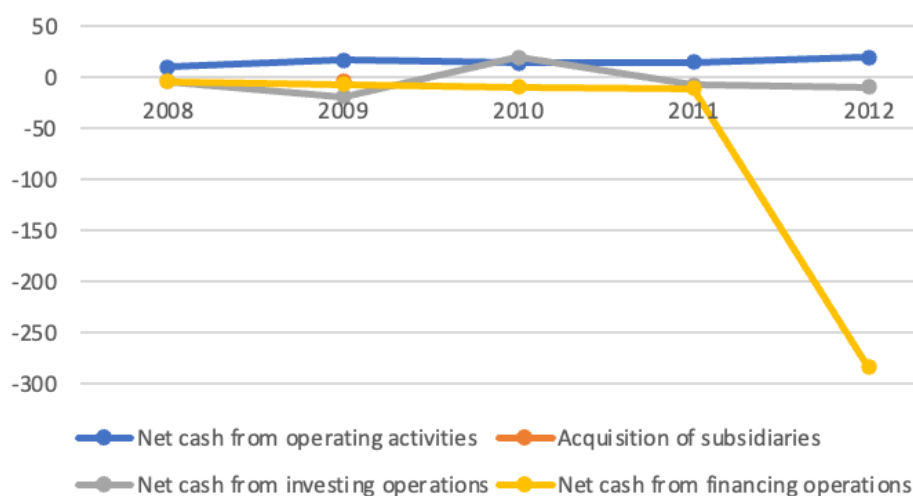


Figure 3. 2008-2012 Anta sports cash flow (unit: 100million).

### 3. Analysis of Anta's Acquisition of Amer Sports

#### 3.1. Type of acquisition

Cross-border mergers and acquisitions (M&As) can be divided into three modes according to the industry in which the target is located: horizontal, vertical and mixed M&As. Horizontal M&A refers to the M&A between the production and marketing departments of the same kind of products in order to improve the scale efficiency and market share; vertical M&A refers to the M&A between the interconnected and closely linked companies in production or operation for the sake of forward or backward expansion of business; mixed M&A refers to the M&A combining horizontal and vertical M&A for the sake of diversification of business and market share. Mixed M&A refers to the combination of horizontal and vertical M&A for business diversification and market share. According to the M&A procedure, it is divided into agreement M&A and offer M&A: agreement M&A refers to the way of acquisition in which the M&A company does not pass through the stock exchange, directly contacts the target company, and reaches a common agreement through negotiation and consultation to achieve the transfer of the target company's equity; offer M&A refers to the way of acquisition in which the M&A company, through the stock exchange's stock transaction, holds 30% of the issued and outstanding shares of a listed company, and issues a public takeover offer to all the shareholders of the company according to the law. Tender offer refers to the acquisition method in which the M&A company, holding 30% of the issued and outstanding shares of a listed company through securities trading on a stock exchange, makes a public takeover offer to all shareholders of the company in accordance with the law, and purchases the shares at a price in accordance with the law in the form of a monetary payment to acquire the equity of the target company. According to the payment method of M&A, it is divided into cash payment type, share exchange M&A type, administrative transfer type and debt commitment type.

This paper analyses the case of Anta merger and acquisition of Amer Sports from the merger and acquisition of the object of the industry to points, it is clear that horizontal mergers and acquisitions, in order to improve their own competitiveness and expand their own market share and improve market segmentation, Anta in this merger and acquisition of its sports brand segmentation basically covers all the needs of the face, from children's clothing to sportswear, from fashion sportswear to professional outdoor sports equipment, skiing, baseball, tennis, Skiing, baseball, tennis, basketball, softball, fitness equipment, a full range of high and low market coverage, fully capable of opening a sports goods mall similar to Decathlon. From the merger and acquisition procedure for the offer type, by Anta sports spv, Lululemon founder Chip Wilson's investment company Anamed Investment and Fountain Vest and Tencent joint venture FV Fund injected 2.363 billion euros in a joint venture company Mascot Jvco indirectly held by wholly owned subsidiaries of Mascot Bid CO launched The offer was successful. According to the merger and acquisition by a method status, is absorbed, merger and acquisition of joint venture Mascot Jvco board members will have four from Anta, and Fangyuan Capital, Tencent and Anamed Investments each have a director, a total of seven directors. In terms of payment method, the acquisition is cash-based, with an all-cash payment and a €1.3bn leveraged 1:1 debt facility secured by Anta.

### 3.2. Source of Funds

On 26 March 2019, three days before the acquisition, Anta Sports reduced its stake in its wholly-owned subsidiary Mascot Jvco from 100% to 57.95%, with the remainder funded by a consortium of investors, making Mascot Jvco a joint venture of Anta Sports. The acquisition is being jointly funded by four forces, namely Anta Sports SPV, Lululemon founder Chip Wilson's investment company Anamed Investments, Fangyuan Capital and Tencent, of which Anta Sports SPV injected €1.532 billion, Anamed Investments injected €550 million and the FV Fund, a joint venture between FountainVest and Tencent, contributed €570 million, for a cumulative total of €2.663 billion. A further €1.3 billion came from debt financing, with Anta acting as guarantor and Mascot Jvco holding a total of €3.663 billion. The final offer was launched by Mascot Bid Co, a Finnish company which is an indirect wholly-owned subsidiary of Mascot Jvco. In accordance with the arrangements for the acquisition, Anta has sold the shares in Amer Sports it held prior to the acquisition to Mascot Bid Co for a consideration of RMB505 million, and Mascot Bid Co will ultimately conduct the final acquisition transaction, upon completion of the transaction, Anta Sports will hold a total of 57.95 per cent. of Amer Sports, and Mr Chip Wilson, the founder of Lululemon, will hold 20.5 per cent. of Amer Sports. Chip Wilson will hold 20.6% of the shares, while Fangyuan Capital and Tencent will hold 15.8% and 5.6% of the shares respectively. Mascot Jvco's board of directors will include four Anta directors, while FountainVest, Tencent and Anamed Investments will each have one director, for a total of seven directors. Mascot Jvco will be treated as a joint venture of Anta Sports after the merger and will not be consolidated.

### 3.3. Features from Acquisitions

The composition of multinational international consortium, the total acquisition amounted to 36 billion yuan, is China's largest acquisition case completed in Europe. Anta shares accounted for more than 50%, but did not merge the company with the table, and chose to use the equity method of accounting, does not affect the beautiful data of the company's financial report will be Amer Sports's statement and Anta sports separation, if Amer Sports profit, will be calculated according to the ratio of shares to Anta investment in profit, and vice versa, if the Amer Sports has a loss, the loss will also be calculated according to the ratio of shares to Anta investment loss, in which the total income, costs, expenses, gross profit is not counted. The equity method of accounting is generally used in minority owned companies and is extremely rare in wholly controlled companies. In order to successfully use the equity method of accounting for financial reporting, Anta sold its own 5.25% stake in Amer Sports to five companies at the end of 2019 for a low price of €140 million, when the purchase price was €241 million. Rationalisation of equity accounting and non-consolidation of Amer Sports.

### 3.4. Determine the Success of the Acquisition

To fill the void of Anta sporting goods market segments, expanding the sports category under Anta, so that Anta sports successfully cover the high, medium and low-end line of sports brands, there are Anta national brand of the popular route (go low-cost), there are also FeiLe mid-range line of fashion trend brand, and now the acquisition of the Amer Sports in the Beginning Bird to take the route of history of the high-end brand. Before the acquisition, 2019 niche outdoor sports began to rise, Xiaohongshu, quick hands, jitterbug and other software to share life gradually popular, countless bloggers began to share their own outdoor trekking, wilderness mountaineering, hiking notes and photos, outdoor sports gradually began to become popular in China, becoming synonymous with the middle class. Many young people to keep up with the trend, the herd effect, have also begun to pay attention to outdoor sports, a variety of outdoor sports equipment brands and thus gradually began to attract people's attention. On this wind, Anta acquired Amer Sports, a company with many outdoor sports brands, to take advantage of this wind. From the 2022 financial results announced by Anta, Amer Sports's sales increased by 23%, indicating that this wind has not stopped, but is blowing more and more fiercely (seen from Table. 1).

**Table 1.** Financial performance (Expressed in millions of units).

Balance Sheet					
	2017	2018	2019	2020	2021
Total current assets	15442	19284	2332	32717	39902
Interests in joint ventures			51	9658	9027
Total non-current assets	3632	509	17898	1915	22766
Total assets	19074	24374	41218	51867	62668
Total current liabilities	4498	7548	12412	11715	15943
Net current assets	10944	11737	10908	21002	23959
Total assets less current liabilities	14576	16826	28806	40152	46725
Finance lease liabilities - non-current liabilities			45	1246	2908
Total non-current liabilities	215	306	7745	14328	15062
Total liabilities	4714	7854	20157	26043	31005
Equity	259	259	261	261	261
Shareholders' equity	13706	15777	20082	24013	28923
Total equity	14361	1652	21061	25824	31663
Total equity and total liabilities	19074	24374	41218	51867	62668
Statement of cash flows					
Net cash from operating activities	3181	444	7485	7458	11861
Cash paid for investments	-586	-59	-11738	-225	-581
Net cash from investing activities	-1579	-1201	-13065	-1923	-4669
Net cash before financing	1603	3239	-558	5535	7192
Net cash from financing operations	-2427	-1136	467	1229	-4947
Net cash	1601	2102	-91	6764	2245
Cash at beginning of period	583	6968	9284	8221	15323
Cash at end of period	6968	9284	8221	15323	17592
Income Statement					
Total operating income	16692	241	33928	35512	49328
Operating expenses	-8451	-11413	-15269	-14861	-18924
Gross profit	8241	12687	18659	20651	30404
Operating profit	3989	57	8695	9152	10989
Profit attributable to joint ventures			-633	-601	-8,100
Profit before tax	4311	5767	8009	8089	1124
Tax	-1152	-1533	-2385	-252	-3021
Profit after tax	3159	4234	5624	5569	8219

### 3.5. Risks Arising from Acquisitions

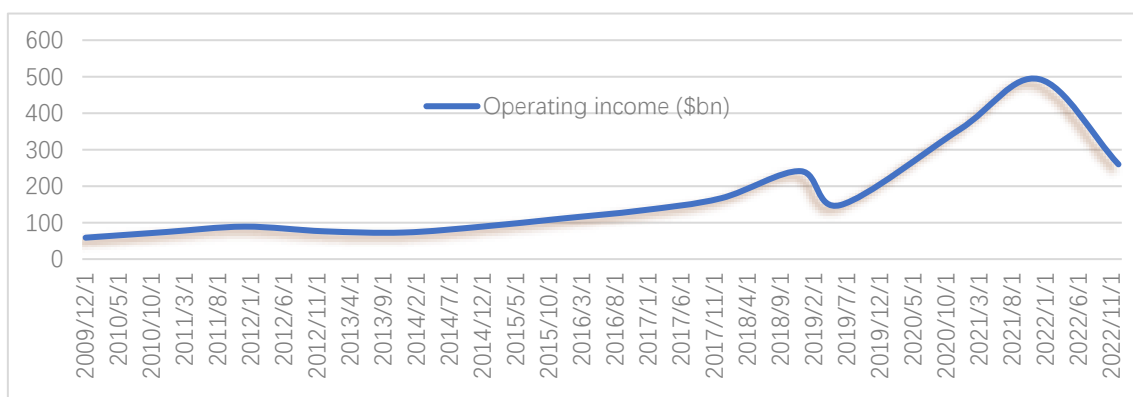
Firstly, the €1.3bn debt financing is large and risky. Secondly, Amer Sports is underperforming after the acquisition and is in the red in 2019 and 2020 with a net loss of \$1.09 billion in 2019 and \$1.69 billion in 2020. In addition, Amer Sports's net asset value is \$19.603 billion in 2019 and \$18.327 billion in 2020, a decrease of nearly \$1.276 billion in net assets compared to 2019, and as Amer Sports currently owns 52.7 per cent of the joint venture, the acquisition will result in a loss of approximately \$672 million from 2019 to 2020 as Anta Sports currently owns 52.7 per cent of the joint venture. The synergies between the two parties to the merger are not obvious. Post-acquisition integration has been poor, with Anta Group selling 5.25% of Amer Sports at a low price at the end of the year of acquisition, and selling Amer Sports's Precor brand in a package deal at the end of 2020.

## 4. Progression from Acquisition of FILA to Amer Sports

In recent years, the sporting goods industry in China has shown a booming momentum. As one of the largest sporting goods manufacturers in China, Anta Group has been committed to expanding its market share and enhancing its brand influence. In order to achieve this goal, Anta Group has acquired two well-known sporting goods companies, FILA and Amer Sports. These two acquisitions have not only brought great business opportunities, but also laid a solid foundation for the company's progress.

### 4.1. Progress in Anta's acquisition of Ferris

Before the acquisition of FILA, the performance of Anta Group remained relatively stable. According to the data, Anta's total operating income in 2008 was 5.875 billion yuan, and net profit was 1 billion yuan. As shown in Figure 1, after the acquisition of FILA in 2009, the performance of Anta did not immediately show an "inverted U" type growth; As shown in Fig. 4, on the contrary, in the early stage of the acquisition, the financial situation of Anta Group has not been well improved. After five years to turn a loss into a profit, the compound growth rate reached about 71%. 2018 year-end, FILA operating income growth rate as high as 50%, even higher than the group's overall growth rate [9]. 2018, Anta Sports (02020.HK) operating income reached 24.1 billion yuan, compared with 3.19 billion yuan when it was first listed in 2007, an increase of 7.5 times. In the past five years, it has been sitting firmly on the throne of the first domestic body apparel, with a net profit of about 5.7 billion yuan in 2018, an increase of 42.9 per cent compared with the previous year [10]. In 2020, Anta Group's revenue reached 35.512 billion yuan, compared with the 5.875 billion yuan in 2009, an increase of nearly six times. The net profit of Anta Group also increased from 1.25 billion yuan in 2009 to 5.344 billion yuan in 2019. According to Anta's financial report in 2021, FILA accounted for 40.12 per cent of the group's revenue, with annual revenues of more than 20 billion yuan. Although the financial situation did not improve immediately at the beginning of the acquisition, with the passage of time and the results of the brand's operation, Anta Group gradually achieved stable growth.



**Figure 4.** Changes in Total Operating Income of Antares Group, 2009-2022

As one of the leading brands in the sporting goods industry in China, FILA has a wide range of product lines and strong brand influence. Through the acquisition of FILA, the Anta Group is able to further consolidate its market share in the basketball footwear and sports apparel sectors. In addition, the acquisition of FILA also brings opportunities for technological innovation to the Anta Group. FILA has extensive experience and strength in product research and development and innovation, and its advanced technology and design capabilities provide additional competitive advantages to the Anta Group. Through the co-operation of the R&D resources and technical teams of both parties, Anta Group is able to accelerate the pace of product innovation and development and launch more competitive sporting goods products.

#### 4.2. Progress in Anta' Acquisition of Amer

In the ten years after the acquisition of FILA Anta Group is still exploring the foreign market and acquiring some famous foreign brands, the most noteworthy of which is that Anta Group has successfully put the Finnish sports goods brand Amaphen Sports in its pocket in 2019. This acquisition is an important step for Anta Group to step into the global market, and as a world-renowned comprehensive sports brand, Amer has many sub-specialized well-known brands, such as Salomon, Beginner's Bird, and Wilson. Through the acquisition of Amer Sports, Anta Group is able to further expand its product line and market coverage, and achieve a global layout. In addition, the brand influence of Amer Sports also brings great business opportunities to Anta Group. Amer Sports is well known globally, and its brand awareness and influence have further enhanced the competitiveness of Anta Group in the global market. By integrating the brand resources and marketing channels of both parties, Anta Group is able to accelerate its brand promotion and market expansion, and further enhance its brand value

As shown in Table 2, from 2017 to 2021 Anta Sports year-on-year growth rate of operating income, year-on-year growth rate of net cash flow from operating activities combined with the year-on-year growth rate of total profit both have a large increase; Anta Sports, these three indicators of the improvement thanks to the multi-brand strategy of Anta Sports, Anta Sports, in 2021, total revenue reached 33,927.8 million yuan, under the banner of the FILA, including the other brands to provide operating income accounted for half. other brands, including FILA, accounted for half of the operating income. In addition, revenues from the FILA brand acquired by Amer Sports will increase by 73.9% relative to 2020. Moreover, Amer Sports has seen positive sales growth as well as net income growth in recent years, especially in China. It can be expected that in the future, with the increase in marketing investment, China's share of revenue will grow exponentially, becoming a market with great potential. From a financial performance perspective, the consolidated financial performance of Anta Sports has improved after the M&A, and the impact of the M&A on the long-term performance of Anta Sports is positive.

**Table 2.** Development capacity of Anta Sports before and after the acquisition of Amer

Indicator name	2017	2018	2019	2020	2021
Annual growth rate of operating income	24.69	19.95	25.08	44.38	40.78
Annual growth in net assets	2.18	1.40	0.24	1.27	1.98
Annual growth rate of total profit	26.16	17.02	30.19	33.80	38.86
Annual growth rate of net cash flows from operating activities	12.87	29.68	28.93	39.55	68.59

#### 4.3. Beneficial Commonalities between the Two Acquisitions for the Long-term Impact

These two acquisitions have had a profound impact on the Anta Group. Firstly, the acquisitions of FILA and Amer Sports Sports have expanded the market share and product lines of the Anta Group, making it one of the leading companies in the sporting goods industry in China and globally. The acquisitions of FILA and Amer Sports have brought Anta Group more sales channels and brand co-operation opportunities, further consolidating its competitive position in both domestic and international markets. Secondly, the two acquisitions also brought more technology and innovation

capabilities to the Anta Group. FILA and Amer Sports have accumulated rich experience and resources in product development and technological innovation. By integrating the R&D teams and technological resources of both parties, Anta Group is able to better meet consumers' needs and launch more competitive products. This ability to innovate technology not only improves product quality and performance, but also earns Anta Group more consumer trust and recognition in the market. The other acquisitions of FILA and Amer Sports also bring global market expansion opportunities for the Anta Group. As a leading global sporting goods company, Amer Sports has extensive international market channels and customer resources. Through the acquisition of Amer Sports, Anta is able to further expand its market share in Europe and North America and cooperate with renowned global brands. This globalization strategy will enable the Anta Group to better respond to market competition and risks and achieve more stable revenue growth. The brand strategy of "single focus, multi-brand, omni-channel". This strategy has laid a good foundation for Anta Sports. Anta Sports has expanded from a mass-oriented positioning to the high-end market in China, from sports services with professionalism to mass sports [11]. The acquisitions of FILA and Amer Sports also bring more product lines and brand co-operation opportunities for the Anta Group. By integrating the product and brand resources of both parties, Anta Group is able to meet the needs of different consumer groups and further expand its sales channels and market share. This diversified product portfolio and brand co-operation brought broader market prospects to Anta Group and further contributed to the growth of revenue.

## 5. Suggetions

Based on the above analysis, three recommendations are summarized regarding the M&A of Anta. First, Anta's strategy of globalization through cross-border mergers and acquisitions deserves recognition, but enterprises going out must focus on the cultivation of their core competitiveness. When Anta's dependence on FILA is getting higher and higher, FILA suddenly began to appear stalled, the design lacks novelty, functionality is no match for professional track brands. Anta has always hoped to create a new hit through frequent acquisitions, but this is by no means a simple copy-and-paste merger and acquisition. Anta cross-border mergers and acquisitions behind, but also need to pay attention to every aspect of the product's own positioning, target consumer groups and marketing methods, in the competition with the first-tier brands can also be from the pricing, international market selection and localization routes and other differences to seek breakthroughs.

Secondly, Anta's choice of cross-border M&A targets should be the core business or vertically extended business, or it can obtain international marketing network, or it can make up for the lack of technological development capability and has the advantage of internalizing it [4]. Anta started in Jinjiang, which also shows that Anta's early positioning was oriented to third and fourth-tier cities, and its lack of mid- and high-end brands is a shortcoming of Anta's brand front. Anta acquired the brand FILA in 2009, opening the "multi-brand" strategy [5]. 2019 acquisition of Amer Sport is another step in the field of high-end brands. In short, the choice of Anta mergers and acquisitions, on the one hand, should be related to the sporting goods industry. Besides, according to the brand, consumers, professional sports market segments and other specific circumstances to make decisions.

Thirdly, cross-border M&A needs to play a good role of the government, enterprises need to understand the local situation and culture, and reasonably utilize the host government's resources to better understand the information of the M&A target and correctly assess the target. The process of cross-border M&A requires a lot of information about the market, policies and regulations, intellectual property rights etc. FILA is an Italian brand, and Anta's acquisition of FILA is completed through the acquisition of Hong Kong Belle's shareholding in the company, the need for Hong Kong, China, according to the market conditions and policies of the local conditions. Amer Sport is a Finnish brand, the government's economic intervention is small, encouraging innovation, judicial transparency and efficiency, you can integrate effective information through these resource channels.

It is a Finnish brand with less governmental economic intervention, encouraging innovation, judicial transparency and efficiency, and can integrate effective information through these resource channels.

## 6. Conclusion

Based on the detailed description of the case and the comparative analysis of the two successful acquisitions, it can be seen that cross-border mergers and acquisitions are one of the important ways of the "going out" strategy, which has a significant impact on the development of China's enterprises. When an enterprise pursues international development and is involved in new international market areas, successful M&A is of great significance to the development of the enterprise. Meanwhile, cross-border M&A needs to focus on factors such as country-to-country diplomatic relations, market research, financial assessment, legal and compliance matters, human resources and cultural integration, brand value and market positioning, risk management, and post-acquisition integration plans. Enterprises also need to follow a sound and prudent strategy, starting from scratch and growing from small to large, to avoid adding financial burdens and increasing operational risks to themselves due to cross-border M&A. This paper lacks more detailed quantitative analysis and data diversity, and lacks a more macroscopic perspective to analyse the form of international acquisitions. In the future, more enterprises should learn from the Anta Group's success in winning the international acquisition war, combined with their own corporate strengths and suitable market business strategy, to further broaden marketing channels, improve the industry chain, and bring a broader outlook for the enterprise and space for development.

## 7. Author Contribution

All the authors contributed equally and their names were listed in alphabetical order.

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