

Motivation and Consequences of Cross-border Mergers and Acquisitions: A Case Study of ANTA's Acquisition of Amer Sports

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Abstract. Against the backdrop of accelerating globalization and changing competition patterns in the sports equipment industry, Chinese sportswear companies are increasingly adopting diversified brand acquisitions and global operational strategies as key ways of internationalization. This article explores the milestone transaction of ANTA Group's acquisition of Amer Sports for 4.6 billion euros, which utilizes cross-border mergers and acquisitions, synergies, and direct-to-consumer marketing theories. Through a multidimensional evaluation framework, this study analyzed the financial performance after the merger and assessed the strategic value and broader impact of the transaction. The research results indicate that ANTA has successfully built a high-end brand portfolio through a unique acquisition trajectory, expanded its international market, and established a multidimensional growth engine. This involves overcoming significant challenges inherent in complex and asymmetric ("reverse gradient") cross-border transactions. This case provides important reference value for companies engaged in similar complex international mergers and acquisitions, demonstrating how to address funding bottlenecks, integrate complexity, and strategically reposition to achieve sustainable growth and global competitiveness.

Keywords: Cross-border Merger and Acquisition, Brand Matrix Construction, DTC Channel Transformation, Consortium Financing

1. Introduction

Against the backdrop of global markets and changes in the competitive landscape of the sports equipment industry, global sports brands are showing a trend towards high-end, diversified, and globalized products. European and North American incumbents have historically dominated the premium segment through multi-brand portfolios and proprietary technologies, while Chinese domestic brands have long been limited to the mid-range market. Cross-border mergers and acquisitions have become a key path to breaking through technological and brand barriers. Although Chinese sports brand ANTA has established a brand lineup covering the mass market, a pronounced gap persists in the premium performance-sports segment. Amer Sports controls 11 premium brands—including ARC'TERYX and Salomon—underpinned by proprietary technologies. In 2019, ANTA

completed its acquisition for 4.6 billion euros, marking the first time that a Chinese enterprise has entered the high-end sports core circle through capital. The transaction posed significant challenges: ANTA's internal cash reserves proved insufficient, resulting in a sharp post-acquisition increase in leverage; meanwhile, Amer Sports sustained ongoing losses and exhibited insufficient localized development. Cross-border mergers and acquisitions involve integration challenges such as cultural, institutional differences, and brand tone conflicts, and this transaction exemplifies a reverse-gradient cross-border acquisition [1].

Previous literature has studied the motives and consequences of mergers and acquisitions from the perspectives of finance, management, and the synergy of merger and acquisition performance. Zhang Xuan found that mergers and acquisitions can achieve tax synergy, and the financial condition of the target company can improve merger and acquisition performance [2]; Yuan Zemin et al. pointed out that "snake swallowing elephant" style mergers and acquisitions will amplify organizational barriers, and the difficulty of cross-cultural and institutional integration will suppress synergies [3]. Qiu argues that professional intermediaries can enhance the success rate of management synergy [4]; Guo Wenbo found that the success rate of intra-industry collaboration is higher than that of cross-border mergers and acquisitions. This article takes Anta's acquisition of Amer Sports as a sample, thereby addressing the theoretical void surrounding asymmetric cross-border acquisitions, such as the theory of consortium financing breaking through funding bottlenecks, increasing the proportion of DTC channels to improve gross profit margins, expanding the dynamic evaluation framework of synergies, and enriching the integration theory after cross-border acquisitions with its "retention and integration" model and cultural difference management practices. Theoretically reveals the unique logic of emerging market enterprises entering the high-end market; In practice, it provides a paradigm for cross-border mergers and acquisitions of Chinese enterprises, such as breaking through the high-end market through "brand matrix and technology feedback", balancing contradictions through "retaining core teams and supply chain collaboration", and forming consortia to diversify risks. At the same time, it provides a reference for other Chinese enterprises such as Li Ning and Xtep.

2. Background and process overview of mergers and acquisitions

ANTA Group is the largest multi-brand sports equipment group in China, founded in 1991 and headquartered in Jinjiang City, Fujian Province, China. Listed in Hong Kong in 2007, it has been ranked first in the Chinese market share for several consecutive years. Its core strategy is "single focus, multi-brand, globalization", which has built a multi-level brand matrix covering mass movements through systematic mergers and acquisitions. Annual R&D expenditure exceeds RMB 2 billion and has yielded thousands of patents. However, its main brand has long been limited by its mid-range positioning, with a dual gap in brand and technology in the high-end professional sports field, becoming a key bottleneck for international upgrading.

Amer Sports was founded in 1950 and is headquartered in Helsinki, Finland. It is a leading high-end sports equipment group in the world. After divesting from its tobacco business in 2001, after divesting its tobacco business, it concentrated on sports and built a diversified brand portfolio spanning technical apparel, outdoor, and ball sports via serial acquisitions. Through technological means, it established barriers with other brands and has 11 international brands, including ARC'TERYX, Salomon, Wilson, etc. Its proprietary technologies have created defensible differentiation. But it also faces potential challenges. Although Amer Sports's revenue in 2019 was 2.678 billion euros, its continued loss-making, slow growth rate, and insufficient localization development in China are all issues that constrain its further development.

In the transaction of Anta's acquisition of Amer Sports for a total price of 4.6 billion euros, a complex transaction structure was constructed through the collaboration of multiple capital parties [5]. Established with joint investment from ANTA, Fangyuan Capital, Anamered Investments, and Tencent. As shown in Figure 1, ANTA holds approximately 57.95% of the shares as the leading party, Fangyuan Capital holds 21.4%, Anamered Investments (an investment platform owned by Lululemon founder Chip Wilson) holds 20.65%, and Tencent indirectly holds approximately 5.6% of the shares through Fangyuan Capital. At the financing level, the “debt financing and consortium funding” model is adopted: the consortium raises 4.215 billion euros through syndicated loans (including 2.2 billion euros of five-year loans provided by Asian institutions, 1.7 billion euros of term loans provided by European institutions, and 315 million euros of revolving credit), while also undertaking approximately 1 billion euros of existing debt from Amazon. This structure not only alleviates the financial pressure of ANTA's single entity but also diversifies risks through cross-border capital portfolios.

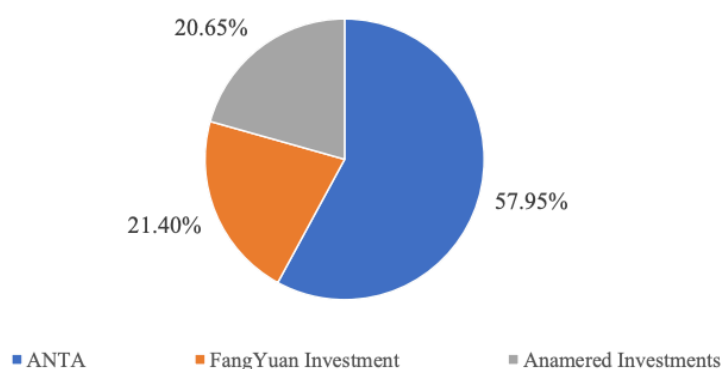


Figure 1. Investment proportion chart

Data source: Sina Finance.

As shown in Table 1, the merger lasted for one year and was divided into four stages. From December 2018, when the consortium initiated a € 4.6 billion cash offer, to February 2019, when the transaction passed the China Europe anti-monopoly review, and in March, when it was approved by 94.38% of shareholders, the capital restructuring was finally completed in November. This process covers the entire chain of “offer → regulation → delivery → equity optimization”, reflecting ANTA's strategic deployment of resolving financial pressure through consortium financing and dispersing risks in advance through equity redistribution.

Table 1. Main stages in the merger and acquisition process

Phase	Time	Content
Offer initiation	December 2018	The consortium led by ANTA has launched a cash offer of 4.6 billion euros.
Regulatory approval	February 2019	ANTA has passed anti-monopoly reviews by China, the European Commission, and others.
Shareholder approval	March 2019	ANTA has obtained approximately 94.38% shareholder consent, and the transaction has been completed.
Recapitalization	November 2019	ANTA sells 5.25% equity of Amer Sports to Sequoia and other funds.

Data source: Sina Finance.

3. Analysis of merger and acquisition motives

3.1. Strategic motivation

There are three main strategic motivations for ANTA's acquisition of Amer Sports. Firstly, mid-tier brands are encroaching on the premium segment. The core ANTA brand remains entrenched in the mass segment, with most products priced below RMB 500 and no premium production lines, and a lack of high-end production lines. The traditional high-end brands such as ARC'TERYX, Salomon, and Wilshire under the umbrella of Amer Sports have filled Anta's gap in the high-end professional sports and luxury goods market [6].

Secondly, ANTA's ambition for global expansion. Ding Shizhong, founder of ANTA Group, proposed to be the world's ANTA instead of China's Nike. The policy support from the Chinese government to encourage Chinese private enterprises to "go global" has given ANTA confidence, while the global channels of Amer Sports cover multiple countries, and its brands can form the core carrier of its internationalization.

Thirdly, multi-brand collaboration and technology feedback. The brands under Amer Sports possess numerous core technologies, such as waterproof fabric from ARC'TERYX and off-road sole technology from Salomon, which Anta does not possess [7]. After the merger, it will help ANTA expand its technological resources and enhance its independent research and development capabilities and technological advantages [8].

3.2. ANTA's own advantages

There are two main advantages of ANTA's acquisition of Amer Sports. Firstly, it has accumulated experience in brand reshaping. In 2009, ANTA acquired the Chinese operating rights of FILA. After the acquisition, through precise brand positioning and product marketing measures, FILA turned losses into profits in 2014. Following FILA, ANTA has successively acquired brands such as DESCENTE and KOLON, forming a brand lineup covering multiple scenarios such as popularity, high-end, and outdoor. This multi-brand differentiated operation experience provides a solid foundation for integrating brands under the Amer brand after the acquisition.

Secondly, the core competencies of channel transformation and retail operations. Prior acquisition by ANTA, FILA relied heavily on distributors, leading to a fragmented terminal image. But after the acquisition was completed, ANTA changed it to a fully direct sales model, with store locations focused on prime locations in first - and second-tier cities, unifying the image of the stores.

4. Consequence analysis based on financial indicators

4.1. Changes in revenue structure and proportion

As shown in Table 2, firstly, the proportion decreased to 40.1% in 2021, reflecting the pains of supply chain restructuring and brand positioning adjustment in the early stage of mergers and acquisitions; From 2022 to 2024, its proportion jumped from 45.6% to 51.4%, and its revenue proportion surpassed that of the main brand for the first time in 2024, marking that Amalfi has become the core engine of the group's growth. Secondly, in 2024, the revenue growth rate of Amalfi will reach 18%, confirming that high-end brands have achieved explosive growth through DTC transformation and localization in the Chinese market. Thirdly, the proportion of Amer has increased

from 47.5% in 2020 to 51.4% in 2024, indicating that more than half of the group's revenue comes from international high-end brands; The data confirms that ANTA has upgraded its positioning from “mid-range mass market to high-end globalization” through mergers and acquisitions, breaking the growth ceiling of its main brand.

Table 2. Operating revenue and the proportion of Amer Sports to ANTA from 2020 to 2024

Corporate	Index	2020	2021	2022	2023	2024
ANTA	Operating revenue (RMB 100 million)	355.12	493.28	536.51	623.56	708.26
Amer Sports	Operating revenue (RMB 100 million)	168.8	197.8	244.9	305.8	363.7
Proportion		47.5%	40.1%	45.6%	49.0%	51.4%

Data source: Based on the annual reports of ANTA and Amer Sports.

As shown in Figure 2, firstly, the sharp decline in growth rate in 2021 is mainly due to the global inventory backlog (especially in the European market) and the pains of supply chain restructuring after the epidemic; In 2023, it rebounded to 23.1%, and in 2024, it further jumped by 18.65%, reflecting the explosive effect of DTC channel reform and localization in the Chinese market. Confirming the merger and acquisition integration pattern of “first suppression and then rebound”, short-term fluctuations have not changed the long-term growth trend. Secondly, the revenue increased from 3.067 billion in 2021 to 5.183 billion in 2024, surpassing the key threshold of 5 billion. The strategic goal of filling the high-end gap through mergers and acquisitions has been exceeded. Thirdly, regional structural changes have led to an expansion in the proportion of revenue in China. Brands such as ARC'TERYX and Salomon have been positioned as “middle-class social currencies”, and in conjunction with deep member operations, they have fully unleashed the growth potential of Amazon.

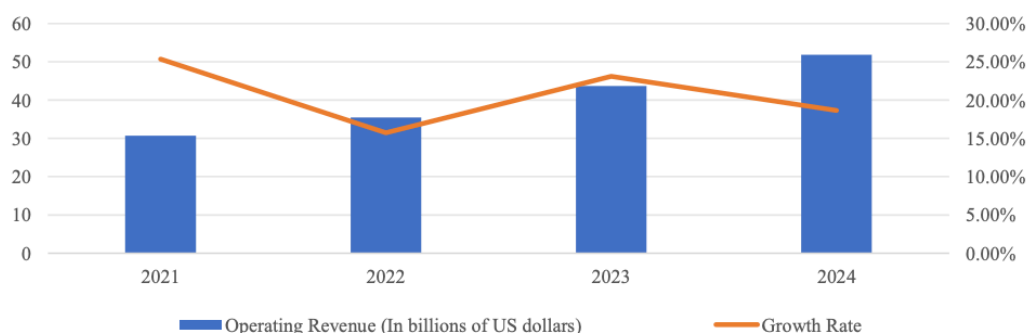


Figure 2. Amer Sports' operating revenue and growth rate from 2021 to 2024

Data source: Compiled from the annual report of Amer Sports.

4.2. Changes in profit and cost structure

As shown in Figure 3, firstly, there was a loss of \$125 million in 2021, which narrowed the loss but still remained unprofitable. The loss for 2022 has expanded to 231 million US dollars, mainly due to inventory impairment in Europe and a surge in supply chain restructuring costs. Secondly, the loss will continue to decrease to 209 million US dollars in 2023; In 2024, the net profit surged to \$76 million, with a growth rate of 137.55%, achieving scale profitability for the first time, confirming the three-stage pattern of “investment period, digestion period, and return period” for cross-border

mergers and acquisitions [9]. Thirdly, the qualitative change in profit structure indicates the success of strategic transformation, and the narrowing of losses in 2021 mainly relies on cost saving measures; The profit growth in 2024 comes from open source (explosive growth in high-end consumption in China and increase in DTC gross profit); Enhanced profitability sustainability: The proportion of non-recurring earning is low, while the contribution of core business is high.

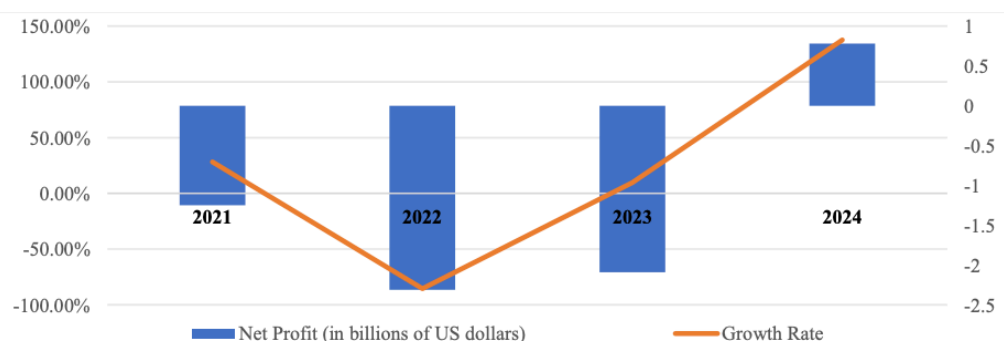


Figure 3. Net profit and growth rate of Amer Sports from 2021 to 2024

Data source: Compiled from the annual report of Amer Sports.

In terms of debt structure. At the end of 2018, ANTA's total liabilities were 7.85 billion yuan, with an asset-to-liability ratio of 32%. By 2019, the total debt value had surged to 20.16 billion yuan, the debt ratio had increased to 48%, the asset liability ratio had significantly increased, and the short-term debt pressure had significantly increased. With the operation and debt repayment arrangements in the following years, as well as the increase in company profits and expansion of asset scale, by the end of 2023, ANTA's total assets and liabilities will reach 36.22 billion yuan, and the asset liability ratio will decrease to 39%. Although it is still higher than the pre-merger level, it has shown a downward trend.

In terms of capital operation. In February 2024, Amazon Sports listed on the New York Stock Exchange at a price of \$13 per share, raising \$1.3 billion. This IPO is a key milestone for ANTA's capital operation and has brought huge profits to ANTA. As shown in Figure 4, ANTA confirmed to hold 44% of Amazon Sports' shares in 2024, and generated a one-time profit of approximately RMB 3.67 billion due to changes in fair value of equity, contributing nearly RMB 4 billion in non-recurring income, accounting for about a quarter of ANTA's net profit for the year; The asset liability ratio of Amer Sports has sharply decreased compared to before the IPO, and ANTA's 1.3 billion euro debt guarantee risk for the acquisition has also decreased, significantly improving its debt repayment ability; After going public in 2024, Amer Sports raised funds to repay its debts, optimized its capital structure, indirectly reduced ANTA's debt burden, and gradually improved ANTA's debt repayment ability.

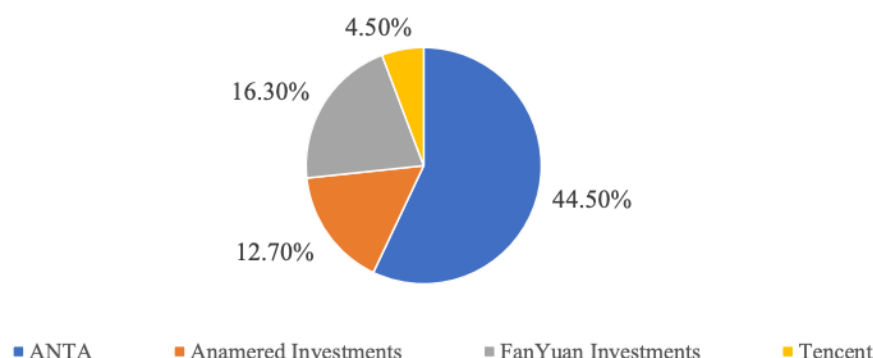


Figure 4. Shareholding proportion of Amer Sports after IPO

Data source: Compiled from the annual report of Amer Sports.

5. Consequence analysis based on non-financial indicators

5.1. Brand value enhancement and market positioning restructuring

Firstly, the transformation towards high-end (middle-class) and trendiness. ARC'TERYX positions itself as a “sports luxury” brand and collaborates with trendy brands to strengthen its high-end brand attributes; Salomon has entered the young consumer market with its “mountain style fashion”, and Products once regarded as “aesthetically unappealing footwear” have evolved into trendy symbols. The two major brands have completed the transformation from professional outdoor fields to high-end luxury fashion brands. In brand restructuring, not only does it expand the consumer base, but it also strengthens brand influence through precise marketing. As the size of China’s middle class continues to expand, ANTA has turned ARC'TERYX and Salomon into “middle-class social currencies”, making them symbols of identity for the middle and upper classes, in line with the trend of extending consumer needs from functionality to emotional value.

Secondly, membership mode operation and brand stickiness. Data shows that the number of Chinese members of ARC'TERYX has surged from 14000 in 2018 to 1.7 million in 2024, driven by the success of ANTA’s marketing strategy. At the same time, by conducting “mountain classes” for outdoor activities such as rock climbing (redeemed by member points), members are divided into different levels to strengthen user recognition of the brand, thereby increasing customer repurchase rates.

5.2. Sales channel and supply chain integration

Firstly, successfully expanding the DTC mode. After acquiring Amer Sports, ANTA has achieved a strategic transformation of its DTC model through a three-level leap of “channel expansion, revenue structure optimization, and scene function reconstruction” [10]. By 2024, the number of self-operated stores worldwide will increase to about 330, including over 100 stores in the Chinese market, such as the first bird and Salomon stores; The proportion of DTC revenue has increased, and the reduction of channel costs has driven the increase in gross profit margin [11]; Upgrade the store to a brand experience center, replacing traffic dependence with brand emotional connections [12].

Secondly, carry out supply chain collaboration. After Anta’s acquisition of Amer Sports, in response to the risk of excessive concentration of production capacity in China, it launched the “supply chain three hub regionalization strategy”: transferring basic production capacity to

Southeast Asian countries with relatively low labor costs, and using ASEAN tariff rules to reduce the risks that may arise from trade frictions; Build a production capacity network of “China (high-end technology) - Southeast Asia (basic model) - Europe (localization)”, reducing unit costs by 12%; Seven global bases are connected via the ERP system, shortening delivery cycles and reducing stockout rates [13].

5.3. Organizational structure optimization and global capability development

Firstly, optimize the company's management team. Xu Yang, the CEO of ANTA with a foreign enterprise management mindset, has been appointed as the first general manager of ARC'TERYX China. He has also introduced the former COO of Lululemon as the CEO of ARC'TERYX, but has retained the original management team of Wilson (who has been in office for 30 years) while adjusting personnel to ensure a balanced and stable transition after the brand acquisition [14].

Secondly, enhance the level of globalization. Amer Sports will become the core carrier of ANTA's globalization strategy, further strengthening ANTA's international influence [15]. In 2024, ANTA's main brand will enter the US market, which is an important milestone for Chinese enterprises' “going global” strategy, promoting ANTA to build an international enterprise.

6. Conclusion

This study takes Anta's 4.6 billion euro “reverse gradient merger” with Amer Sports as an example, identifying three pathways through which emerging-market firms can overcome premium-segment barrier; first, capital leverage innovation, diversifying risks through consortium financing, and then optimizing debt structure through IPO fundraising to reduce debt ratios; Secondly, it is to empower management output by mitigating cultural tensions via a “retain-and-integrate” approach, transforming sales channels (DTC channel reconstruction) to increase gross profit margins, and ultimately achieving net profit growth; Finally, there is precise complementarity of resources, where technological and managerial advantages complement each other and complement each other. This article expands the collaborative framework of “asymmetric mergers and acquisitions”, and its practical significance lies in providing a paradigm of “brand matrix construction and regional supply chain and digital operation” for Chinese enterprises such as Li Ning and Xtep, reconfiguring industry logic from cost competition to user-experience competition, and demonstrating the global feasibility of “capital going abroad and management return” for Chinese private enterprises. In the future, it is necessary to deepen the quantification of cultural differences and research on the local adaptability of DTC, anchoring Ding Shizhong's strategic essence of “mergers and acquisitions are for long-term industrial development”.

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