

Amer Sports

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Investment decision: *Did not invest*

Introduction:

Our group chose to analyze Amer Sports due to its position as a global branded sporting goods and outdoor company with a portfolio of premium brands and exposure to several attractive industry trends. The company has benefited from strong brand momentum, direct-to-consumer expansion, and growth in key international markets, particularly Asia-Pacific. We wanted to evaluate whether these strengths, along with recent operational performance, were enough to justify the company's valuation and support an attractive investment opportunity.

Company and Valuation Details:

Amer Sports generates revenue by designing, manufacturing, marketing, distributing, and selling sports equipment, apparel, footwear, and accessories across three segments: Technical Apparel, Outdoor Performance, and Ball & Racquet Sports. Its portfolio includes premium and performance-focused brands such as Arc'teryx, Salomon, Wilson, Atomic, Peak Performance, and Louisville Slugger. The company has benefited from strong recent growth, with approximately 23% revenue CAGR from 2022 to 2025, 2025 revenue of \$6.57 billion, and direct-to-consumer accounting for roughly 49% of revenue in 2025. Industry trends such as premiumization, DTC growth, and rapid Asia-Pacific expansion have also supported the company's recent performance.

Based on our valuation assumptions, we arrived at an implied stock price of approximately \$20.71, which was about 32.63% below the current trading price used in the presentation. While Amer Sports appears operationally strong and benefits from a premium multi-brand platform, current valuation seems to already reflect much of the company's recent growth and margin potential. In addition, governance concerns tied to ANTA Sports' majority ownership and Amer's status as a foreign private issuer reduce the attractiveness of the opportunity. Given limited valuation upside, governance risk, and the increasing complexity of sustaining growth across brands and regions, we believed the risk-reward profile was unattractive at current levels.

Historical Performance:

The company was listed on the Helsinki Stock Exchange in 1977, expanded internationally through acquisitions such as Wilson in 1989 and Atomic in 1994, and was later delisted from Nasdaq Helsinki in 2019 after being acquired by a consortium including ANTA Sports, FountainVest, Anamered Investments, and Tencent. Amer returned to public markets through its NYSE IPO on February 1, 2024.

Recent performance has been strong, supported by favorable industry conditions and company-specific execution. The outdoor apparel and sporting goods market has recovered following the post-COVID inventory correction, with premiumization, direct-to-consumer growth, and Asia-Pacific expansion serving as major tailwinds. Amer has benefited from these trends, including 43% DTC growth in 2024 and 54% growth in Greater China in 2024. However, the company still faces meaningful risks, including governance concerns, reliance on Arc'teryx as a standout asset, inventory growth outpacing revenue growth, and the possibility that future growth becomes more expensive to sustain. Given these risks, along with limited upside implied by our valuation, we do not believe Amer Sports offers an attractive investment opportunity at this time.