

## **Lululemon Founder Chip Wilson Notches Investment Gain As China Sports Brand Anta Hits Record**

Shares in Anta Sports Products gained 4.7% at the Hong Kong Stock Exchange last week after China's most valuable sports brand posted an increase in first-half earnings.

Anta, led by billionaire brothers Ding Shizhong and Ding Shijia, said on Monday revenue in the first six months of 2019 rose by 40% from a year earlier to 14.8 billion yuan, or \$2.1 billion; net profit climbed by 28% to 2.5 billion yuan. Its Hong Kong-traded stock closed at an all-time high of HK\$65.30 on Thursday before losing HK\$0.30 to HK\$65 on Friday. Anta ended the week with a 4.7% gain from a close of HK\$62.10 on Friday, Aug. 23. Anta's shares have risen by half in the past year.

Anta's revenues increased in part of the strength of its Fila-brand fashion sports business; Fila sales soared by 80% from a year earlier to 6.8 billion yuan and accounted for 44% of total business in the first half. Anta's stock also gained amid optimism about sports-related spending ahead of upcoming Olympic games in Japan and China, and hopes for its \$5.2 billion acquisition this year of Amer of Scandinavia. Amer's well-known brands include Atomic ski equipment, Salomon ski boots and Wilson tennis rackets, among others.

Anta's rising shares has notably enriched Chip Wilson, the founder of athletic apparel brand Lululemon. Wilson agreed to pay HK\$778 million for 0.6% stake in Anta at a price of HK\$49.11 a share on May 30. At Friday's close of HK\$65, the Canadian billionaire has already notched up a 32% gain on the investment. Anta said in June its sale of shares to Wilson "represents a valuable opportunity for the company to bring in a renowned investor with strong financial resources and an extensive business network." Wilson certainly hasn't hurt.

Like Wilson, Anta's leaders have built world-ranking fortunes. Chairman Ding Shizhong is worth \$5.2 billion on the Forbes Real-Time Billionaires List; deputy chairman Ding Shijia \$5.1 billion and Wilson \$4.1 billion.

Wilson's purchase of a stake in Anta isn't the first time that Wilson has hooked up with the Fujian-headquartered company. Anta and Wilson teamed up with Tencent and FountainVest Partners to purchase Amer earlier this year.

Anta's market capitalization of approximately \$23 billion is way behind industry leader Nike's \$132 billion valuation. Nike's shares, by contrast, have only risen by a tepid 3% in the past year. Anta's on Friday was neck-and-neck with Lululemon's market capitalization of \$24 billion. Lululemon's Nasdaq-traded shares have gained about a fifth in the past year.

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