Emperor Securities 英皇證券 CROSBY

China | Consumer

15 October 2025

361 Degrees (1361 HK)

Double digit growth in 3Q25

~10% YoY growth in 3Q25

361 Degrees announced its 3Q25 operational results, with offline retail sales for its 361° Core Brand recorded a ~10% growth YoY (2Q25: ~10%, 1Q25: +10%-15%), while 361° Kids was up by ~10% growth YoY (2Q25: ~10%, 1Q25: +10%-15%). Online sales continue to grow healthily and recorded a ~20% YoY sales growth during the period (2Q25: ~20%, 1Q25: +35%-40%). Retail inventory turnover was at a healthy level of 4.5-5 months (flat QoQ), while the retail discount level was at around 30% (2Q25: 29%).

New products to drive top-line growth

Series of new product offerings were introduced in 3Q25, such as the newly launched running shoes ''Rain-block 9th-generation'' (雨屏 9 代) which enhance its waterproof capability, and professional marathon racing shoes ''Flying Flame 4.5'' (飛燃 4.5) which optimized the midsole curvature and enhanced material tear resistance, creating an upgraded foot feel for runners. As for new basketball shoes, the company introduced the ''DVD4'' which integrated hypercar-inspired design language, and also "Rampage 2 PRO" (狂飆 2 PRO), the lightest performance basketball shoes in the the company's history, embraced a comprehensive upgrade based on the speed from its predecessor. As for brand building, the company served as the official partner of the 20th Asian Games, and the company will provide professional equipment support for torchbearers, escort runners, and over 32,000 volunteers and staff. 361° also expanded its global brand presence by participating in the 2025 Berlin Marathon Expo.

44 Super Premium Stores were opened during 3Q25

In 3Q25, the company continued to advance its 361° Super Premium Stores, achieving impressive performance. During the quarter, a total of 44 new stores were opened across the country. By end-3Q25, there are a total of 93 361° Super Premium Stores nationwide, with store sizes generally ranging from 800 to 1,000 sqm. Management expects once these new Super Premium Stores successfully ramp up, revenue could be 5 to 6x of regular stores. The company also expanded into new online channels in both Meituan Instashopping and Meituan Group Buy. Orders in Meituan Instashopping can be delivered in 30 minutes on average, thereby offering a better shopping experience for consumers.

Maintain our BUY rating and TP of HK$7.3

We believe the company is on track to achieve a 12.4%/11.5% YoY growth in revenue/net profit this year. We maintained our FY25-FY27 forecasts for now, and keep our target price unchanged at $7.3. We maintained our BUY rating on the counter.

Summary financial data

Year to Dec 31 (Rmb mn)	2023	2024	2025E	2026E	2027E
Revenue	**8,423**	**10,074**	**11,320**	**12,620**	**13,813**
Gross profit	3,462	4,183	4,692	5,233	5,728
Net profit	**961**	**1,149**	**1,280**	**1,450**	**1,602**
YoY Growth	28.7%	19.5%	11.5%	13.3%	10.5%
EPS (HKD)	0.511	0.611	0.681	0.771	0.852
P/E (x)	**11.5**	**9.6**	**8.6**	**7.6**	**6.9**
P/B (x)	1.22	1.18	1.10	1.01	0.93
Dividend Yield (%)	3.5	4.7	5.2	5.9	6.5
ROE (%)	**11.3**	**12.4**	**13.1**	**13.8**	**14.0**
Net debt / equity (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Crosby Securities

BUY

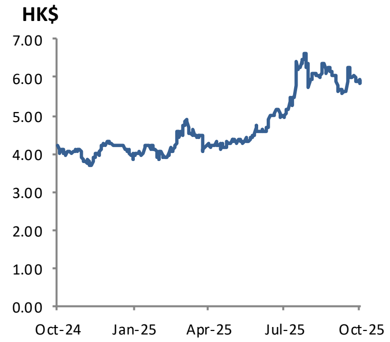
Last Price (HK$)*	5.88
Target Price (HK$)	**7.30**
Upside / (Downside)(%)	24.1%
Previous rating	*BUY*
Previous TP	*7.30*
Hang Seng Index*	25,910.60
** Prices as of*	*15-Oct-25*

Key Data

Ticker	1361 HK
Market Cap (HK$m)	12,158
3M avg daily T/O (HK$m)	54.7
52-week High (HK$)	6.70
52-week Low (HK$)	3.67
Free Float (%)	34.7%
Shares O/S (m)	2,067.7

Performance	Absolute	Relative
1 month	-0.8%	1.2%
3 months	17.4%	11.4%
6 months	38.7%	14.9%

Price Chart



Source: Bloomberg

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Figure 1 Sportswear operational data (1Q16-3Q25)

	Anta 2020 HK		Li Ning 2331 HK		Xtep 1368 HK		361 Degrees 1361 HK		China Dongxiang 3818 HK	
	ANTA Brand	Other Brands	Sell through	SSSG	Xtep Brand	Saucony	Core	Kid	Kappa	SSSG
1Q 2016	+MSD	-	-	+LSD	-		+7.2%[2]	+7.5%[2]	-	-
2Q 2016	+HSD	-	-	+HSD	-		+7.0%[2]	+7.3%[2]	-	-
3Q 2016	+LSD	+60-70%	-	+HSD	-		+7.3%[2]	+7.3%[2]	-	-
4Q 2016	+high-teens	+50-60%	-	+mid-teens	-		+7.5%[2]	+7.7%[2]	-	-
1Q 2017	+low-teens	+40-50%	+HSD	Flat	-		+7.0%[2]	+7.4%[2]	-	-
2Q 2017	+20-30%	+50-60%	-	+HSD	-		+HSD	+HSD	-	-
3Q 2017	+mid-teens	+40-50%	+LSD	-LSD	-		+HSD	+HSD	-	-
4Q 2017	+20%-25%	+85-90%	+mid-teens	+low-teens	-		+HSD	+HSD	-	-
1Q 2018	+20%-25%	+80-85%[1]	+mid-teens	+low-teens	-		+HSD	+HSD	-	-
2Q 2018	+low-teens	+90-95%	+low-teens	+HSD	-		+HSD	+low-teens	+HSD	+5-9%
3Q 2018	+mid-teens	+90-95%	+mid-teens	+low-teens	-		+MSD	+low-teens	Flat	-1-6%
4Q 2018	+mid 10-20%	+80-85%	+high-teens	+mid-teens	-		Flat	+low-teens	+low-teens	+MSD
1Q 2019	+low 10-20%	+65-70%	+low-twenties	+mid-teens	+20%+		+LSD	+LSD	+HSD	+LSD
2Q 2019	+mid 10-20%	+55-60%	+low-twenties	+mid-teens	+20%+		+LSD	+HSD	+MSD	+LSD
3Q 2019	+mid 10-20%	FILA: +50-55% Others: +30-35%	+low-thirties	+high-teens	+20%		+LSD	+HSD	+MSD	+LSD
4Q 2019	+high-teens	FILA: +50-55% Others: +25-30%	+mid-thirties	+high-teens	+20%+		+LSD	+HSD	+mid-teens	+5-9%
1Q 2020	-20-25%	FILA: -MSD Others: -HSD	-high-teens	-	-20-25%		-25-30%	-25-30%	+low-teens	+5-9%
2Q 2020	-LSD	FILA: +low-teens Others: +25-30%	-MSD	-MSD	-LSD		-low-teens	-low-teens	-high-twenties	-1-6%
3Q 2020	+LSD	FILA: +20-25% Others: +50-55%	+MSD	+LSD	+MSD		-HSD	-HSD	-MSD-LSD	-MSD
4Q 2020	+LSD	FILA: +25-30% Others: +55-60%	+mid-teens	+low-teens	+HSD		+LSD	+MSD	+MSD	+LSD - +MSD
1Q 2021	+40-45%	FILA: +75-80% Others: +115 -120%	+High 80%	-	+Mid 50%		+high-teens	+low-twenties	+low-teens	+MSD
2Q 2021	+35-40%	FILA: +30-35% Others: +70 -75%	+low-nineties	+low-eighties	+30-35%		+15-20%	+30-35%	+mid-sixties	+HSD
3Q 2021	+low-teens	FILA: +MSD Others: +35 -40%	+Low 40%	+high-twenties	+Mid-teens		+low-teens	+15-20%	+mid-to-low teens	+M-HSD
4Q 2021	+mid-teens	FILA: +MSD Others: +30 -35%	+low-thirties	+low-twenties	+20-25%		+high-teens	+25-30%	-mid-to-high-teens	-high-teens
1Q 2022	+high-teens	FILA: +MID Others: +40 -45%	+ high-twenties	+low-twenties	+30-35%		+high-teens	+20-25%	-mid-teens	-mid-to-high-teens
2Q 2022	-MSD	FILA: -HSD Others: +20 -25%	-HSD	-low-teens	+Mid-teens		+low-teens	+20-25%	-MSD	-MSD
3Q 2022	+MSD	FILA: +low-teens Others: +40-45%	+mid-teens	+HSD	+20-25%		+mid-teens	+20-25%	-mid-to-high-teens	-mid-to-low-teens
4Q 2022	-HSD	FILA: -low-teens Others: +low-teens	-low-teens	-high-teens	-HSD		Flat	+LSD	-mid-20-30%	-mid-teens
1Q 2023	+MSD	FILA: +HSD Others: +75-80%	+MSD	-HSD	+~20%		+low-teens	+20-25%	+mid-to-low teens	+mid-to-low-teens
2Q 2023	+HSD	FILA: +High-teens Others: +70-75%	+ low-teens	-LSD	+High-teens		+low-teens	+20-25%	+mid 10%-20%	+mid- to-low10-20%
3Q 2023	+HSD	FILA: +Low-teens Others: +45-50%	+MSD	-MSD	+High-teens		+15%	+25-30%	+mid-to-low single digit	+MSD
4Q 2023	+high-teens	FILA: +25-30% Others: +55-60%	+low-twenties	+low-teens	+>30%		+>20%	+~40%	+mid 40%-50%	+high 20%-30%
1Q 2024	+MSD	FILA: +HSD Others: +25-30%	+LSD	-MSD	+HSD		+high-teens	+20-25%	-low 10-20%	-HSD
2Q 2024	+HSD	FILA: +MSD Others: +40-50%	-LSD	-	+10%		+10%	+mid-teens	-mid LSD	-MSD
3Q 2024	+MSD	FILA: -LSD Others: +45-50%	-MSD		+MSD	+>50%	+10%	+10%	-HSD	-low 10-20%
4Q 2024	+HSD	FILA: +HSD Others: +50-55%			+HSD	+50%	+10%	+10-15%	-MSD	-HSD
1Q 2025	+HSD	FILA: +HSD Others: +65-70%			+MSD	+>40%	+10-15%	+10-15%		
2Q 2025	+LSD	FILA: +MSD Others: +50-55%			+LSD	+>20%	+10%	+10%		
3Q 2025							+10%	+10%		

Notes: (1) Other brands sales excluding brands newly joined in the reporting quarter
(2) Data represents SSSG

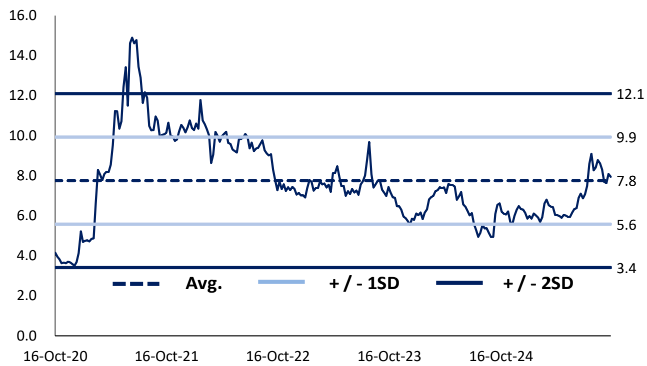
Source: Companies data, Crosby Securities

Figure 2 Peer comparison (closing prices as of 15 Oct 2025)

Company	Ticker	Price	Mkt cap (US$m)	3-mth avg t/o (US$m)	P/E (x) FY1	P/E (x) FY2	FY1-FY3 EPS Cagr (%)	FY1 PEG (x)	Div Yld (%) FY1	Div Yld (%) FY2	P/B (x) Hist	P/B (x) FY1	ROE (%) Hist	ROE (%) FY1	ROIC Hist (%)	Share px chg (%) 1-mth	Share px chg (%) 3-mth	Share px chg (%) 12-mth
HSI		25,911			12.4	11.1	11.5	1.08	3.1	3.3	1.36	1.32	10.7	10.3		(2.0)	5.4	27.5
HSCEI		9,251			11.7	10.2	13.0	0.90	2.8	3.0	1.30	1.26	11.5	10.6		(1.4)	4.2	27.1
CSI300		4,606			16.0	14.1	12.9	1.24	2.5	2.7	1.83	1.70	10.2	10.6		1.6	14.6	19.5
Sector Average					**13.1**	**11.6**	**12.2**	**1.1**	**4.9**	**5.5**	**1.6**	**1.8**	**12.5**	**14.3**	**9.1**	**(3.7)**	**9.6**	**19.5**
Sector Median					**14.2**	**12.2**	**12.4**	**1.1**	**4.9**	**5.3**	**1.5**	**1.5**	**13.1**	**14.4**	**10.6**	**(6.4)**	**10.7**	**14.1**
Anta Sports	2020 HK	86.20	31,121	131.6	16.4	14.5	12.4	1.33	3.0	3.5	3.44	3.12	24.6	20.3	14.3	(8.2)	(4.0)	(2.8)
Li Ning Co Ltd	2331 HK	16.82	5,591	54.3	15.6	13.7	12.6	1.24	3.4	3.7	1.47	1.46	10.5	9.5	8.7	(6.9)	5.9	2.6
Xtep Intl	1368 HK	5.85	2,108	9.0	10.6	9.6	10.0	1.05	4.9	5.3	1.51	1.51	14.5	14.9	11.7	(7.0)	10.0	1.6
361 Degrees	1361 HK	5.88	1,564	7.0	8.7	7.7	11.7	0.74	5.5	6.3	1.11	1.05	12.6	12.6	11.1	(0.8)	17.4	43.4
China Dongxiang	3818 HK	0.48	364	0.6	N/A	N/A	N/A	N/A	N/A	N/A	0.28	N/A	(1.0)	N/A	(1.2)	(5.9)	16.9	46.6
Topsports Intern	6110 HK	3.30	2,632	4.8	14.2	12.2	14.2	1.00	7.7	8.7	2.07	2.05	13.6	14.4	10.0	6.8	11.4	25.6

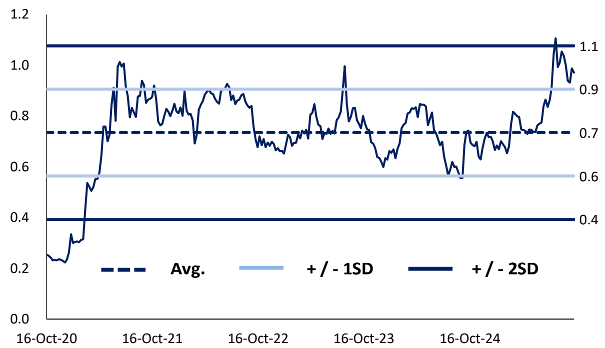
Source: Bloomberg, Crosby Securities

Figure 3 Historical 5-year forward PE range



Source: Bloomberg, Crosby Securities

Figure 4 Historical 5-year forward PB range



Source: Bloomberg, Crosby Securities

Summary financials

Year ended 31 Dec	2023A	2024A	2025F	2026F	2027F
Profit & Loss (RMBm)					
Footwear	3,510	4,287	4,839	5,470	6,003
YoY%	23.0	22.1	12.9	13.0	9.7
Apparel	2,687	3,093	3,326	3,600	3,875
YoY%	9.8	15.1	7.5	8.2	7.6
Accessories	0	0	0	0	0
YoY%	N/A	N/A	N/A	N/A	N/A
361° Kids	1,924	2,310	2,656	3,002	3,332
YoY%	33.4	20.1	15.0	13.0	11.0
Others	302	383	498	548	603
YoY%	21.0	19.6	12.4	11.5	9.5
Turnover	**8,423**	**10,074**	**11,320**	**12,620**	**13,813**
YoY%	21.0	19.6	12.4	11.5	9.5
COGS	-4,961	-5,890	-6,628	-7,386	-8,084
Gross profit	**3,462**	**4,183**	**4,692**	**5,233**	**5,728**
Margin	41.1%	41.5%	41.5%	41.5%	41.5%
Selling & distribution	-1,863	-2,211	-2,502	-2,776	-3,025
Admin	-630	-699	-815	-883	-953
R&D	0	0	0	0	0
Other opex	0	0	0	0	0
Total opex	**-2,493**	**-2,910**	**-3,317**	**-3,660**	**-3,978**
YoY%	26.3	16.7	14.0	10.3	8.7
Operating profit	**969**	**1,273**	**1,375**	**1,574**	**1,750**
Margin	11.5%	12.6%	12.2%	12.5%	12.7%
Other income / (exp)	414	303	415	441	458
Finance costs	-20	-13	-17	-17	-17
Associates' income	0	0	0	0	0
Pre-tax profit	1,363	1,563	1,773	1,998	2,191
Tax	-323	-370	-426	-480	-526
Profit after tax	**1,040**	**1,193**	**1,348**	**1,518**	**1,665**
Margin	12.3%	11.8%	11.9%	12.0%	12.1%
Minority Interest	-79	-44	-67	-68	-63
Net profit	**961**	**1,149**	**1,280**	**1,450**	**1,602**
YoY%	28.7	19.5	11.5	13.3	10.5
Margin	11.4%	11.4%	11.3%	11.5%	11.6%
Non-core items adj.	0	0	0	0	0
Adj. profit	**961**	**1,149**	**1,280**	**1,450**	**1,602**
YoY%	3.3	19.5	11.5	13.3	10.5
Margin	11.4%	11.4%	11.3%	11.5%	11.6%
EBITDA	**999**	**1,392**	**1,451**	**1,647**	**1,821**
YoY%	(7.6)	39.3	4.2	13.5	10.6
Margin	11.9%	13.8%	12.8%	13.0%	13.2%
Fully diluted EPS (RMB)	**0.465**	**0.556**	**0.619**	**0.701**	**0.775**
YoY%	28.7	19.5	11.5	13.3	10.5
DPS (RMB)	**0.187**	**0.250**	**0.279**	**0.316**	**0.349**
YoY%	N/A	33.7	11.5	13.3	10.5

Year ended 31 Dec	2023A	2024A	2025F	2026F	2027F
Cash Flow (RMBm)					
Operating profit	969	1,273	1,375	1,574	1,750
Dep. & Amort.	75	77	76	73	71
Chg in working cap	-679	-1,308	738	-351	-322
Others	305	303	301	301	301
Cash from operations	**671**	**345**	**2,490**	**1,597**	**1,800**
Tax paid	-263	-275	-426	-480	-526
Net cash from operations	**408**	**70**	**2,064**	**1,118**	**1,274**
YoY%	7.2	(82.9)	2,857.4	(45.9)	14.0
Capex	-64	-269	67	67	67
Investments	0	0	0	0	0
Disposal of assets	2	3	0	0	0
Interest received	67	45	113	140	156
Others	412	1,587	0	0	0
Net cash from investments	**417**	**1,366**	**180**	**206**	**223**
Issue/ buyback of shares	0	0	0	0	0
Interest paid	-20	-13	-17	-17	-17
Dividends paid	-122	-580	-547	-614	-687
Net change in debt	0	-31	0	0	0
Others	-938	-152	0	0	0
Net cash from financing	**-1,079**	**-777**	**-563**	**-631**	**-704**
Net change in cash	**-255**	**659**	**1,681**	**693**	**793**
Adjustments	-9	-1	0	0	0
Opening cash	3,860	3,596	4,254	5,935	6,628
Closing cash	**3,596**	**4,254**	**5,935**	**6,628**	**7,421**
FCF	**344**	**-199**	**2,131**	**1,184**	**1,341**
YoY%	(1.6)	N/A	N/A	(44.4)	13.2

Year ended 31 Dec	2023A	2024A	2025F	2026F	2027F
Balance Sheet (RMBm)					
Fixed assets	765	961	819	679	542
Assoicates & JCE	0	0	0	0	0
Goodwill & intangibles	0	0	0	0	0
Deferred tax assets	164	216	216	216	216
Others	519	179	179	179	179
Non-current assets	**1,448**	**1,355**	**1,213**	**1,074**	**937**
Inventories	1,350	2,109	1,698	1,893	2,072
Trade & bills receivables	3,831	4,389	4,528	5,048	5,525
Prepayments, deposits & others	1,227	1,298	1,298	1,298	1,298
Investments	0	0	0	0	0
Cash	3,596	4,254	5,935	6,628	7,421
Others	1,612	9	9	9	9
Current assets	**11,617**	**12,058**	**13,467**	**14,875**	**16,324**
Total assets	**13,065**	**13,414**	**14,681**	**15,949**	**17,261**
Trade & bills payables	2,577	2,704	3,170	3,533	3,868
Accruals & other payables	0	0	0	0	0
Tax payable	461	611	611	611	611
Bank loans	48	47	47	47	47
Bonds, CB & debentures	0	0	0	0	0
Others	2	2	2	2	2
Current liabilities	**3,088**	**3,363**	**3,829**	**4,193**	**4,527**
Bank loans	245	215	215	215	215
Bonds, CB & debentures	0	0	0	0	0
Deferred tax liabilities	8	6	6	6	6
Others	1	1	1	1	1
Non-current liabilities	**254**	**222**	**222**	**222**	**222**
Total liabilities	**3,342**	**3,584**	**4,050**	**4,414**	**4,748**
Total net assets	**9,723**	**9,829**	**10,630**	**11,534**	**12,513**
Share capital	182	182	182	182	182
Reserves	8,900	9,193	9,927	10,763	11,678
Shareholder's equity	**9,082**	**9,375**	**10,109**	**10,945**	**11,860**
Minority interests	641	454	521	590	653
Total Equity	**9,723**	**9,829**	**10,630**	**11,534**	**12,513**
Total debts	292	261	267	267	267
Net cash/(debts)	**4,916**	**4,002**	**5,677**	**6,370**	**7,163**
BVPS (RMB)	**4.393**	**4.534**	**4.889**	**5.293**	**5.736**

Year ended 31 Dec	2023A	2024A	2025F	2026F	2027F
Key ratios					
Margins (%)					
Gross margin	41.1	41.5	41.5	41.5	41.5
EBITDA margin	11.9	13.8	12.8	13.0	13.2
EBIT margin	11.5	12.6	12.2	12.5	12.7
Net margin	11.4	11.4	11.3	11.5	11.6
Net margin (Core profit)	11.4	11.4	11.3	11.5	11.6
Effective tax rate (%)	23.7	23.7	24.0	24.0	24.0
Selling exp as % of rev	22.1	22.0	22.1	22.0	21.9
Admin exp as % of rev	7.5	6.9	7.2	7.0	6.9
R&D exp as % of rev	0.0	0.0	0.0	0.0	0.0
Other opex as % of rev	0.0	0.0	0.0	0.0	0.0
Total opex as % of rev	29.6	28.9	29.3	29.0	28.8
Interest coverage (x)	48.1	94.6	81.9	93.6	104.1
Dividend payout (%)	40.2	45.0	45.0	45.0	45.0
Balance sheet ratios					
Inventory days	93	107	105	89	90
Acct. rec. days	149	149	144	138	140
Acct. payable days	180	164	162	166	167
Cash cycle	**61**	**92**	**87**	**62**	**62**
Net debt/equity (%)	**Net cash**	**Net cash**	**Net cash**	**Net cash**	**Net cash**
Net debt/total cap (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Current ratio (x)	3.76	3.59	3.52	3.55	3.61
Returns (%)					
Asset turnover (x)	0.66	0.76	0.81	0.82	0.83
Financial leverage (x)	1.50	1.43	1.44	1.45	1.46
EBIT margin (%)	16.4	15.6	15.8	16.0	16.0
Interest burden (x)	0.99	0.99	0.99	0.99	0.99
Tax burden (x)	0.71	0.73	0.72	0.73	0.73
ROE (%)	**11.3**	**12.4**	**13.1**	**13.8**	**14.0**
ROIC (%)	**17.3**	**19.7**	**25.3**	**30.3**	**32.0**

Source: Company data, Crosby Securities

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