



China | Consumer

15 May 2026

361 Degrees (1361 HK)

Plans to open 100 Super Premium Stores this year

~10% YoY growth in 1Q26

361 Degrees announced its 1Q26 operational results, with offline retail sales for its 361° Core Brand recorded a +10% growth YoY (4Q25: +10%, 3Q25: +10%), while 361° Kids was up by +10% YoY (4Q25: +10%, 3Q25: +10%). Online sales continue to grow healthily and recorded a mid double-digit YoY sales growth during the period (4Q25: high DD, 3Q25: ~20%). Retail inventory turnover was at a healthy level of 4.5-5 months (flat QoQ), while the retail discount level was at around 30% (4Q25: 29-30%).

Super Premium Store Expansion, Strong E-commerce Momentum

As of 1Q26, the number of Super Premium Stores had reached 142, including 120 adultwear stores and 22 kids stores, up 15 stores from 4Q25. The first overseas Super Premium Store in Cambodia has been operating smoothly. The company plans to open close to 100 additional Super Premium Stores in 2026. Benefiting from their larger footprints and superior locations, these stores have continued to drive improvements in store productivity, sell-through and basket size, with annual sales per store currently maintained at Rmb8-12mn. Retail sales growth at Super Premium Stores was broadly in line with the company-wide level, but their larger store size has supported solid store productivity. Repurchase rates and the membership base continue to expand, while the product mix is also differentiated from that of conventional large-format stores. On e-commerce, online-exclusive products account for nearly 85% of sales, forming a differentiated competitive advantage and sustaining relatively fast growth. Cross-border e-commerce has become an important driver of overseas growth, with current discount level at 31%. As overseas business continues to scale up, we expect overseas discount to improve further, thereby supporting profitability.

ONEWAY: Profitable with Peak-season Growth Potential

Righe before the 2025 National Day holiday, ONEWAY opened six stores simultaneously, covering key cities in northern China and focusing on professional skiing, technical outdoor and urban outdoor categories. In 1Q26, the brand remained profitable, with the inventory-to-sales ratio under its fully directly operated model controlled at around 4x. The current product mix is still apparel-led, but the company plans to continue enriching the product offering, and growth during the peak season appears promising.

Maintain our BUY rating and TP of HK\$7.8

We believe the company is on track to achieve a 10%/12% YoY growth in revenue/net profit this year. We maintained our FY26-FY28 forecasts for now, and keep our target price unchanged at \$7.8. We maintained our BUY rating on the counter.

Summary financial data

Year to Dec 31 (Rmb mn)	2024	2025A	2026E	2027E	2028E
Revenue	10,074	11,146	12,252	13,385	14,522
Gross profit	4,183	4,629	5,070	5,523	5,981
Net profit	1,149	1,309	1,467	1,614	1,748
YoY Growth	19.5%	14.0%	12.1%	10.0%	8.3%
EPS (HKD)	0.644	0.734	0.823	0.905	0.980
P/E (x)	7.9	6.9	6.2	5.6	5.2
P/B (x)	0.97	0.90	0.83	0.77	0.71
Dividend Yield (%)	5.7	6.5	7.3	8.0	8.7
ROE (%)	12.4	13.5	14.0	14.2	14.2
Net debt / equity (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Crosby Securities

BUY

Last Price (HK\$)*	5.10
Target Price (HK\$)	7.80
Upside / (Downside)(%)	52.9%
Previous rating	BUY
Previous TP	7.80
Hang Seng Index*	25,968.37
* Prices as of	15-May-26

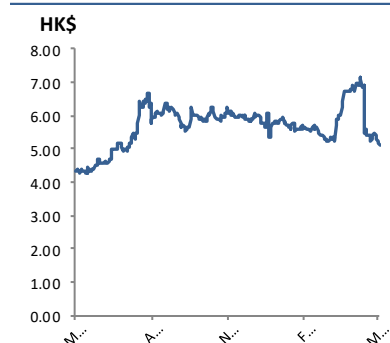
Key Data

Ticker	1361 HK
Market Cap (HK\$m)	11,055
3M avg daily T/O (HK\$m)	65.2
52-week High (HK\$)	7.25
52-week Low (HK\$)	4.19
Free Float (%)	37.7%
Shares O/S (m)	2,167.7

Performance Absolute Relative

1 month	-24.7%	-24.7%
3 months	-9.4%	-7.3%
6 months	-15.8%	-13.9%

Price Chart



Source: Bloomberg

Raymond Ip
raymond.ip@crosby.com
+852 3476 2928

Figure 1 Sportswear operational data (1Q16-1Q26)

	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	-	+HSD	+50%	+10%	+10-15%	-MSD	-HSD
1Q 2025	+HSD	FILA: +HSD Others: +65-70%	+LSD	-	+MSD	+>40%	+10-15%	+10-15%	-mid-to-high single digit	-
2Q 2025	+LSD	FILA: +MSD Others: +50-55%	+LSD	-	+LSD	+>20%	+10%	+10%	-	-
3Q 2025	+LSD	FILA: +LSD Others: +45-50%	-MSD	-	+LSD	+>20%	+10%	+10%	-	-
4Q 2025	-LSD	FILA: +MSD Others: +35-40%	-LSD	-	Flat	+>30%	+10%	+10%	-	-
1Q 2026	+HSD	FILA: +Low-teens Others: +40-45%	+MSD	-	+LSD	+>20%	+10%	+10%	-	-

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

Source: Companies data, Crosby Securities

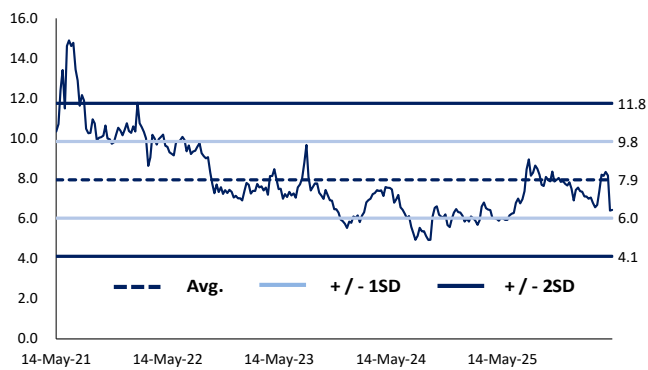


Figure 2 Peer comparison (closing prices as of 15 May 2026)

Company	Ticker	Price	Mkt cap (US\$m)	3-mth avg t/o (US\$m)	P/E (x)		FY1-FY3 EPS Cagr (%)	FY1 PEG (x)	Div Yld (%)		P/B (x)		ROE (%)		ROIC Hist (%)	Share px chg (%)		
					FY1	FY2			FY1	FY2	Hist	FY1	Hist	FY1		1-mth	3-mth	12-mth
HSI		25,968			11.8	10.5	11.6	1.02	3.3	3.4	1.39	1.27	9.9	10.5	0.1	(2.3)	10.7	
HSCEI		8,694			10.8	9.4	12.6	0.86	3.1	3.3	1.29	1.15	10.5	10.4	(0.3)	(3.8)	2.2	
CSI300		4,860			15.6	13.5	14.4	1.08	2.5	2.8	1.90	1.77	9.9	11.5	3.7	4.3	24.4	
Sector Average					10.7	9.6	11.3	1.0	6.0	6.9	1.3	1.5	12.6	13.9	9.2	(7.2)	(10.0)	(1.9)
Sector Median					12.5	11.4	12.0	1.0	6.7	8.4	1.0	1.4	13.0	13.4	9.2	(8.4)	(9.6)	(4.5)
Anta Sports	2020 HK	76.20	27,220	89.6	12.9	11.8	9.0	1.44	3.7	4.1	2.81	2.42	21.3	19.8	13.5	(9.0)	(9.6)	(17.8)
Li Ning Co Ltd	2331 HK	18.66	6,161	55.0	13.6	12.0	13.4	1.01	3.6	4.1	1.52	1.43	10.9	10.6	9.2	(11.2)	(13.5)	21.2
Xtep Intl	1368 HK	4.17	1,495	6.8	8.1	7.0	12.2	0.66	6.7	8.5	1.00	0.92	14.5	12.0	10.9	(8.4)	(21.8)	(23.6)
361 Degrees	1361 HK	5.11	1,415	8.3	6.2	5.6	9.8	0.63	7.6	8.4	0.91	0.82	13.5	13.4	11.9	(24.5)	(9.2)	16.9
China Dongxiang	3818 HK	0.42	316	0.2	N/A	N/A	N/A	N/A	N/A	N/A	0.23	N/A	3.0	N/A	2.2	1.2	(3.4)	8.6
Topsports Intern	6110 HK	2.96	2,345	3.8	12.5	11.4	12.0	1.05	8.3	9.3	1.78	1.73	13.0	13.7	8.8	5.0	1.0	(4.5)
Eagle Nice Intl	2368 HK	2.99	219	0.0	N/A	N/A	N/A	N/A	N/A	N/A	0.87	N/A	12.2	N/A	8.1	(3.5)	(13.3)	(14.3)

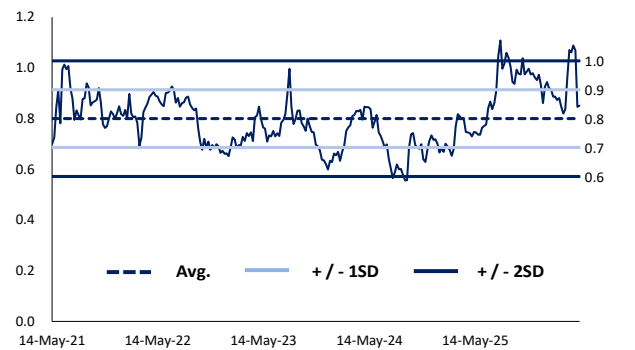
Source: Bloomberg, Crosby Securities

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	2024A	2025A	2026F	2027F	2028F
Profit & Loss (RMBm)					
Footwear	4,287	4,630	5,000	5,375	5,751
YoY%	22.1	8.0	8.0	7.5	7.0
Apparel	3,093	3,423	3,765	4,104	4,432
YoY%	15.1	10.7	10.0	9.0	8.0
Accessories	0	0	0	0	0
YoY%	N/A	N/A	N/A	N/A	N/A
361° Kids	2,310	2,532	2,785	3,064	3,370
YoY%	20.1	9.6	10.0	10.0	10.0
Others	383	562	702	842	969
YoY%	19.6	10.6	9.9	9.2	8.5
Turnover	10,074	11,146	12,252	13,385	14,522
YoY%	19.6	10.6	9.9	9.2	8.5
COGS	-5,890	-6,517	-7,182	-7,861	-8,541
Gross profit	4,183	4,629	5,070	5,523	5,981
Margin	41.5%	41.5%	41.4%	41.3%	41.2%
Selling & distribution	-2,211	-2,256	-2,499	-2,704	-2,919
Admin	-699	-854	-882	-937	-1,002
R&D	0	0	0	0	0
Other opex	0	0	0	0	0
Total opex	-2,910	-3,110	-3,382	-3,641	-3,921
YoY%	16.7	6.9	8.7	7.7	7.7
Operating profit	1,273	1,519	1,689	1,883	2,060
Margin	12.6%	13.6%	13.8%	14.1%	14.2%
Other income / (exp)	303	248	300	303	306
Finance costs	-13	-11	-19	-19	-19
Associates' income	0	0	0	0	0
Pre-tax profit	1,563	1,757	1,970	2,167	2,346
Tax	-370	-419	-473	-520	-563
Profit after tax	1,193	1,337	1,497	1,647	1,783
Margin	11.8%	12.0%	12.2%	12.3%	12.3%
Minority Interest	-44	-28	-30	-33	-36
Net profit	1,149	1,309	1,467	1,614	1,748
YoY%	19.5	14.0	12.1	10.0	8.3
Margin	11.4%	11.7%	12.0%	12.1%	12.0%
Non-core items adj.	0	0	0	0	0
Adj. profit	1,149	1,309	1,467	1,614	1,748
YoY%	19.5	14.0	12.1	10.0	8.3
Margin	11.4%	11.7%	12.0%	12.1%	12.0%
EBITDA	1,392	1,689	1,780	1,971	2,145
YoY%	39.3	21.3	5.4	10.7	8.8
Margin	13.8%	15.2%	14.5%	14.7%	14.8%
Fully diluted EPS (RMB)	0.556	0.633	0.709	0.780	0.845
YoY%	19.5	14.0	12.1	10.0	8.3
DPS (RMB)	0.250	0.285	0.319	0.351	0.380
YoY%	33.7	13.9	12.1	10.0	8.3

Year ended 31 Dec	2024A	2025A	2026F	2027F	2028F
Cash Flow (RMBm)					
Operating profit	1,273	1,519	1,689	1,883	2,060
Dep. & Amort.	77	125	91	88	85
Chg in working cap	-1,308	-759	602	-306	-307
Others	303	294	287	287	287
Cash from operations	345	1,178	2,669	1,952	2,125
Tax paid	-275	-364	-473	-520	-563
Net cash from operations	70	815	2,196	1,432	1,562
YoY%	(82.9)	1,067.0	169.6	(34.8)	9.1
Capex	-269	-285	67	67	67
Investments	0	0	0	0	0
Disposal of assets	3	1	0	0	0
Interest received	45	11	13	16	19
Others	1,587	-96	0	0	0
Net cash from investments	1,366	-369	80	83	85
Issue/ buyback of shares	0	0	0	0	0
Interest paid	-13	-10	-19	-19	-19
Dividends paid	-580	-584	-625	-693	-756
Net change in debt	-31	38	0	0	0
Others	-152	-52	0	0	0
Net cash from financing	-777	-608	-644	-712	-776
Net change in cash	659	-163	1,632	802	872
Adjustments	-1	3	0	0	0
Opening cash	3,596	4,254	4,094	5,726	6,528
Closing cash	4,254	4,094	5,726	6,528	7,400
FCF	-199	529	2,263	1,499	1,629
YoY%	N/A	N/A	327.4	(33.8)	8.7

Source: Company data, Crosby Securities

Year ended 31 Dec	2024A	2025A	2026F	2027F	2028F
Balance Sheet (RMBm)					
Fixed assets	961	1,037	879	724	572
Associates & JCE	0	0	0	0	0
Goodwill & intangibles	0	0	0	0	0
Deferred tax assets	216	204	204	204	204
Others	179	343	343	343	343
Non-current assets	1,355	1,584	1,426	1,272	1,120
Inventories	2,109	2,066	1,838	2,008	2,178
Trade & bills receivables	4,389	4,736	4,901	5,354	5,809
Prepayments, deposits & others	1,298	1,923	1,923	1,923	1,923
Investments	0	0	0	0	0
Cash	4,254	4,094	5,726	6,528	7,400
Others	9	9	9	9	9
Current assets	12,058	12,827	14,396	15,822	17,319
Total assets	13,414	14,411	15,823	17,094	18,439
Trade & bills payables	2,704	2,892	3,431	3,748	4,066
Accruals & other payables	0	0	0	0	0
Tax payable	611	640	640	640	640
Bank loans	47	299	299	299	299
Bonds, CB & debentures	0	0	0	0	0
Others	2	6	6	6	6
Current liabilities	3,363	3,836	4,375	4,693	5,011
Bank loans	215	0	0	0	0
Bonds, CB & debentures	0	0	0	0	0
Deferred tax liabilities	6	20	20	20	20
Others	1	5	5	5	5
Non-current liabilities	222	25	25	25	25
Total liabilities	3,584	3,861	4,400	4,717	5,036
Total net assets	9,829	10,550	11,423	12,376	13,403
Share capital	182	182	182	182	182
Reserves	9,193	9,896	10,738	11,659	12,650
Shareholder's equity	9,375	10,078	10,921	11,841	12,832
Minority interests	454	472	502	535	571
Total Equity	9,829	10,550	11,423	12,376	13,403
Total debts	261	319	319	319	319
Net cash/(debts)	4,002	3,784	5,416	6,219	7,090
BVPS (RMB)	4.534	4.874	5.282	5.727	6.206

Year ended 31 Dec	2024A	2025A	2026F	2027F	2028F
Key ratios					
Margins (%)					
Gross margin	41.5	41.5	41.4	41.3	41.2
EBITDA margin	13.8	15.2	14.5	14.7	14.8
EBIT margin	12.6	13.6	13.8	14.1	14.2
Net margin	11.4	11.7	12.0	12.1	12.0
Net margin (Core profit)	11.4	11.7	12.0	12.1	12.0
Effective tax rate (%)	23.7	23.9	24.0	24.0	24.0
Selling exp as % of rev	22.0	20.2	20.4	20.2	20.1
Admin exp as % of rev	6.9	7.7	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	28.9	27.9	27.6	27.2	27.0
Interest coverage (x)	94.6	144.5	87.8	97.9	107.1
Dividend payout (%)	45.0	45.0	45.0	45.0	45.0
Balance sheet ratios					
Inventory days	107	117	99	89	89
Acct. rec. days	149	149	144	140	140
Acct. payable days	164	157	161	167	167
Cash cycle	92	110	82	62	63
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)	3.59	3.34	3.29	3.37	3.46
Returns (%)					
Asset turnover (x)	0.76	0.80	0.81	0.81	0.82
Financial leverage (x)	1.43	1.43	1.44	1.45	1.44
EBIT margin (%)	15.6	15.9	16.2	16.3	16.3
Interest burden (x)	0.99	0.99	0.99	0.99	0.99
Tax burden (x)	0.73	0.75	0.74	0.74	0.74
ROE (%)	12.4	13.5	14.0	14.2	14.2
ROIC (%)	19.7	21.4	23.8	27.4	29.0

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Buy (B): The stock’s potential total return is expected to be over 10%/15% for Large Caps/Small&Mid Caps, respectively.

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