

UNDER ARMOUR INC

BUY						HOLD			SELL						BUY	RATING SINCE		10/26/2011
A+	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E+	E	E-		F	TARGET PRICE	\$109.86
Annual Dividend Rate NA			Annual Dividend Yield NA			Beta 0.90			Market Capitalization \$15.1 Billion			52-Week Range \$56.79-\$88.15			Price as of 6/18/2015 \$83.70			

Sector: **Consumer Goods & Svcs** | Sub-Industry: **Apparel, Accessories & Luxury Goods** | Source: **S&P**

UA BUSINESS DESCRIPTION

Under Armour, Inc., together with its subsidiaries, develops, markets, and distributes branded performance apparel, footwear, and accessories for men, women, and youth primarily in North America, Europe, the Middle East, Africa, the Asia-Pacific, and Latin America.

STOCK PERFORMANCE (%)

	3 Mo.	1 Yr.	3 Yr (Ann)
Price Change	4.58	40.31	46.68

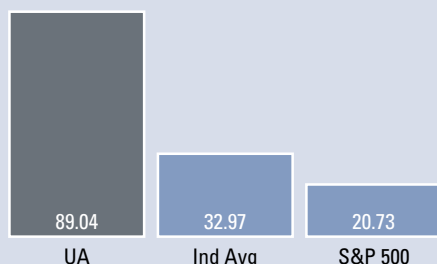
GROWTH (%)

	Last Qtr	12 Mo.	3 Yr CAGR
Revenues	25.45	29.80	28.12
Net Income	-13.37	22.71	27.53
EPS	-16.67	21.29	25.55

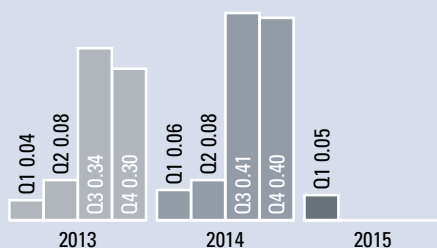
RETURN ON EQUITY (%)

	UA	Ind Avg	S&P 500
Q1 2015	14.89	21.27	14.20
Q1 2014	15.15	20.10	14.48
Q1 2013	14.46	20.66	13.11

P/E COMPARISON



EPS ANALYSIS' (\$)

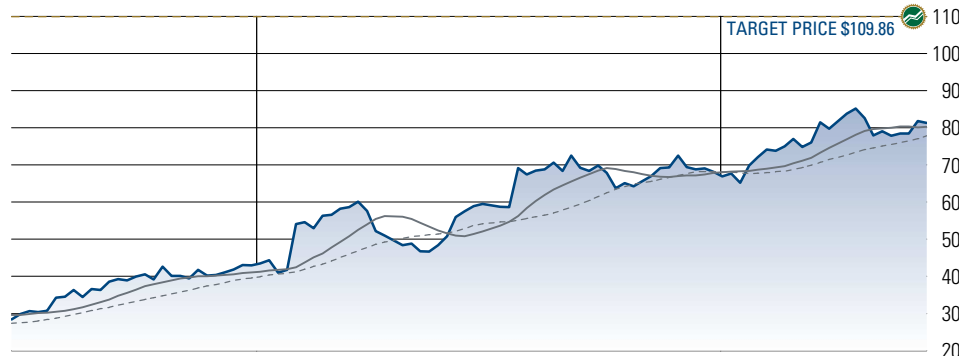


NA = not available NM = not meaningful

1 Compustat fiscal year convention is used for all fundamental data items.

Weekly Price: (US\$) | SMA (50) — SMA (100) ---

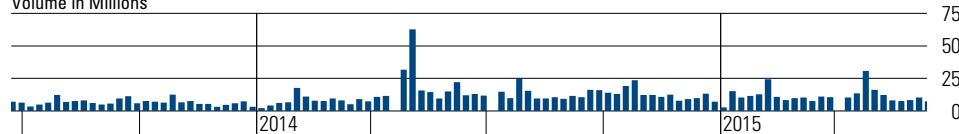
1 Year | 2 Years



Rating History

BUY

Volume in Millions



COMPUSTAT for Price and Volume, TheStreet Ratings, Inc. for Rating History

RECOMMENDATION

We rate UNDER ARMOUR INC (UA) a BUY. This is driven by a few notable strengths, which we believe should have a greater impact than any weaknesses, and should give investors a better performance opportunity than most stocks we cover. The company's strengths can be seen in multiple areas, such as its robust revenue growth, expanding profit margins, solid stock price performance and largely solid financial position with reasonable debt levels by most measures. We feel its strengths outweigh the fact that the company has had sub par growth in net income.

HIGHLIGHTS

The revenue growth came in higher than the industry average of 9.3%. Since the same quarter one year prior, revenues rose by 25.4%. This growth in revenue does not appear to have trickled down to the company's bottom line, displayed by a decline in earnings per share.

49.57% is the gross profit margin for UNDER ARMOUR INC which we consider to be strong. It has increased from the same quarter the previous year. Regardless of the strong results of the gross profit margin, the net profit margin of 1.45% trails the industry average.

Compared to its closing price of one year ago, UA's share price has jumped by 40.31%, exceeding the performance of the broader market during that same time frame. We feel that the stock's sharp appreciation over the last year has driven it to a price level which is now somewhat expensive compared to the rest of its industry. The other strengths this company shows, however, justify the higher price levels.

UNDER ARMOUR INC's earnings per share declined by 16.7% in the most recent quarter compared to the same quarter a year ago. This company has reported somewhat volatile earnings recently. But, we feel it is poised for EPS growth in the coming year. During the past fiscal year, UNDER ARMOUR INC increased its bottom line by earning \$0.95 versus \$0.75 in the prior year. This year, the market expects an improvement in earnings (\$1.07 versus \$0.95).

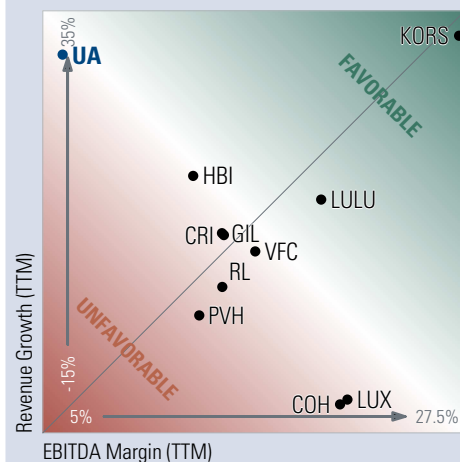
Despite currently having a low debt-to-equity ratio of 0.49, it is higher than that of the industry average, inferring that management of debt levels may need to be evaluated further. Regardless of the somewhat mixed results with the debt-to-equity ratio, the company's quick ratio of 1.40 is sturdy.

Sector: Consumer Goods & Svcs | Apparel, Accessories & Luxury Goods | Source: S&P

Annual Dividend Rate NA	Annual Dividend Yield NA	Beta 0.90	Market Capitalization \$15.1 Billion	52-Week Range \$56.79-\$88.15	Price as of 6/18/2015 \$83.70
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PEER GROUP ANALYSIS

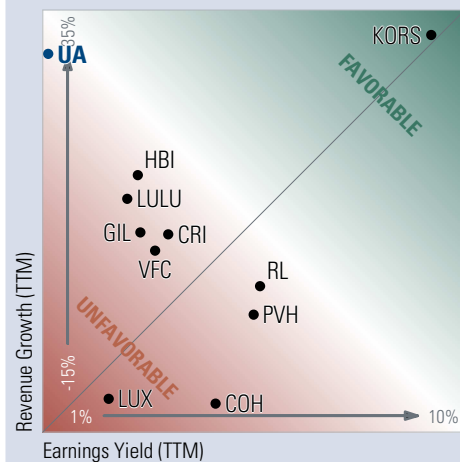
REVENUE GROWTH AND EBITDA MARGIN*



Companies with higher EBITDA margins and revenue growth rates are outperforming companies with lower EBITDA margins and revenue growth rates. Companies for this scatter plot have a market capitalization between \$5.6 Billion and \$32.6 Billion. Companies with NA or NM values do not appear.

*EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization.

REVENUE GROWTH AND EARNINGS YIELD



Companies that exhibit both a high earnings yield and high revenue growth are generally more attractive than companies with low revenue growth and low earnings yield. Companies for this scatter plot have revenue growth rates between -11.6% and 32%. Companies with NA or NM values do not appear.

INDUSTRY ANALYSIS

The textiles, apparel, and luxury goods industry includes very well-known brands such as Nike (NKE), Coach (COH), Luxottica Group (LUX), Ralph Lauren (RL), Fossil (FOSL), Under Armour (UA), HanesBrands (HBI), Columbia Sportswear (COLM), Crocs (CROX), and Movado Group (MOV).

The companies in the textiles, apparel, and luxury goods industry sell their products through multiline retailers and over the internet. Some of the larger players in this industry group cross over into the specialty retailer category with exclusively branded stores of their own such as Nike, Coach, Fossil, and Ralph Lauren.

While textiles may have once been a large portion of this industry group, that segment is down to a few players such as Unifi (UFI), Culp (CFI), Crown Crafts (CRWS), and Hallwood Group (HWG). Most of the industry is focused on brands for shoes, clothing, eyewear, and wrist watches. Companies in the group tend to own a variety of proprietary brands in order to design, develop, market, and distribute products targeted to specific consumer segments.

PEER GROUP: Textiles, Apparel & Luxury Goods

Ticker	Company Name	Recent Price (\$)	Market Cap (\$M)	Price/Earnings	Net Sales TTM (\$M)	Net Income TTM (\$M)
UA	UNDER ARMOUR INC	83.70	15,061	89.04	3,247.70	206.23
COH	COACH INC	35.80	9,891	21.31	4,323.72	465.98
PVH	PVH CORP	113.19	9,360	18.20	8,156.80	517.80
KORS	MICHAEL KORS HOLDINGS LTD	46.17	9,184	10.76	4,371.47	881.02
LULU	LULULEMON ATHLETICA INC	66.61	8,767	35.62	1,836.14	267.86
RL	RALPH LAUREN CORP	139.50	8,425	17.73	7,620.00	702.00
GIL	GILDAN ACTIVEWEAR INC	33.34	8,081	32.37	2,434.60	253.48
CRI	CARTER'S INC	107.10	5,627	27.18	2,967.88	210.17
LUX	LUXOTTICA GROUP SPA	67.60	32,620	41.47	9,095.49	786.83
VFC	VF CORP	70.28	29,867	29.41	12,338.68	1,039.02
HBI	HANESBRANDS INC	33.55	13,476	32.97	5,474.30	415.60

The peer group comparison is based on Major Apparel, Accessories & Luxury Goods companies of comparable size.

UNDER ARMOUR INC

Sector: Consumer Goods & Svcs | Apparel, Accessories & Luxury Goods | Source: S&P

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COMPANY DESCRIPTION

Under Armour, Inc., together with its subsidiaries, develops, markets, and distributes branded performance apparel, footwear, and accessories for men, women, and youth primarily in North America, Europe, the Middle East, Africa, the Asia-Pacific, and Latin America. The company offers its apparel in compression, fitted, and loose types to be worn in hot, cold, and in between the extremes. It offers various footwear products, including football, baseball, lacrosse, softball and soccer cleats, slides, performance training, running, basketball, and outdoor footwear. The company also provides accessories, which include headwear, bags, and gloves; digital fitness platform licenses and subscriptions, as well as digital advertising; and licenses its brands. It primarily offers its products under the UA Logo, UNDER ARMOUR, UA, ARMOUR, HEATGEAR, COLDGEAR, ALLSEASONGEAR, PROTECT THIS HOUSE, and I WILL trademarks, as well as ARMOUR39, ARMOURBITE, ARMOURLOFT, ARMOURSTORM, ARMOUR FLEECE, and ARMOUR BRA trademarks. The company sells its products through wholesale channels, including national and regional sporting goods chains, independent and specialty retailers, department store chains, institutional athletic departments, and leagues and teams, as well as independent distributors; and directly to consumers through a network of brand and factory house stores, and Website. Under Armour, Inc. was founded in 1996 and is headquartered in Baltimore, Maryland.

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STOCK-AT-A-GLANCE

Below is a summary of the major fundamental and technical factors we consider when determining our overall recommendation of UA shares. It is provided in order to give you a deeper understanding of our rating methodology as well as to paint a more complete picture of a stock's strengths and weaknesses. It is important to note, however, that these factors only tell part of the story. To gain an even more comprehensive understanding of our stance on the stock, these factors must be assessed in combination with the stock's valuation. Please refer to our Valuation section on page 5 for further information.

FACTOR	SCORE					
Growth	4.5 out of 5 stars	★	★	★	★	☆
Measures the growth of both the company's income statement and cash flow. On this factor, UA has a growth score better than 80% of the stocks we rate.		weak				strong
Total Return	5.0 out of 5 stars	★	★	★	★	★
Measures the historical price movement of the stock. The stock performance of this company has beaten 90% of the companies we cover.		weak				strong
Efficiency	4.5 out of 5 stars	★	★	★	★	☆
Measures the strength and historic growth of a company's return on invested capital. The company has generated more income per dollar of capital than 80% of the companies we review.		weak				strong
Price volatility	4.5 out of 5 stars	★	★	★	★	☆
Measures the volatility of the company's stock price historically. The stock is less volatile than 80% of the stocks we monitor.		weak				strong
Solvency	4.5 out of 5 stars	★	★	★	★	☆
Measures the solvency of the company based on several ratios. The company is more solvent than 80% of the companies we analyze.		weak				strong
Income	0.5 out of 5 stars	☆	☆	☆	☆	☆
Measures dividend yield and payouts to shareholders. This company pays no dividends.		weak				strong

THE STREET RATINGS RESEARCH METHODOLOGY

TheStreet Ratings' stock model projects a stock's total return potential over a 12-month period including both price appreciation and dividends. Our Buy, Hold or Sell ratings designate how we expect these stocks to perform against a general benchmark of the equities market and interest rates. While our model is quantitative, it utilizes both subjective and objective elements. For instance, subjective elements include expected equities market returns, future interest rates, implied industry outlook and forecasted company earnings. Objective elements include volatility of past operating revenues, financial strength, and company cash flows.

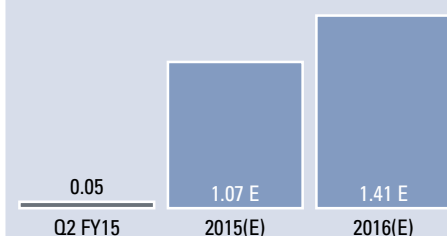
Our model gauges the relationship between risk and reward in several ways, including: the pricing drawdown as compared to potential profit volatility, i.e. how much one is willing to risk in order to earn profits; the level of acceptable volatility for highly performing stocks; the current valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's performance. These and many more derived observations are then combined, ranked, weighted, and scenario-tested to create a more complete analysis. The result is a systematic and disciplined method of selecting stocks.

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Consensus EPS Estimates² (\$)

IBES consensus estimates are provided by Thomson Financial



INCOME STATEMENT

	Q1 FY15	Q1 FY14
Net Sales (\$mil)	804.94	641.61
EBITDA (\$mil)	48.98	44.18
EBIT (\$mil)	27.67	26.86
Net Income (\$mil)	11.73	13.54

BALANCE SHEET

	Q1 FY15	Q1 FY14
Cash & Equiv. (\$mil)	232.04	179.93
Total Assets (\$mil)	2,548.05	1,599.02
Total Debt (\$mil)	676.85	151.66
Equity (\$mil)	1,384.53	1,108.58

PROFITABILITY

	Q1 FY15	Q1 FY14
Gross Profit Margin	49.57%	49.56%
EBITDA Margin	6.08%	6.88%
Operating Margin	3.44%	4.19%
Sales Turnover	1.27	1.56
Return on Assets	8.09%	10.50%
Return on Equity	14.89%	15.15%

DEBT

	Q1 FY15	Q1 FY14
Current Ratio	3.20	2.91
Debt/Capital	0.33	0.12
Interest Expense	2.21	0.85
Interest Coverage	12.52	31.74

SHARE DATA

	Q1 FY15	Q1 FY14
Shares outstanding (mil)	216	213
Div / share	0.00	0.00
EPS	0.05	0.06
Book value / share	6.42	5.20
Institutional Own %	NA	NA
Avg Daily Volume	2,225,428	2,187,395

² Sum of quarterly figures may not match annual estimates due to use of median consensus estimates.

FINANCIAL ANALYSIS

UNDER ARMOUR INC's gross profit margin for the first quarter of its fiscal year 2015 is essentially unchanged when compared to the same period a year ago. Even though sales increased, the net income has decreased. UNDER ARMOUR INC has average liquidity. Currently, the Quick Ratio is 1.40 which shows that technically this company has the ability to cover short-term cash needs. The company's liquidity has increased from the same period last year.

During the same period, stockholders' equity ("net worth") has increased by 24.89% from the same quarter last year. Together, the key liquidity measurements indicate that it is relatively unlikely that the company will face financial difficulties in the near future.

STOCKS TO BUY: TheStreet Quant Ratings has identified a handful of stocks that can potentially TRIPLE in the next 12-months. To learn more visit www.TheStreetRatings.com.

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RATINGS HISTORY

Our rating for UNDER ARMOUR INC has not changed since 10/26/2011. As of 6/18/2015, the stock was trading at a price of \$83.70 which is 5.1% below its 52-week high of \$88.15 and 47.4% above its 52-week low of \$56.79.

2 Year Chart



MOST RECENT RATINGS CHANGES

Date	Price	Action	From	To
6/18/13	\$30.03	No Change	Buy	Buy

Price reflects the closing price as of the date listed, if available

RATINGS DEFINITIONS & DISTRIBUTION OF THE STREET RATINGS

(as of 6/18/2015)

45.89% Buy - We believe that this stock has the opportunity to appreciate and produce a total return of more than 10% over the next 12 months.

30.23% Hold - We do not believe this stock offers conclusive evidence to warrant the purchase or sale of shares at this time and that its likelihood of positive total return is roughly in balance with the risk of loss.

23.87% Sell - We believe that this stock is likely to decline by more than 10% over the next 12 months, with the risk involved too great to compensate for any possible returns.

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VALUATION

BUY. UNDER ARMOUR INC's P/E ratio indicates a significant premium compared to an average of 32.97 for the Textiles, Apparel & Luxury Goods industry and a significant premium compared to the S&P 500 average of 20.73. For additional comparison, its price-to-book ratio of 13.03 indicates a significant premium versus the S&P 500 average of 2.86 and a significant premium versus the industry average of 6.44. The price-to-sales ratio is well above both the S&P 500 average and the industry average, indicating a premium. Upon assessment of these and other key valuation criteria, UNDER ARMOUR INC proves to trade at a premium to investment alternatives within the industry.

Price/Earnings

1	2	3	4	5
premium				discount

UA 89.04 **Peers 32.97**

- Premium. A higher P/E ratio than its peers can signify a more expensive stock or higher growth expectations.
- UA is trading at a significant premium to its peers.

Price/Projected Earnings

1	2	3	4	5
premium				discount

UA 59.36 **Peers 28.70**

- Premium. A higher price-to-projected earnings ratio than its peers can signify a more expensive stock or higher future growth expectations.
- UA is trading at a significant premium to its peers.

Price/Book

1	2	3	4	5
premium				discount

UA 13.03 **Peers 6.44**

- Premium. A higher price-to-book ratio makes a stock less attractive to investors seeking stocks with lower market values per dollar of equity on the balance sheet.
- UA is trading at a significant premium to its peers.

Price/Sales

1	2	3	4	5
premium				discount

UA 5.55 **Peers 2.86**

- Premium. In the absence of P/E and P/B multiples, the price-to-sales ratio can display the value investors are placing on each dollar of sales.
- UA is trading at a significant premium to its industry.

Price/CashFlow

1	2	3	4	5
premium				discount

UA 93.28 **Peers 30.29**

- Premium. The P/CF ratio, a stock's price divided by the company's cash flow from operations, is useful for comparing companies with different capital requirements or financing structures.
- UA is trading at a significant premium to its peers.

Price to Earnings/Growth

1	2	3	4	5
premium				discount

UA 7.05 **Peers 1.97**

- Premium. The PEG ratio is the stock's P/E divided by the consensus estimate of long-term earnings growth. Faster growth can justify higher price multiples.
- UA trades at a significant premium to its peers.

Earnings Growth

1	2	3	4	5
lower				higher

UA 21.29 **Peers 17.22**

- Higher. Elevated earnings growth rates can lead to capital appreciation and justify higher price-to-earnings ratios.
- UA is expected to have an earnings growth rate that exceeds its peers.

Sales Growth

1	2	3	4	5
lower				higher

UA 29.80 **Peers 9.02**

- Higher. A sales growth rate that exceeds the industry implies that a company is gaining market share.
- UA has a sales growth rate that significantly exceeds its peers.

DISCLAIMER:

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