# **ModernGraham Valuation**

## **Company Name:**

Company Ticker

Date of Analysis

**Under Armour Inc** 



#### Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

10/28/2015

Defensive Investor; must pass 6 out of the following 7 tests.

UA

| <ol> <li>Adequate Size of the Enterprise</li> </ol> | Market Cap > \$2Bil  | \$20,542,763,478 Pass |
|---|--|-----------------------|
| 2. Sufficiently Strong Financial Condition          | Current Ratio > 2  | 2.09 Pass             |
| 3. Earnings Stability                               | Positive EPS for 10 years prior                                  | Pass                  |
| 4. Dividend Record                                  | Dividend Payments for 10 years prior                             | Fail                  |
|   | Increase of 33% in EPS in past 10 years using 3 year averages at |                       |
| 5. Earnings Growth                                  | beginning and end  | 248.69% Pass          |
| 6. Moderate PEmg Ratio                              | PEmg < 20  | 136.56 Fail           |
| 7. Moderate Price to Assets                         | PB Ratio < 2.5 OR PB*PEmg < 50                                   | 13.52 Fail            |

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

| 1. Sufficiently Strong Financial Condition | Current Ratio > 1.5            | 2.09 Pass |
|--|--------------------------------|-----------|
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1              | 0.61 Pass |
| 3. Earnings Stability                      | Positive EPS for 5 years prior | Pass      |
| 4. Dividend Record                         | Currently Pays Dividend        | Fail      |
| 5. Earnings Growth                         | EPSmg greater than 5 years ago | Pass      |

Suitability

Defensive No Enterprising Yes

### Stage 2: Determination of Intrinsic Value

| EPSmg                       | \$0.70  |
|-----------------------------|---------|
| MG Growth Estimate          | 15.00%  |
| MG Value                    | \$27.13 |
| MG Value based on 3% Growth | \$10.22 |
| MG Value based on 0% Growth | \$5.99  |
| Market Implied Growth Rate  | 64.03%  |

MG Opinion

**Current Price** \$96.23 % of Intrinsic Value 354.70% Opinion Overvalued

### Stage 3: Information for Further Research

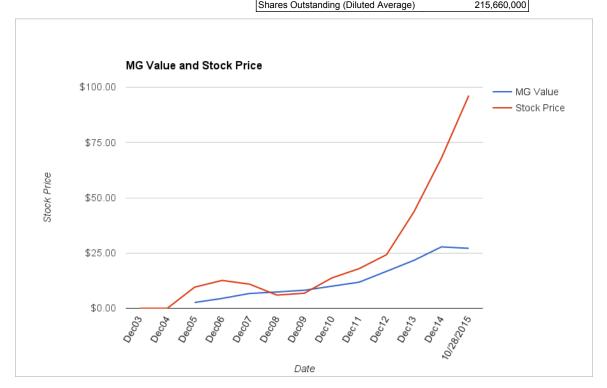
| Net Current Asset Value (NCAV)                    | \$1.28 |
|---|--------|
| Graham Number                                     | \$9.56 |
| PEmg  | 136.56 |
| Current Ratio                                     | 2.09   |
| PB Ratio  | 13.52  |
| Dividend Yield                                    | 0.00%  |
| Number of Consecutive Years of Dividend<br>Growth | 0      |

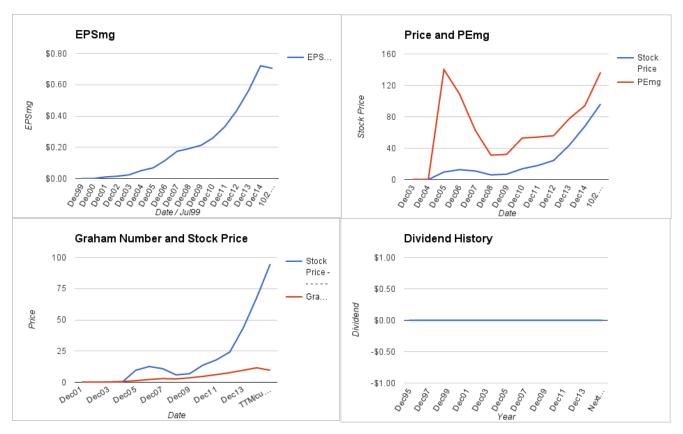
Morningstar

**Useful Links:** ModernGraham tagged articles

> MSN Money Google Finance Yahoo Finance Seeking Alpha GuruFocus **SEC Filings**

| EPS History                  |        | EPSmg History                        |       |                 |
|------------------------------|--------|--------------------------------------|-------|-----------------|
| Next Fiscal Year<br>Estimate | \$0.57 | Next Fiscal Year Estimate            |       | \$0.70          |
| Dec14                        | \$0.95 | Dec14                                |       | \$0.72          |
| Dec13                        | \$0.75 | Dec13                                |       | \$0.56          |
| Dec12                        | \$0.61 | Dec12                                |       | \$0.43          |
| Dec11                        | \$0.46 | Dec11                                |       | \$0.33          |
| Dec10                        | \$0.34 | Dec10                                |       | \$0.26          |
| Dec09                        | \$0.23 | Dec09                                |       | \$0.21          |
| Dec08                        | \$0.19 | Dec08                                |       | \$0.19          |
| Dec07                        | \$0.26 | Dec07                                |       | \$0.17          |
| Dec06                        | \$0.20 | Dec06                                |       | \$0.12          |
| Dec05                        | \$0.09 | Dec05                                |       | \$0.07          |
| Dec04                        | \$0.10 | Dec04                                |       | \$0.05          |
| Dec03                        | \$0.04 | Dec03                                |       | \$0.02          |
| Dec02                        | \$0.02 | Dec02                                |       | \$0.01          |
| Dec01                        | \$0.03 | Dec01                                |       | \$0.01          |
| Dec00                        | \$0.00 | Dec00                                |       | \$0.00          |
| Dec99                        | \$0.00 | Dec99                                |       | \$0.00          |
| Dec98                        | \$0.00 | Balance Sheet Information            | Sep15 |                 |
| Dec97                        | \$0.00 | Total Current Assets                 |       | \$1,775,296,000 |
| Dec96                        | \$0.00 | Total Current Liabilities            |       | \$848,604,000   |
| Dec95                        | \$0.00 | Long-Term Debt                       |       | \$562,550,000   |
|                              |        | Total Assets                         |       | \$3,035,502,000 |
|                              |        | Intangible Assets                    |       | \$671,564,000   |
|                              |        | Total Liabilities                    |       | \$1,500,248,000 |
|                              |        | Shares Outstanding (Diluted Average) |       | 215.660.000     |





#### Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

#### **Recommended Reading:**

Other ModernGraham posts about the company Under Armour Inc. Analysis - Initial Coverage \$UA

Other ModernGraham posts about related companies Michael Kors Holdings Limited Analysis – October 2015 Update \$KORS Wolverine World Wide Inc. Analysis – September 2015 Update \$WWW

Ralph Lauren Corporation Analysis – September 2015 Update \$RL

Gap Inc Analysis – September 2015 Update \$GPS

VF Corporation Analysis – September 2015 Update \$VFC

L Brands Inc. Analysis – August 2015 Update \$LB

Abercrombie & Fitch Company Analysis - Initial Coverage \$ANF

Nike Inc. Analysis – August 2015 Update \$NKE

The Best Companies of the Apparel Industry – June 2015 \$GPS \$HBI \$KORS \$RL

\$VFC

American Eagle Outfitters Analysis – Initial Coverage \$AEO