

ModernGraham Valuation

Company Name:

Under Armour Inc

Company Ticker UA

Date of Analysis

10/28/2015



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

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

1. Adequate Size of the Enterprise	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 beginning and end	248.69%	Pass
5. Earnings Growth	PEmg < 20	136.56	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	13.52	Fail
7. Moderate Price to Assets			

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 Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year 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](#)