

ModernGraham Valuation

Company Name:

Under Armour Inc

Company Ticker UA

Date of Analysis

6/11/2016



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	\$15,995,691,229	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.92	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	361.99%	Pass
5. Earnings Growth	PEmg < 20	76.99	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	9.77	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	2.92	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.66	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	\$0.50
MG Growth Estimate	15.00%
MG Value	\$19.19
MG Value based on 3% Growth	\$7.23
MG Value based on 0% Growth	\$4.24
Market Implied Growth Rate	34.24%

MG Opinion

Current Price	\$38.38
% of Intrinsic Value	199.96%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$0.66
Graham Number	\$6.06
PEmg	76.99
Current Ratio	2.92
PB Ratio	9.77
Current Dividend	\$0.00
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

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.58	Next Fiscal Year Estimate	\$0.50
Dec2015	\$0.53	Dec2015	\$0.43
Dec2014	\$0.48	Dec2014	\$0.36
Dec2013	\$0.38	Dec2013	\$0.28
Dec2012	\$0.30	Dec2012	\$0.22
Dec2011	\$0.23	Dec2011	\$0.17
Dec2010	\$0.17	Dec2010	\$0.13
Dec2009	\$0.12	Dec2009	\$0.11
Dec2008	\$0.10	Dec2008	\$0.10
Dec2007	\$0.13	Dec2007	\$0.09
Dec2006	\$0.10	Dec2006	\$0.06
Dec2005	\$0.05	Dec2005	\$0.03
Dec2004	\$0.05	Dec2004	\$0.03
Dec2003	\$0.02	Dec2003	\$0.01
Dec2002	\$0.01	Dec2002	\$0.01
Dec2001	\$0.02	Dec2001	\$0.01
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information 3/1/2016	
Dec1998	\$0.00	Total Current Assets	\$1,768,783,000
Dec1997	\$0.00	Total Current Liabilities	\$605,900,000
Dec1996	\$0.00	Long-Term Debt	\$767,525,000
		Total Assets	\$3,218,124,000
		Intangible Assets	\$662,112,000
		Total Liabilities	\$1,476,807,000
		Shares Outstanding (Diluted Average)	443,260,000





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:

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ModernGraham
posts about the
company

[Under Armour Inc Valuation – October 2015 Update \\$UA](#)

[Under Armour Inc. Analysis – Initial Coverage \\$UA](#)

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[Gap Inc Valuation – February 2016 \\$GPS](#)

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[Hanesbrands Inc Valuation – February 2016 Update \\$HBI](#)

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[L Brands Inc Valuation – January 2016 Update \\$LB](#)

[Gap Inc Valuation – February 2016 \\$GPS](#)

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