

ModernGraham Valuation

Company Name:

Under Armour Inc

Company Ticker

UA

Date of Analysis

3/9/2018



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	\$7,112,635,305	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.20	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-10.33%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	74.90	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.32	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	2.20	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.60	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.20
MG Growth Estimate	-4.25%
MG Value	\$0.79
MG Value based on 3% Growth	\$2.94
MG Value based on 0% Growth	\$1.72
Market Implied Growth Rate	33.20%

MG Opinion

Current Price	\$15.18
% of Intrinsic Value	1916.56%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

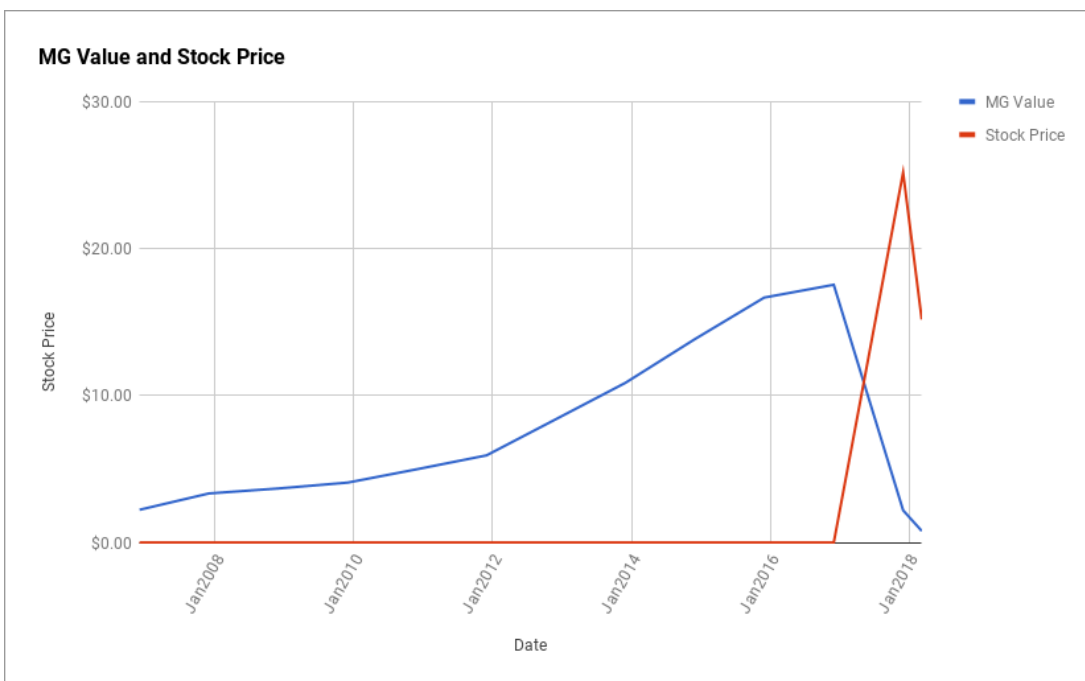
Net Current Asset Value (NCAV)	\$0.79
Graham Number	\$3.51
PEmg	74.90
Current Ratio	2.20
PB Ratio	3.32
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$0.12		\$0.20
Dec2017	-\$0.11	Dec2017	\$0.28
Dec2016	\$0.45	Dec2016	\$0.46
Dec2015	\$0.53	Dec2015	\$0.43
Dec2014	\$0.47	Dec2014	\$0.36
Dec2013	\$0.38	Dec2013	\$0.28
Dec2012	\$0.31	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	Balance Sheet Information	
Dec2000	\$0.00	12/1/2017	
Dec1999	\$0.00	Total Current Assets	\$2,337,679,000
Dec1998	\$0.00	Total Current Liabilities	\$1,060,375,000
		Long-Term Debt	\$765,046,000
		Total Assets	\$4,006,367,000
		Intangible Assets	\$602,669,000
		Total Liabilities	\$1,987,725,000
		Shares Outstanding (Diluted Average)	441,836,000





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 Valuation – October 2015 Update \\$UA](#)
- [Under Armour Inc. Analysis – Initial Coverage \\$UA](#)

Other ModernGraham posts about related companies

- [Hanesbrands Inc Valuation – March 2018 \\$HBI](#)
- [L Brands Inc Valuation – March 2018 \\$LB](#)
- [Nike Inc Valuation – February 2018 \\$NKE](#)
- [Nike Inc Valuation – July 2017 \\$NKE](#)
- [Deckers Outdoor Corp Valuation – Initial Coverage \\$DECK](#)
- [Ralph Lauren Corp Valuation – April 2017 \\$RL](#)
- [Abercrombie & Fitch Co Valuation – March 2017 \\$ANF](#)
- [Crocs Inc Valuation – Initial Coverage \\$CROX](#)
- [Stage Stores Inc Valuation – Initial Coverage \\$SSI](#)
- [Carter's Inc Valuation – Initial Coverage \\$CRI](#)