Stock Report | **June 15, 2019** | NYSE Symbol: **UAA** | **UAA** is in the S&P 500

Under Armour, Inc.

Recommendation SELL ★★☆☆☆	**Price**	**12-Mo. Target Price**	**Report Currency**	**Investment Style**
	USD 27.07 (as of Jun 14, 2019 4:00 PM ET)	USD 17.00	USD	Mid-Cap Blend

Equity Analyst Camilla Yanushevsky

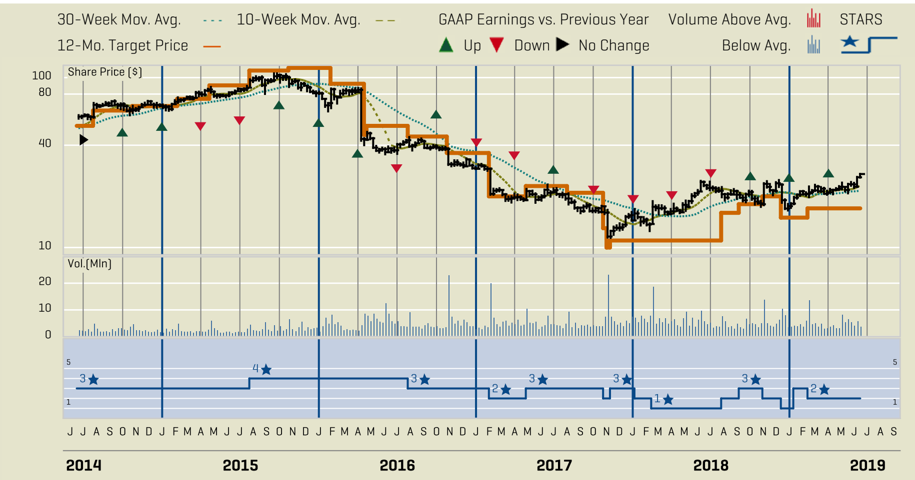
GICS Sector Consumer Discretionary
Sub-Industry Apparel, Accessories & Luxury Goods

Summary Under Armour Inc. designs, manufactures, markets and distributes performance apparel, footwear and accessories, targeting athletes and sports enthusiasts.

Key Stock Statistics (Source: CFRA, S&P Global Market Intelligence (SPGMI), Company Reports)

52-Wk Range	**USD 27.11 - 16.52**	Oper. EPS 2019**E**	**USD 0.32**	Market Capitalization[B]	**USD 11.47**	Beta	**0.46**
Trailing 12-Month EPS	**NM**	Oper. EPS 2020**E**	**USD 0.23**	Yield [%]	**NA**	3-Yr Proj. EPS CAGR[%]	**30**
Trailing 12-Month P/E	**NM**	P/E on Oper. EPS 2019**E**	**83.12**	Dividend Rate/Share	**NA**	SPGMI's Quality Ranking	**B+**
$10K Invested 5 Yrs Ago	**$9,205**	Common Shares Outstg.[M]	**451.01**	Institutional Ownership [%]	**72**		

Price Performance



Source: CFRA, S&P Global Market Intelligence
Past performance is not an indication of future performance and should not be relied upon as such.
Analysis prepared by Equity Analyst **Camilla Yanushevsky** on May 02, 2019 05:38 PM, when the stock traded at **USD 22.04.**

Highlights

- We expect sales to be up 3.1% in 2019 and 2.2% in 2020. We expect North America to decline at a mid-single-digit rate. In products, we expect strength in apparel, up low-single digits, and footwear, up mid-single digits. We see these gains being offset by softening demand in accessories, which we see down high-single digits. We see the direct-to-consumer channel staying flat during respective years.
- We anticipate gross margin expanding to 45.3% in 2019, reflecting progress clearing elevated inventories, lower planned sales to the off-price channel and more favorable product costs due to ongoing supply chain initiatives, partly offset by FX headwinds. We see gross margin narrowing to 44.9% in 2020, reflecting tightening of inventories by mass retailers. We expect operating margin to expand to 4.0% in 2019 with higher SG&A expense, growing at a mid-single-digit rate, to support Asia growth and marketing around HOVR and Rush. We see operating margin narrowing to 3.5% in 2020.
- We assume an effective tax rate of 22% and interest expense of $35 million. We see capital expenditures of $210 million in 2019 and 2020, and free cash flow of $50 million.

Investment Rationale/Risk

- Our negative investment view reflects North America's disappointing Q1 performance (down 3%). UAA guided for flat North America sales in 2019, which we see as overly optimistic, given intensifying competition from Lululemon (North America up 22% in FY 19) in men's and footwear, and further challenged by UAA's North America leadership vacuum. (In April, North America head Jason LaRose stepped down.) In our view, UAA's heavy reliance on International is a risky strategy amid global growth slowdown and a strong dollar. (In April, the International Monetary Fund cut the global growth outlook to 3.3%, the lowest level since the financial crisis.)
- Risks to our rating and target: headwinds if President Trump's 10% duties on $200 billion worth of Chinese imports rise to 25%. According to CFRA, about 20% of items on the September 17 tariff list are textiles, apparel & luxury goods. With 18% of UAA's apparel products sourced from China, tariffs can impact its ability to produce competitively.
- Our 12-month target is $17, valuing UAA using a discounted cash flow analysis. We note valuation based on P/E is no longer meaningful as UAA is over-valued to peers.

Analyst's Risk Assessment

LOW	MEDIUM	HIGH

Our risk assessment reflects some corporate governance concerns related to CEO Kevin Plank holding majority of the voting control, intensifying competition in athletic apparel within North America and concerns that continued inventory reductions through the off-price channel will dilute the Under Armour brand long term.

Revenue/Earnings Data

Revenue (Million USD)

	1Q	2Q	3Q	4Q	Year
2019	1,205	--	--	--	--
2018	1,185	1,175	1,443	1,390	5,193
2017	1,120	1,091	1,409	1,369	4,989
2016	1,048	1,001	1,472	1,305	4,833
2015	805	784	1,204	1,171	3,963
2014	642	610	938	895	3,084

Earnings Per Share (USD)

	1Q	2Q	3Q	4Q	Year
2020	**E** 0.03	**E** -0.04	**E** 0.20	**E** 0.04	**E** 0.23
2019	0.05	**E** -0.03	**E** 0.23	**E** 0.07	**E** 0.32
2018	-0.07	-0.21	0.17	0.01	-0.10
2017	-0.01	-0.03	0.12	-0.20	-0.11
2016	0.04	-0.12	0.29	0.24	0.45
2015	0.03	0.03	0.23	0.24	0.53

Fiscal year ended Dec 31. EPS Estimates based on CFRA's Operating Earnings; historical GAAP earnings are as reported in Company reports.

Dividend Data

No cash dividends have been paid in the last year.

Under Armour, Inc.

Business Summary May 02, 2019

CORPORATE OVERVIEW. Under Armour Inc. (UA) is a leading developer, marketer and distributor of branded performance apparel, footwear and accessories. The company's widely-recognized athletic brand is known for its performance and authenticity, and is uniquely positioned, in our view, as a performance alternative to traditional natural fiber products and nonperformance apparel and footwear. As of December 31, 2017, UA leased 295 brand and factory house stores located predominantly in the U.S., Brazil, Canada, China, Chile and Mexico. By segment, North America accounted for approximately 76.5% of 2017 sales, EMEA 9.4%, Asia Pacific 8.7% and Latin America 3.6%. UA's digital fitness platform Connected Fitness accounted for an additional 1.8% of revenues.

The majority of UA's sales – approximately 61% – are generated through wholesale channels, including national and regional sporting goods chains, independent and specialty retailers, department store chains, institutional athletic departments and leagues and teams. The direct-to-consumer (DTC), licensing and Connected Fitness channels accounted for 35%, 2% and 2% of net revenues, respectively. By product category, apparel garnered 66% of 2017 revenues, followed by footwear at 21% and accessories at 9%. Licensing arrangements and UA's Connected Fitness platform accounted for the remaining 4%.

UA markets three primary synthetic performance apparel gearlines, each engineered for use in specific weather conditions: HeatGear for warm to hot weather, ColdGear for cold weather and AllSeasonGear for changing temperatures. UA's footwear offerings include running, basketball, cleated, slides, performance training and outdoor footwear. The footwear is designed to be light, breathable and is engineered with innovative technologies to provide moisture management, stabilization and directional cushioning. Accessories primarily include athletic performance gloves, bags and headwear.

IMPACT OF MAJOR DEVELOPMENTS. In March 2015, UA acquired MyFitnessPal Inc., a provider of health and fitness apps with more than 80 million registered users, for approximately $475 million. In January 2015, UA acquired Endomondo ApS, a digital health platform based in Copenhagen, Denmark, for $85 million. In December 2013, UA bought MapMyFitness Inc., a digital connected fitness platform with a community of more than 20 million registered users, for about $150 million. The acquisitions laid the groundwork for Connected Fitness, aimed at engaging and growing digital solutions for athletes and fitness-minded individuals.

MARKET PROFILE. UA operates in the highly competitive market for performance apparel, footwear and accessories. Many of UA's competitors, such as Nike Inc. and Adidas AG, are large apparel and footwear companies with strong worldwide brand recognition and significantly more capital resources than UA. UA also competes with companies specializing in performance apparel and footwear, such as Lululemon Athletica Inc., as well as retailers offering their own private label offerings.

LEGAL/REGULATORY ISSUES. According to CFRA's analysis, approximately 20% of items singled out by the Office of the U.S. Trade Representative (USTR) in the tariff list released on September 17, and effective September 24, belong to the textiles, apparel & luxury goods industry. UA reported in its 10K that in 2017 approximately 61% of its apparel and accessories products were manufactured in Jordan, Vietnam, China and Malaysia, with footwear primarily in Vietnam, China and Indonesia. UAA has already started to shift its production away from China, launching a local-for-local manufacturing initiative in 2016 and debuting its first "Made in America" apparel collection in 2017. Nevertheless, China is heavily ingrained in UA's operations, and as disclosed in a March 19 letter written to President Trump on behalf of UA and other members of the Footwear Distributors and Retailers of America, consumers will be the ones bearing the burden.

CORPORATE STRATEGY. Going forward, we expect UA to focus on improving inventory efficiency; building footprint and scale in hyper growth markets like China and the greater Asia Pacific; optimizing direct-to-consumer and e-commerce businesses; increasing sales of products through ongoing product innovation; and lowering promotional activity, which threatens to dilute the brand.

FINANCIAL TRENDS. Revenues in 2017 increased 3.1% to $5.0 billion, after increasing 21.8% in 2016. While Americas revenue declined about 5% in 2017, international revenue saw strong growth, with sales from Asia Pacific, EMEA and Latin America jumping 61%, 42% and 28%, respectively. By channel, wholesale revenue was down 3% in 2017, while direct-to-consumer was up 14%, driven by double-digit store growth and a high-teen increase in e-commerce. In 2018, UA expects low single-digit growth in net revenues, reflecting a mid-single-digit decline in North America and international growth of greater than 25%.

In Q3 2018, days sales inventory (DSI) stood at 140 days, compared to 143 days in Q3 2017 and 116 days in Q3 2016. Inventory to forward sales stood at 84.7% in Q3 2018, compared to 86.5% in Q3 2017 and 74.4% in Q3 2016.

Corporate Information

Investor Contact
L. Allega (410-454-6428)

Office
1020 Hull Street, Baltimore, Maryland 21230

Telephone
410-454-6428

Website
www.underarmour.com

Officers

Founder, CEO & Chairman
K. A. Plank

President, COO & Head of the North American Business Division
P. Frisk

Executive VP, General Counsel & Secretary
J. P. Stanton

Principal Accounting Officer
D. E. Bergman

Board Members

A. B. Krongard
D. E. Coltharp
E. T. Olson
G. W. Bodenheimer
H. L. Sanders
J. L. DeVard
K. A. Plank
K. W. Katz
M. A. El-Erian
W. R. McDermott

Domicile
Maryland

Founded
1996

Employees
11,000

Stockholders
1,216

Auditor
PricewaterhouseCoopers LLP

Under Armour, Inc.

Quantitative Evaluations

Fair Value Rank 1

1	2	3	4	5
LOWEST				HIGHEST

Based on CFRA's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

Fair Value Calculation USD 16.35 — Analysis of the stock's current worth, based on CFRA's proprietary quantitative model suggests that UAA is overvalued by USD 10.72 or 39.6%.

Volatility: LOW | AVERAGE | **HIGH**

Technical Evaluation BULLISH — Since May, 2019, the technical indicators for UAA have been BULLISH.

Insider Activity: UNFAVORABLE | **NEUTRAL** | FAVORABLE

Expanded Ratio Analysis

	2018	2017	2016	2015
Price/Sales	1.52	1.27	2.67	8.98
Price/EBITDA	21.84	19.23	22.98	69.89
Price/Pretax Income	27.10	26.07	31.18	92.06
P/E Ratio	-170	-131	65	152
Avg. Diluted Shares Outsg.(M)	446	441	445	442

Figures based on fiscal year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years
Sales	4.09	9.43	17.37
Net Income	-4.06	-41.61	-22.19

Ratio Analysis (Annual Avg.)			
Net Margin (%)	NM	NM	NM
% LT Debt to Capitalization	25.63	NA	NA
Return on Equity (%)	-2.29	NA	NA

Company Financials Fiscal year ending Dec. 31

Per Share Data (USD)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Tangible Book Value	3.18	3.20	3.20	2.32	2.81	2.14	1.94	1.52	1.20	0.98
Free Cash Flow	1.03	-0.10	-0.05	-0.66	0.18	0.08	0.36	-0.16	0.05	0.25
Earnings	-0.10	-0.11	0.45	0.53	0.47	0.38	0.30	0.23	0.17	0.12
Earnings (Normalized)	0.19	0.17	0.55	0.55	0.49	0.38	0.30	0.23	0.17	0.13
Dividends	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Payout Ratio (%)	NA	NA	1	NA	NA	NA	NA	NA	NA	NA
Prices: High	24.96	31.06	86.83	105.89	73.42	43.96	NA	21.85	15.04	8.33
Prices: Low	12.50	11.40	29.00	63.77	40.98	22.16	NA	12.94	5.93	2.98
P/E Ratio: High	49.2	69.1	NM	NM	NM	NM	NA	NM	NM	NM
P/E Ratio: Low	39.8	22.1	65.4	NM	NM	NM	NA	NM	NM	NM

Income Statement Analysis (Million USD)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenue	5,193	4,989	4,833	3,963	3,084	2,332	1,835	1,473	1,064	856
Operating Income	179	157	417	409	354	265	209	163	112	85
Depreciation + Amortization	182	174	145	101	72	51	43	36	31	28
Interest Expense	33.6	34.5	26.4	14.8	5.5	3.0	5.2	3.9	2.3	2.4
Pretax Income	-67	-10	388	387	342	261	203	157	109	82
Effective Tax Rate	30.7	-368.1	33.8	39.9	39.2	37.8	36.7	38.2	37.1	43.2
Net Income	-46	-48	257	233	208	162	129	97	68	47
Net Income (Normalized)	86	74	243	242	214	163	127	98	68	52

Balance Sheet and Other Financial Data (Million USD)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Cash	557	312	250	130	593	347	342	175	204	187
Current Assets	2,594	2,338	1,965	1,499	1,549	1,129	904	690	556	448
Total Assets	4,245	4,006	3,644	2,866	2,095	1,578	1,157	919	675	546
Current Liabilities	1,316	1,060	686	479	422	427	252	184	149	120
Long Term Debt	704	765	791	626	256	48	53	71	9	11
Total Capital	2,746	2,936	2,849	2,336	1,635	1,206	879	714	513	420
Capital Expenditures	170	281	387	299	141	88	51	79	30	20
Cash from Operations	628	237	367	15	219	120	200	15	50	119
Current Ratio	1.97	2.20	2.87	3.13	3.67	2.65	3.58	3.76	3.73	3.73
% Long Term Debt of Capitalization	25.6	26.1	27.8	26.8	15.6	4.0	6.0	9.9	1.8	2.6
% Net Income of Revenue	-0.89	-0.97	5.32	5.87	6.75	6.96	7.02	6.58	6.44	5.46
% Return on Assets	2.7	2.6	8.0	10.3	12.0	12.1	12.6	12.8	11.5	10.3
% Return on Equity	-2.3	-2.4	13.9	15.4	17.3	17.4	17.7	17.1	15.3	12.8

Source: S&P Global Market Intelligence. Data may be preliminary or restated; before results of discontinued operations/special items. Per share data adjusted for stock dividends; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Under Armour, Inc.

Sub-Industry Outlook

Our fundamental outlook for apparel, accessories & luxury goods sub-industry is Positive. A lack of certainty around a U.S.-China trade truce contributed to a sharp sell-off of textiles, apparel & luxury goods shares in late 2018. Since the announcement of the 10% tariff on $200 billion worth of Chinese goods on September 17 through year end, the S&P Composite 1500 Apparel, Accessories & Luxury Goods index plunged 27.3%. The larger S&P Composite 1500 declined 14.3%. (According to our analysis, about 20% of items on September 17 tariff list target textiles, apparel & luxury goods industry.) But now, with positive U.S.-China trade developments following bilateral negotiations in Beijing January 7-9 and Washington D.C. February 21 - 22, the cloud of risk, in our view, has dissipated. Apparel makers have a lot of reasons to be enthusiastic about 2019.

Fashion is entering a new stage. North America and Western Europe will no longer be the stronghold for fashion revenues. Greater China is expected to overtake the U.S. as the largest fashion market in the world in 2019, according to global management consultancy McKinsey & Company. This represents a significant milestone, as the fight for global economic power is reinventing the industries within it.

Beyond China, direct-to-consumer (DTC) is another channel poised to blossom. By cutting out the middlemen, apparel makers are forming personal relationships with customers, maximizing margins and engaging in data-oriented marketing. According to a CFRA analysis of Alexa Internet's holiday season website traffic data, apparel manufacturers posted the most frequent gains in Global Rank among the consumer discretionary industries in our analysis. (Global Rank, calculated by Alexa Internet, is an estimate of a site's popularity relative to all other sites over the past three months based on a site's unique visitors and page views, as of December 18.)

But a diverse sales channel and geographic footprint isn't enough. The apparel makers that diversify into private label manufacturing will be the ones that survive and flourish. In our view, private label manufacturing can boost overall corporate margins and position manufacturers to gain market share over competitors, including Amazon. Amazon has launched more than 100 exclusive clothing, shoe and jewelry brands in recent years and shows no sign of slowing down. With some analysts calling Amazon's private labels "a secret weapon" to apparel dominance, CFRA examined the popularity of Amazon's exclusive brands, in order to compare them with those of the largest apparel makers. According to our analysis, Amazon's exclusive clothing, shoe and jewelry brands lag in customer satisfaction.

Alongside these disruptions, industry fundamentals remain positive. In 2018, clothing and clothing accessories sales increased 4.8% and were up 4.7% year-over-year in December 2018, the largest gain recorded among the retailing sub-industries, according to the U.S. Census Bureau. The figures are consistent with strong economic momentum on the back of a robust labor market, and solid revenue growth projections. For top industry constituents, we project median revenue growth of 4.0% and 3.6% in FY 20 and FY 21, respectively.

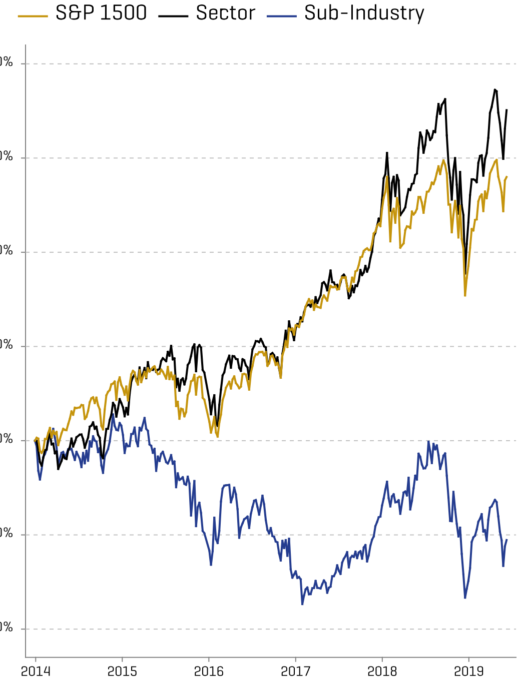
Year to date through April 5, the S&P Composite 1500 Apparel, Accessories & Luxury Goods index has gained 23.9% versus the S&P 1500 Composite Index, which is up 15.5%. In 2018, the sub-industry index declined 17.5% versus the broader market index, which declined 6.8%.

/Camilla Yanushevsky

Industry Performance

GICS Sector: **Consumer Discretionary**
Sub-Industry: **Apparel, Accessories & Luxury Goods**

Based on S&P 1500 Indexes
Five-Year market price performance through Jun 15, 2019



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS).

Past performance is not an indication of future performance and should not be relied upon as such.
Source: S&P Global Market Intelligence

Sub-Industry: Apparel, Accessories & Luxury Goods — Peer Group*: Apparel, Accessories & Luxury Goods

Peer Group	Stock Symbol	Exchange	Currency	Recent Stock Price	Stk. Mkt. Cap. (M)	30-Day Price Chg. (%)	1-Year Price Chg. (%)	P/E Ratio	Fair Value Calc.	Yield (%)	Return on Equity (%)	LTD to Cap (%)
Under Armour, Inc.	**UAA**	**NYSE**	**USD**	**27.07**	**11,473**	**26.7**	**15.3**	**NM**	**16.35**	**Nil**	**-2.3**	**25.6**
Burberry Group plc	BURB.Y	OTCPK	USD	21.96	8,997	-11.2	-23.9	20	NA	2.5	23.5	NA
Capri Holdings Limited	CPRI	NYSE	USD	33.51	5,058	-16.6	-49.1	9	41.80	Nil	24.3	38.7
Columbia Sportswear Company	COLM	NasdaqGS	USD	98.72	6,743	4.1	8.4	23	87.52	1.0	16.5	NA
Gildan Activewear Inc.	GIL	TSX	CAD	52.02	10,610	4.0	37.4	27	34.82	1.4	17.6	25.4
Hanesbrands Inc.	HBI	NYSE	USD	16.59	5,997	1.2	-17.7	11	16.43	3.6	66.8	71.4
PVH Corp.	PVH	NYSE	USD	88.05	6,596	-20.6	-45.1	10	132.84	0.2	13.1	32.6
Prada S.p.A.	PRDS.Y	OTCPK	USD	5.698	7,290	-6.2	-41.4	26	NA	2.3	NA	16.5
Ralph Lauren Corporation	RL	NYSE	USD	112.13	8,754	-3.1	-19.4	21	110.59	2.5	12.8	16.5
Tapestry, Inc.	TPR	NYSE	USD	29.54	8,571	-5.0	-35.1	NM	33.30	4.6	12.7	32.9
The Swatch Group AG	SWGA.Y	OTCPK	USD	12.94	13,092	-5.9	-48.4	16	NA	3.1	7.7	0.2

*For Peer Groups with more than 10 companies or stocks, selection of issues is based on market capitalization.
NA-Not Available NM-Not Meaningful.
Note: Peers are selected based on Global Industry Classification Standards and market capitalization. The peer group list includes companies with similar characteristics, but may not include all the companies within the same industry and/or that engage in the same line of business.

Analyst Research Notes and other Company News

May 30, 2019
03:18 pm ET... CFRA Maintains Neutral Fundamental Outlook on Apparel & Accessories (UAA 85.22****): "As manufacturing shifts out of China, factories are reducing their production of clothing facilities, which is impacting not only the middle class, but is also having a spillover effect into the overall [Chinese] economy," said PVH CEO Emanuel Chirico on the call today. While PVH reported broad-based geographic gains, we see these macro trends increasingly problematic for apparel makers that lack a stronghold in North America and rely heavily on the Chinese consumer. Ralph Lauren (RL 106 **), for example, saw North America sales decline 7% in Mar-Q; Skechers U.S.A. (SKX 28 **) -7%; and Under Armour (UAA 23 **) -3%. In our view, North America performance is a leading indicator of future success. PVH, who we view to be one of the strongest apparel makers (North America +3%), cut their guidance yesterday and given these macro headwinds, we expect to see other apparel manufacturers, following suit. /Camilla Yanushevsky

May 20, 2019
03:54 pm ET... CFRA Maintains Sell Opinion on Shares of Skechers U.S.A. Inc. (UAA 28.03**): On May 20, a handful of footwear brands, including SKX, DECK, NKE, COLM and UAA, sent a letter to President Donald Trump urging the removal of footwear from most recent Section 301 list published by U.S. Trade Representative May 13. The group of 173 brands said: "The proposed additional tariff of 25 percent on footwear would be catastrophic for our consumers, our companies, and the American economy as a whole," and we agree. Among brands, we highlight SKX as most at risk. About 65% of SKX's products are made in China, compared to DECK (~25%), NKE (~26%), COLM (~20%) and UAA (~18%). In our view, industry players that have low sourcing exposure to China relative to peers and are able to reroute supply chain quicker can evade price hikes and increase product attractiveness. NKE, for example, boasts one the most diversified supply chains with operations in Indonesia, Vietnam, Thailand, Philippines, India, and Mexico – countries that we see as appealing supply chain alternatives to China. /Camilla Yanushevsky

May 02, 2019
03:47 pm ET... CFRA Maintains Sell Opinion on Shares of Under Armour Inc. (UAA 23.86**): We keep our 12-month target on UAA at $17, valuing UAA using discounted cash flow. We keep our 2019 estimate at $0.32 and 2020's at $0.23. UAA posts Q1 EPS of $0.05 vs. break-even. Gross margin expanded 100 basis points to 45.2%, driven by cost improvements, offset by channel mix. Sales rose 1.6% to $1.2 billion, beating consensus, with apparel, up 1%; footwear, up 8%; and accessories, down 11%. International was up 12%, while North America disappointed (down 3%; 72% of 2018 sales). UAA guided for flat North America sales in 2019, which we see as overly optimistic, given intensifying competition from LULU in men's and footwear, and further challenged by UAA's North America leadership vacuum. (In April, North America head Jason LaRose stepped down.) In our view, UAA's heavy reliance on International is a risky strategy amid global growth slowdown and strong dollar. (In April, the International Monetary Fund cut global growth outlook to 3.3%, the lowest level since the financial crisis.) /Camilla Yanushevsky

April 25, 2019
11:28 am ET... CFRA Maintains Sell Opinion on Shares of Under Armour, Inc. (UAA 22.69**): On Investor Day, LULU shared plans to enter footwear, double digital and quadruple international sales by 2023. While we view LULU's targets as easily achievable, we see co.'s aggressive trajectory challenging UAA's achievement of its Investor Day targets. Similar to LULU, UAA said largest opportunities are direct-to-consumer (35% of 2018 sales), footwear (20%) and international (33%). That said, LULU said its focus is to double men's, while UAA said women's (~ 30%) is largest opportunity. In our view, UAA will have tough time chasing LULU fitness crowd. LULU boasts strong loyalty (comps up 18% in FY 19) and we see figures accelerating as LULU expands loyalty program and rolls out experiential. On flip side, we see LULU making strides capturing UAA's male market. In Jan-Q, LULU's men's bottoms comps were up 28%, and we see category hitting new marks with LULU's leading fabric innovation edge. We keep 12-month target of UAA at $17, valued using discounted cash flow. UAA reports May 2. /Camilla Yanushevsky

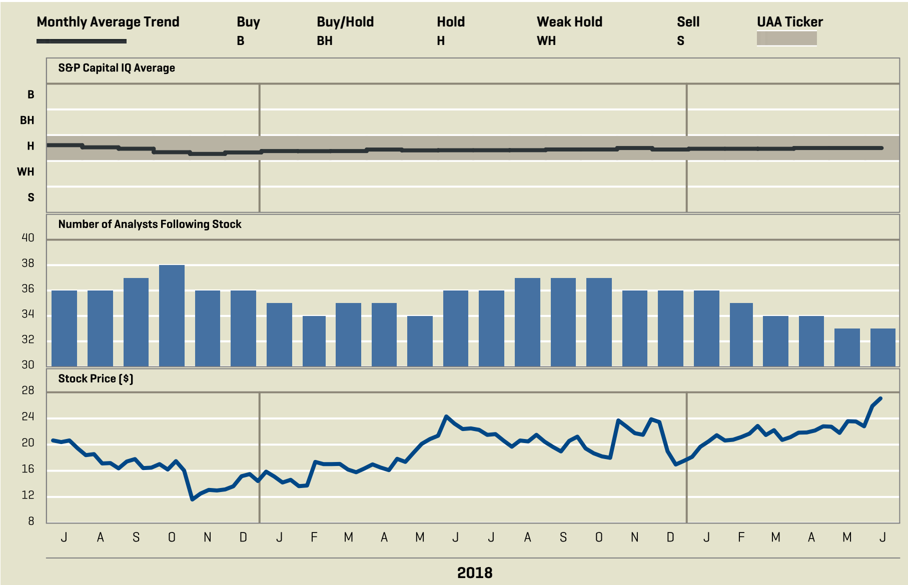
March 22, 2019
08:36 am ET... CFRA Maintains Buy Opinion on Shares of NIKE, Inc. (UAA 83.78****): NKE's shares are down about 5% this morning, we think due to concerns on North America weakness. In Feb-Q revenues rose 7% to $9.6 billion, in line with consensus. North America was up 7% to $3.8 billion, but missed expectations. Despite saturation in North America sportswear, NKE's performance in the region continues to far outpace peers like Under Armour (UAA 22 **), and we see NKE's strong pipeline of innovation and differentiated retail experiences continuing to drive brand heat and healthy sustainable growth in the region going forward. We underline that NKE beat expectations in each of its other regions with EMEA, up 6%, Greater China up 19%, and Asia Pacific and Latin America up 3%. We keep our 12-month target at $100, a forward P/E of 31.3x our FY 20 (May) estimate of $3.19, above 3-year historical forward P/E average of 24.7x, reflecting NKE's continued healthy pull market globally, with inventories up just 1%. We keep our FY 19 estimate at $2.71 and FY 21's at $3.69. /Camilla Yanushevsky

February 12, 2019
10:01 am ET... Update - CFRA Maintains Sell Opinion on Shares of Under Armour, Inc. (UAA 20.41**): During Investor Day, UAA guided five-year direct-to-consumer (DTC) revenue CAGR projections for Asia Retail (22%-24%) and Digital (28%-30%); North America Retail (3%-5%) and Digital (3%-5%); and Europe, Middle East, Africa Retail (22%-24%) and Digital (20%-22%). Given that DTC sales declined in Q3 and were flat in Q4, we remain wary of the achievement of these targets. We note that Lululemon Athletica (LULU 152 ****) grew DTC 44% in most recent fiscal quarter, while Nike (NKE 84 ****) posted digital growth of 41%. While UAA's International revenues (up 24%) are commendable, we continue to view UAA's goal for International to account for 42% of sales by 2023 as overly ambitious. While UAA noted that their advantage in Asia is their smaller footprint, we see a global economic slowdown intensifying competition for corporate profits, notably in emerging markets, as demand domestically peaks. We keep our 12-month target at $17, valuing UAA using a discounted cash flow analysis. /Camilla Yanushevsky

Note: Research notes reflect CFRA's published opinions and analysis on the stock at the time the note was published. The note reflects the views of the equity analyst as of the date and time indicated in the note, and may not reflect CFRA's current view on the company.

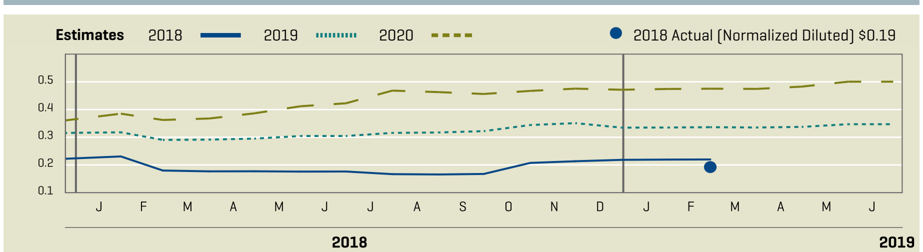
Under Armour, Inc.

Analysts' Recommendations



	No. of Recommendations	% of Total	1 Mo.Prior	3 Mos.Prior
Buy	6	18	6	5
Buy/Hold	3	9	3	3
Hold	14	42	14	17
Weak Hold	5	15	5	4
Sell	5	15	5	5
No Opinion	0	0	0	0
Total	**33**	**100**	**33**	**34**

Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est	Low Est.	# of Est.	Est. P/E
2020	0.50	0.68	0.33	32	54.1
2019	0.35	0.43	0.27	33	78.0
2020 vs. 2019	**▲43%**	**▲58%**	**▲22%**	**▼-3%**	**▼-31%**
Q2'20	-0.03	0.01	-0.10	10	NM
Q2'19	-0.05	-0.03	-0.08	31	NM
Q2'20 vs. Q2'19	**▲40%**	**▲133%**	**▼-25%**	**▼-68%**	**NA**

Forecasts are not reliable indicator of future performance.
Note: A company's earnings outlook plays a major part in any investment decision. S&P Global Market Intelligence organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years, as well as how those earnings estimates have changed over time. Note that the information provided in relation to consensus estimates is not intended to predict actual results and should not be taken as a reliable indicator of future performance.

Note: For all tables, graphs and charts in this report that do not cite any reference or source, the source is S&P Global Market Intelligence.

Wall Street Consensus Opinion

HOLD

Wall Street Consensus vs. Performance

For fiscal year 2019, analysts estimate that UAA will earn USD $0.35. For the 1st quarter of fiscal year 2019, UAA announced earnings per share of USD $0.05, representing 14.3% of the total revenue estimate. For fiscal year 2020, analysts estimate that UAA's earnings per share will grow by 43% to USD $0.50.

Glossary

STARS

Since January 1, 1987, CFRA Equity and Fund Research Services, and its predecessor S&P Capital IQ Equity Research has ranked a universe of U.S. common stocks, ADRs (American Depositary Receipts), and ADSs (American Depositary Shares) based on a given equity's potential for future performance. Similarly, we have ranked Asian and European equities since June 30, 2002. Under proprietary STARS (Stock Appreciation Ranking System), equity analysts rank equities according to their individual forecast of an equity's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350® Index or S&P 500® Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P Global Market Intelligence's Quality Ranking

(also known as **S&P Capital IQ Earnings & Dividend Rankings**) - Growth and stability of earnings and dividends are deemed key elements in establishing S&P Global Market Intelligence's earnings and dividend rankings for common stocks, which are designed to capsulize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

EPS Estimates

CFRA's earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, EPS estimates reflect either forecasts of equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by S&P Global Market Intelligence, a data provider to CFRA. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

12-Month Target Price

The equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including Fair Value.

CFRA Equity Research

CFRA Equity Research is produced and distributed by Accounting Research & Analytics, LLC d/b/a CFRA ("CFRA US"; together with its affiliates and subsidiaries, "CFRA"). Certain research is produced and distributed by CFRA MY Sdn Bhd (Company No. 683377-A) (formerly known as Standard & Poor's Malaysia Sdn Bhd) ("CFRA Malaysia"). Certain research is distributed by CFRA UK Limited ("CFRA UK"). CFRA UK and CFRA Malaysia are wholly-owned subsidiaries of CFRA US.

Abbreviations Used in Equity Research Reports

CAGR - Compound Annual Growth Rate
CAPEX - Capital Expenditures
CY - Calendar Year
DCF - Discounted Cash Flow
DDM - Dividend Discount Model
EBIT - Earnings Before Interest and Taxes
EBITDA - Earnings Before Interest, Taxes, Depreciation & Amortization
EPS - Earnings Per Share
EV - Enterprise Value
FCF - Free Cash Flow
FFO - Funds From Operations
FY - Fiscal Year
P/E - Price/Earnings
P/NAV - Price to Net Asset Value PEG Ratio - P/E-to-Growth Ratio PV - Present Value
R&D - Research & Development ROCE - Return on Capital Employed ROE - Return on Equity
ROI - Return on Investment
ROIC - Return on Invested Capital
ROA - Return on Assets
SG&A - Selling, General & Administrative Expenses
SOTP - Sum-of-The-Parts
WACC - Weighted Average Cost of Capital

Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).

Qualitative Risk Assessment

Reflects an equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices. For an ETF this reflects on a capitalization-weighted basis, the average qualitative risk assessment assigned to holdings of the fund.

STARS Ranking system and definition:

★★★★★ **5-STARS (Strong Buy):**

Total return is expected to outperform the total return of a relevant benchmark, by a notable margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ **4-STARS (Buy):**

Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ **3-STARS (Hold):**

Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ **2-STARS (Sell):**

Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price is not anticipated to show a gain.

★☆☆☆☆ **1-STAR (Strong Sell):**

Total return is expected to underperform the total return of a relevant benchmark by a notable margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks:

In North America, the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are the S&P Europe 350 Index and the S&P Asia 50 Index, respectively.

Disclosures

S&P GLOBAL™ is used under license. The owner of this trademark is S&P Global Inc. or its affiliate, which are not affiliated with CFRA Research or the author of this content.
Stocks are ranked in accordance with the following ranking methodologies:

STARS Stock Reports:

Qualitative STARS recommendations are determined and assigned by equity analysts. For reports containing STARS recommendations refer to the Glossary section of the report for detailed methodology and the definition of STARS rankings.

Quantitative Stock Reports:

Quantitative recommendations are determined by ranking a universe of common stocks based on 5 measures or model categories: Valuation, Quality, Growth, Street Sentiment, and Price Momentum. In the U.S., a sixth sub-category for Financial Health will also be displayed. Percentile scores are used to compare each company to all other companies in the same universe for each model category. The five (six) model category scores are then weighted and rolled up into a single percentile ranking for that company. For reports containing quantitative recommendations refer to the Glossary section of the report for detailed methodology and the definition of Quantitative rankings.

STARS Stock Reports and Quantitative Stock Reports:

The methodologies used in STARS Stock Reports and Quantitative Stock Reports (collectively, the "Research Reports") reflect different criteria, assumptions and analytical methods and may have differing recommendations. The methodologies and data used to generate the different types of Research Reports are believed by the author and distributor reasonable and appropriate. Generally, CFRA does not generate reports with different ranking methodologies for the same issuer. However, in the event that different methodologies or data are used on the analysis of an issuer, the methodologies may lead to different views or recommendations on the issuer, which may at times result in contradicting assessments of an issuer. CFRA reserves the right to alter, replace or vary models, methodologies or assumptions from time to time and without notice to clients.

STARS Stock Reports:

Global STARS Distribution as of March 31, 2019

Ranking	North America	Europe	Asia	Global
Buy	35.5%	32.4%	39.4%	35.4%
Hold	54.8%	54.4%	41.7%	53.2%
Sell	9.7%	13.2%	18.9%	11.3%
Total	100.0%	100.0%	100.0%	100.0%

Analyst Certification:

STARS Stock Reports are prepared by the equity research analysts of CFRA and its affiliates and subsidiaries. Quantitative Stock Reports are prepared by CFRA. All of the views expressed in STARS Stock Reports accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers; all of the views expressed in the Quantitative Stock Reports accurately reflect the output of CFRA's algorithms and programs. Analysts generally update STARS Stock Reports at least four times each year. Quantitative Stock Reports are generally updated weekly. No part of analyst, CFRA, CFRA affiliate, or CFRA subsidiary compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in any Stock Report.

About CFRA Equity Research's Distributors:

This Research Report is published and originally distributed by Accounting Research & Analytics, LLC d/b/a CFRA ("CFRA US"), with the following exceptions: In the UK/EU/EEA, it is published and originally distributed by CFRA UK Limited ("CFRA UK"), which is regulated by the Financial Conduct Authority (No. 775151), and in Malaysia by CFRA MY Sdn Bhd (Company No. 683377-A) (formerly known as Standard & Poor's Malaysia Sdn Bhd) ("CFRA Malaysia") , which is regulated by Securities Commission Malaysia, (No. CMSL/A0181/2007) under license from CFRA US. These parties and their subsidiaries maintain no responsibility for reports redistributed by third parties such as brokers or financial advisors.

General Disclosure

Notice to all jurisdictions:

Where Research Reports are made available in a language other than English and in the case of inconsistencies between the English and translated versions of a Research Report, **, the English version will control and supersede any ambiguities associated with any part or section of a Research Report that has been issued in a foreign language.** Neither CFRA nor its affiliates guarantee the accuracy of the translation.

Neither CFRA nor its affiliates guarantee the accuracy of the translation. The content of this report and the opinions expressed herein are those of CFRA based upon publicly-available information that CFRA believes to be reliable and the opinions are subject to change without notice. This analysis has not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. While CFRA exercised due care in compiling this analysis, CFRA AND ALL RELATED ENTITIES SPECIFICALLY DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, to the full extent permitted by law, regarding the accuracy, completeness, or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment or other purposes.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of CFRA. The Content shall not be used for any unlawful or unauthorized purposes. CFRA and any third-party providers, as well as their directors, officers, shareholders, employees or agents do not guarantee the accuracy, completeness, timeliness or availability of the Content.

Past performance is not necessarily indicative of future results.

This document may contain forward-looking statements or forecasts; such forecasts are not a reliable indicator of future performance.

This report is not intended to, and does not, constitute an offer or solicitation to buy and sell securities or engage in any investment activity. This report is for informational purposes only. Recommendations in this report are not made with respect to any particular investor or type of investor. Securities, financial instruments or strategies mentioned herein may not be suitable for all investors and this material is not intended for any specific investor and does not take into account an investor's particular investment objectives, financial situations or needs. Before acting on any recommendation in this material, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice.
CFRA may license certain intellectual property or provide services to, or otherwise have a business relationship with, certain issuers of securities that are the subject of CFRA research reports, including exchange-traded investments whose investment objective is to substantially replicate the returns of a proprietary index of CFRA. In cases where CFRA is paid fees that are tied to the amount of assets invested in a fund or the volume of trading activity in a fund, investment in the fund may result in CFRA receiving compensation in addition to the subscription fees or other compensation for services rendered by CFRA, however, no part of CFRA's compensation for services is tied to any recommendation or rating. Additional information on a subject company may be available upon request.
CFRA's financial data provider is S&P Global Market Intelligence. THIS DOCUMENT CONTAINS COPYRIGHTED AND TRADE SECRET MATERIAL DISTRIBUTED UNDER LICENSE FROM S&P GLOBAL MARKET INTELLIGENCE. FOR RECIPIENT'S INTERNAL USE ONLY.
The Global Industry Classification Standard (GICS®) was developed by and/or is the exclusive property of MSCI, Inc. and S&P Global Market Intelligence. GICS is a service mark of MSCI and S&P Global Market Intelligence and has been licensed for use by CFRA.

Other Disclaimers and Notices

Certain information in this report is provided by S&P Global, Inc. and/or its affiliates and subsidiaries (collectively "S&P Global"). Such information is subject to the following disclaimers and notices: "Copyright © 2019, S&P Global Market Intelligence (and its affiliates as applicable). All rights reserved. Nothing contained herein is investment advice and a reference to a particular investment or security, a credit rating or any observation concerning a security or investment provided by S&P Global is not a recommendation to buy, sell or hold such investment or security or make any other investment decisions. This may contain information obtained from third parties, including ratings from credit ratings agencies. Reproduction and distribution of S&P Global's information and third party content in any form is prohibited except with the prior written permission of S&P Global or the related third party, as applicable. Neither S&P Global nor its third party providers guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such information or content. S&P GLOBAL AND ITS THIRD PARTY CONTENT PROVIDERS GIVE NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE AND ALL S&P INFORMATION IS PROVIDED ON AN AS-IS BASIS. S&P GLOBAL AND ITS THIRD PARTY CONTENT PROVIDERS SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, EXEMPLARY, COMPENSATORY, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, COSTS, EXPENSES, LEGAL FEES, OR LOSSES (INCLUDING LOST INCOME OR PROFITS AND OPPORTUNITY COSTS OR LOSSES CAUSED BY NEGLIGENCE) IN CONNECTION WITH ANY USE OF THEIR INFORMATION OR CONTENT, INCLUDING RATINGS. Credit ratings are statements of opinions and are not statements of fact or recommendations to purchase, hold or sell securities. They do not address the suitability of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice."
Certain information in this report may be provided by Securities Evaluations, Inc. ("SE"), a wholly owned subsidiary of Intercontinental Exchange. SE is a registered investment adviser with the United States Securities and Exchange Commission (SEC). SE's advisory services include evaluated pricing and model valuation of fixed income securities, derivative valuations and Odd-Lot Pricing that consists of bid- and ask-side evaluated prices for U.S. Municipal and U.S. Corporate Securities (together called valuation services). Such information is subject to the following disclaimers and notices: "No content (including credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of SE. The Content shall not be used for any unlawful or unauthorized purposes. SE and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively SE Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. SE Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. SE PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION.

For residents of the European Union/European Economic Area:

Research reports are originally distributed by CFRA UK Limited (company number 08456139 registered in England & Wales with its registered office address at 1PO Box 698, Titchfield House, 69-85 Tabernacle Street, London, EC2A 4RR, United Kingdom). CFRA UK Limited is regulated by the UK Financial Conduct Authority (No. 775151).

For residents of Malaysia:

Research reports are originally produced and distributed by CFRA MY Sdn Bhd (Company No. 683377-A) (formerly known as Standard & Poor's Malaysia Sdn. Bhd) ("CFRA Malaysia"), a wholly-owned subsidiary of CFRA US. CFRA Malaysia is regulated by Securities Commission Malaysia (License No. CMSL/A0181/2007).

For residents of all other countries:

Research reports are originally distributed Accounting Research & Analytics, LLC d/b/a CFRA.