

# WESTPEAK RESEARCH ASSOCIATION

## Under Armour (NYSE: UA)

Consumer Cyclical – Clothing and Footwear

### Building Gains Over Time

March 5, 2024

*Under Armour Inc. ("Under Armour" or the "Company"), designs, manufactures, and distributes sportswear apparel through direct-to-consumer channels, e-commerce storefronts and third-party retail outlets. The company has over 15,000 physical stores and is sold across 150 countries. Under Armour was founded in 1996 in Baltimore, Maryland, United States.*

#### Thesis

With the increased usage of direct-to-consumer (DTC) and Under Armour's corresponding shift, efforts in R&D, new personnel as well as revamped strategies, the Company sees itself being able to place itself in a prosperous position in the digital marketplace. This is accompanied alongside changes in consumer marketing and Under Armour's guided focus towards influencer fashion and brand loyalty. Increased profit margins due to the shutdown of physical locations and decreased usage of third parties sees Under Armour increasing market share and consolidating its position as one of the top five athletic wear and footwear companies in the world.

#### Drivers

Under Armour earnings are expected to increase 20.6% in the coming earning report, followed by increased efforts in cutting costs by shutting down brick-and-mortar locations and improving e-commerce, as well as highlighting DTC and brand loyalty efforts. More celebrities are expected to partner alongside the Company and be announced in its rising influencer affiliate strategy.

#### Valuation

Under Armour is rated at a BUY with an expected price of 9.68 and a return of 17.1%. The DCF Analysis using the EV/EBITDA exit multiple and perpetuity growth approach were applied in coordination with a comparable companies analysis using P/E and EV/EBITDA multiples, with each method weighted equally at 25%.

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#### Equity Research US

<b>Price Target</b>	<b>USD\$ 9.68</b>
<b>Rating</b>	Buy
<b>Share Price (March 5th Close)</b>	USD\$ 8.02
<b>Total Return</b>	17.1%

#### Key Statistics

<b>52 Week H/L</b>	\$13.04/\$6.29
<b>Market Capitalization</b>	\$3.45B
<b>Average Daily Trading Volume</b>	3.44M
<b>Net Debt</b>	\$1.96M
<b>Enterprise Value</b>	\$3.64B
<b>Net Debt/EBITDA</b>	0.004x
<b>Diluted Shares Outstanding</b>	461.51M
<b>Free Float</b>	77.2%
<b>Dividend Yield</b>	0%

#### WestPeak's Forecast

	<u>2024E</u>	<u>2025E</u>	<u>2026E</u>
<b>Revenue</b>	\$6.09B	\$6.30B	\$6.61B
<b>EBITDA</b>	\$200M	\$300M	\$400M
<b>Net Income</b>	\$222M	\$362M	\$420M
<b>EPS</b>	\$0.49	\$0.81	\$0.93
<b>P/E</b>	16.2x	10.0x	8.7x
<b>EV/EBITDA</b>	5.8x	3.9x	2.3x

#### 1-Year Price Performance



## Business Overview/Fundamentals

### Company Overview

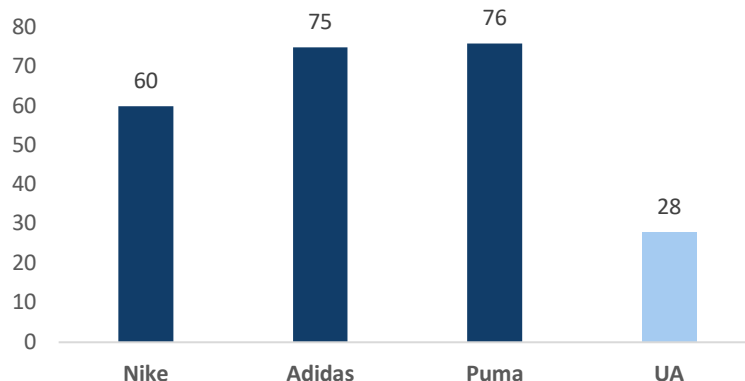
Under Armour (Under Armour) is a sportswear apparel company based in Baltimore, Maryland, United States. Product lines range from general gym and active-wear to fast-casual clothing, as well as training and running shoes. Under Armour is sold across 150 countries with more than 15,000 physical stores across the globe, and sells through third-party retailers such as Sports Chek, Foot Locker, and wholesalers like Costco. Compared to known competitors such as NIKE, Adidas, and Puma, Under Armour was a company founded relatively recently (1996), starting with simple upper-body garments, and eventually transitioning into a more ubiquitous, all-encompassing sports brand. Recent brand transitions of partnering with popular athletes such as Stephen Curry, Gervonta "Tank" Davis, and more, have led Under Armour to grow in popularity amongst the youth of today.

### Competitive Advantage

Strong market tactics and unique consumer interactions via fitness ecosystems have allowed Under Armour to quickly earn itself a strong 4.4% of market share over its short period of existence. Under Armour has seen exponential growth despite its later founding. This is in comparison to fellow competitors who have had twice the amount of time to build brand equity and market dominance. Under Armour's has a growth-based strategy and has a likely following of market capitalization as its time in the industry grows. Under Armour's key strategies to differentiate themselves and excel can be summarized into the following:

#### Years Since Inception

##### UA vs Top 3



#### Strong Customer Engagement:

Under Armour manages to foster strong sentiment with its consumer base through several acquisitions and the deployment of fitness apps and suites. Namely, these are MapMyFitness, EndoMondo, and MyFitnessPal. The ecosystem Under Armour creates alongside its products and these supplements aids heavily in brand and customer retention. Under Armour directly engages with customers through its app features, and also provide additional perceived value to its brand – in a sense, consumers are not just buying the products, but are also buying the community that comes alongside it. In comparison to other competitors that use apps as a minuscule feature, Under Armour implements it as one of their main strategies – so much so that they have become the largest digital health and fitness community.

### Targeted Segments:

Unlike its competitors that take on a more holistic approach and compete across all sports segments, Under Armour hones in specifically on more technical-heavy gear. Under Armour optimizes performance, and thus, has seen high customer satisfaction in more experienced athletes and gym-goers. The Company simultaneously appeals to casual consumers through its wholesale gear, in comparison to competitors that focus on pop-culture and casual wear. This is further supplemented by Under Armour's efforts in creating new products, all while optimizing and renewing previous lines of clothing.

### Intangibles and Brand Equity:

Under Armour has also managed to find itself in a space that other competitors find hard to reach – it manages to both appeal to both older and younger generations, while other competitors have begun to shy away from the declining, but still large market of older shoppers. A notable example is Adidas, having recently overturned many of their old-fashioned legacy wear in favor of “hype” collaborations with fast-luxury apparel lines. This results in a brand that manages to stay relevant to the youth of today (also through sports partnerships and sponsors), but also represents itself in a toned-down, solemn wear that older generations will still wear.

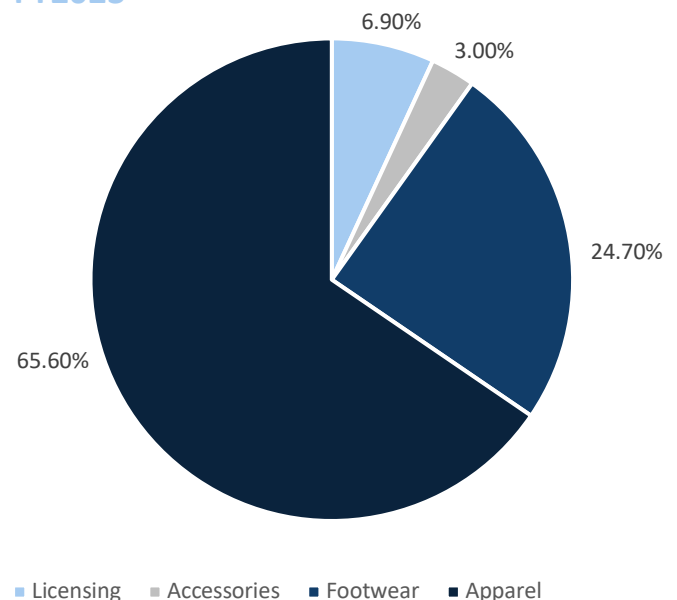
### Revenue Breakdown

Under Armour's revenue has consistently grown at a 11% rate since FY 13 and FY23, driven by the increasing demand and popularity of the brand. Several key products that Under Armour sells stands out:

#### Apparel: (65.6%)

Given that many consumers are active members of the sports and fitness industry - whether it be casual gym goers or competitive athletes - one of the key aspects that Under Armour thrives is in its high-tech and comfortable wear. In comparison to other companies such as NIKE and Adidas, Under Armour focuses less on fashion trends and hones in on wear that is true to the consumers sporting needs. As a result, 65.6% of their sales comes from their apparel. Several flagship items that are popular amongst consumers are:

#### Revenue Breakdown FY2023



**Under Armour HeatGear Armour Long Sleeve Compression Shirt**

Under Armour produces a tight-fitting shirt that you'll see constantly in the gym, and for good reason. It absorbs sweat, allows for better muscle definition, and easy flexibility in movements. The rising popularity of tech-focused wear on social media platforms such as TikTok have driven recent popularity of the item amongst the youth.

**Under Armour Tech 2.0 Short Sleeve**

This short sleeve shirt has developed a cult-like following and is one of the reasons why Under Armour is so loved. It absorbs sweat and is light in nature, allowing for true comfort in all actions. In comparison to other competitors' shirts, its fabric and material are of a higher quality, but is priced less "fashion-focused" attempts.

**Footwear (24.7%)**

With major partnerships with Stephen Curry and other athletes that rock Under Armour shoes to games and to other sporting events, Under Armour's footwear category has seen tremendous growth over the years (an average of 15.6% per year). Footwear is likely to be a key, forward-looking factor in Under Armour's operations in the coming years.

**Growth Strategies**

Under Armour has outlined clear goals in its coming years and how it expects to play out the likely troubled waters of the economy ahead. Their strategic priorities are summed up as "protect and perform". They aim to elevate and protect Under Armour's brand by honing down on what consumers want – this means improving on innovation and products, promoting "deeper connections through return-driven demand creation and brand experiences", and optimizing the global supply chain to meet demand and improve services across all levels of consumer interaction. While other companies are focusing on marketing and brand-image efforts and lowered levels of innovation, Under Armour remains steadfast to its growth-focused vision.

**Using Data Science as Key:**

Focusing on the consumer is one of the key reasons that Under Armour has been able to succeed despite its later start, and they aim to hone in on that through analytics and data. They have created what they call the "Data Cloud", in which all of the company's gathered statistical information is accessible to management, which can be used to drive decisions regarding consumer preferences, market trends, and much more. This is further supplemented by Under Armour's consumer app, fueled by Amplitude, which is used in direct conjunction with consumers who are able to feedback data to the app in live time.

**Digitalization:**

In 2015, Under Armour acquired MapMyRun and MyFitnessPal, and ultimately released Under Armour Connected Fitness. This has resulted in increased consumer engagement and retention to both the app's services (paid) as well as the brand. Under Armour continues to see engagement in the digital space and aims to drive deeper connections by improving their processes and improving storefront experiences online.

**Operating Segments:**

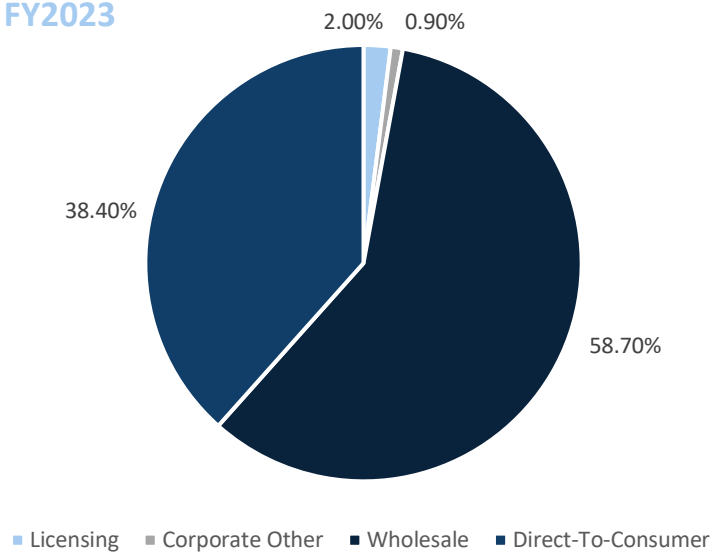
Despite having retail stores and an online storefront, the biggest segment that Under Armour sells through is wholesale, with sporting goods chains, specialty retailers, and more.

Despite their large partnership and attributable revenue, Under Armour has been easing out of wholesale relationships (2000-3000 in North America). This comes from a desire of having more ownership over product distribution and customer experience, as well as being able to capitalize on consumer trends on the fly. It also represents the ability to increase margins to due fewer discount prices, as well as increase brand reputation and equity.

Ultimately, wholesale revenue decreased by 7% in 2022, while DTC revenue increased by 17%. With more focus being put onto DTC with heightened customer experiences, Under Armour sees further growth in being able to operate and distinguish themselves as a brand.

**Operating Segments**

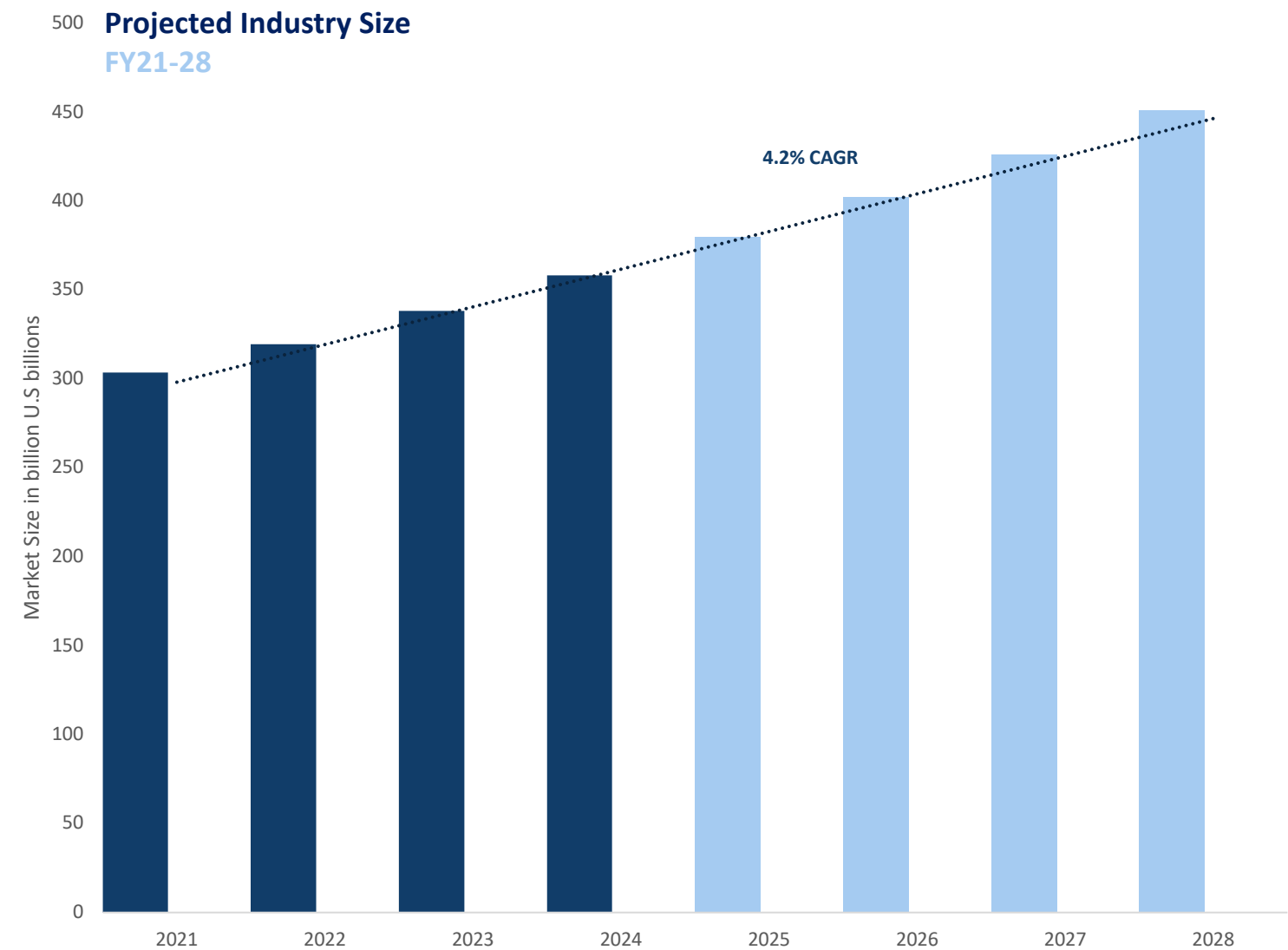
FY2023

**Industry Analysis**

Under Armour is one of the dominating forces in the sports apparel and footwear market. Holistically, they are one of the top 5 largest sportswear companies in net revenues, and #4 in terms of direct competitors, with main-stay and older brands such as NIKE, Adidas, and Puma taking the top 3 spots respectively. The Company's focus on innovation, functionality, and performance has allowed it to consolidate its position amongst athletes and fitness enthusiasts, as well as carve out a significant portion of market share.

Industry Growth

Given the increasing popularity of sports and the shift in consumer tastes of the young generation, the global sportswear market is expected to continue its strong growth from 193.89 billion in 2023 to 305.67 billion by 2030. The market is expected to grow at a CAGR of 6.72% during the period. While the industry is expected to slow in the coming few years due to rising living costs and thus lowered demand for discretionary products, it is expected to bounce back quickly. This rebound is likely to be driven by advancements in technology and general economy efficiency that will trickle throughout sectors.



## Industry Trends

### Shift to Direct-To-Consumer

With the occurrence of the pandemic, online shopping has become more popular than ever, and is expected to continue in its trend. The pandemic similarly addressed multiple flaws with the current system of third-party retailers and its inefficiency – both for consumers as well as the producers involved, namely being profits. Not only are consumers finding it more convenient to purchase clothing products directly from company websites, but companies are similarly improving those processes and advancing their direct-to-consumer supply chains. This aspect of online shopping is expected to continue to grow exponentially in the coming years, in which Under Armour is in a prime position to succeed due to its early shifting of weight.

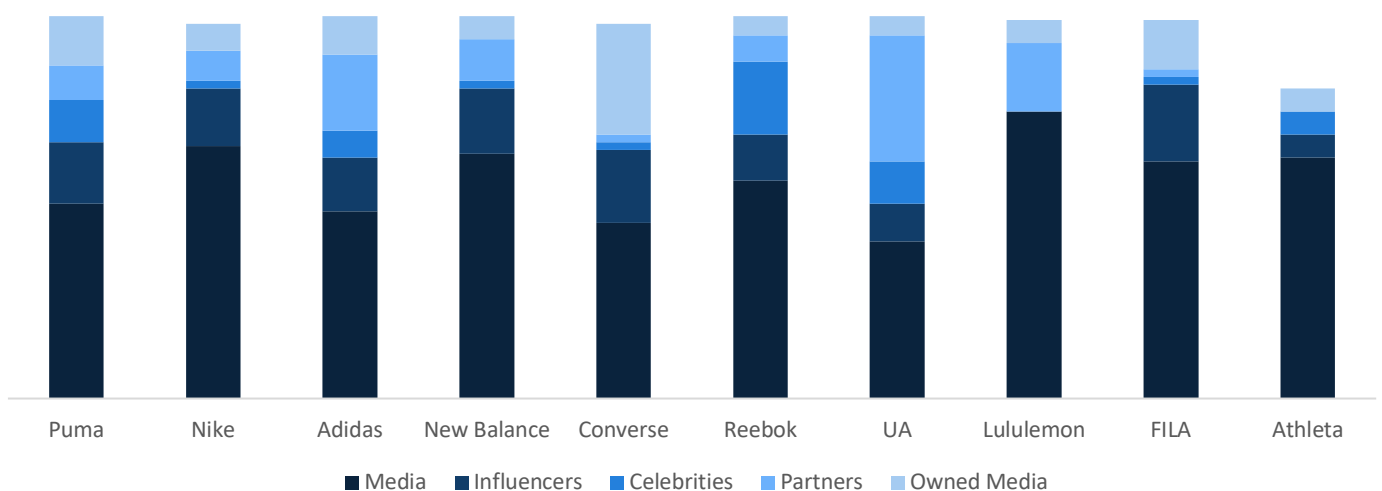
### Influencer-Driven Sales

Despite the sustenance of holding quality products over faulty ones, the generation of today are focused on what is popular, and what is considered fashionable to wear. As a result, many of the current youth look towards celebrities in terms of fashion. A competitor, NIKE, has capitalized on this trait. Because of its frequent collaborations with brand-names such as Michael Jordan, Travis Scott, Drake, and more, they have seen a surge in specific shoe sales and brand equity. More and more are large brands partnering with notable figures to boost sales. Under Armour has several names under its belt, such as Stephen Curry, Gervonta “Tank” Davis, and most notably, Dwayne “The Rock” Johnson.

## Voice Mix Benchmark In MIV (Media Impact Value)

FY2022

Source: Launchmetrics



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## Investment Thesis

### Market View

Despite a falloff of demand caused by preceding surplus of demand after stores re-opened after COVID-19, Under Armour has displayed an ability to maintain strong ability to weather periods of turmoil with strong cash performances and a rise of stock prices following thereafter. With consumer discretionary products likely to take a hit in the upcoming years due to uncertain economic conditions, Under Armour is able to weather the storm better than its competitors due to increased efforts in regard to loyalty programs, as well as a target demographic that consistently purchases its products due to continued athletic activities. Under Armour is currently trading at 8.02 USD and is currently down 60% in the past 5 years, leaving prime opportune for an upside surge caused by the following changes to Under Armour's operations.

### A Shift to the Digital Era

With COVID-19 having rearranged market structures and raised the popularity of online shopping, Under Armour sees to transition itself beyond a brick-and-mortar retailer, wholesaler, and general partner. Under Armour aims to reinvent its online initiatives, starting with cutting down on brick-and-mortar locations; lowering capital expenditures, lowering dependence on third parties such as Sports Chek, Foot Locker, and more, and increasing its loyalty programs through acquisitions in apps. Under Armour has remained constant on acquiring digital platforms such as MapMyRun and MyFitnessPal which have continued to fuel its Under Armour Connected Fitness App. As brands become more focused on pop culture and the next generation youth, brand presence and equity are more invaluable than ever. Under Armour has been investing heavily in this area through consumer detail, preferences, and ultimately data research. Their "Data Cloud" has been honed year by year and is expected to fuel efforts even further with the introduction of AI and advanced programming. To facilitate this change as the Company enters a new era, the board has brought on Jim Dausch, who specifically has experience in the digital space and loyalty programs. Specifically, the market has yet to react to this change given their adoption of a wait-and-see approach – analysts are potentially expectant and waiting for a year of evidential results before coming to conclusions about the stock.

### Increased Brand Recognition; Marketing Upheavals

As opposed to its traditional stance on marketing, Under Armour has begun to shift towards pop culture and is implementing strategies focused on status and performance. Product has remained as Under Armour's sole focus for many years – and while R&D and other developments regarding product are continued to be implemented, Under Armour's efforts in capturing attention via celebrities, influencers, and more, has drawn in more eyes and loyal customers than ever. Whilst other companies such as NIKE and Adidas focus on trends and legacy, Under Armour has managed to stabilize itself as a brand with sturdy material and quality garments. Tying well known figures such as Dwayne "the Rock" Johnson and Stephen Curry to product lines and sponsorships have created unique opportunities in both current partnerships – sales following, as well as future partnerships. Analysts and the street potentially underestimate the effectiveness of Under Armour's continuous onboarding of celebrities, particularly under the celebrities' front – more and more female athletes are likely to follow along and generate a wave of popularity for the brand. This ties into the following thesis:



## Women in Management and Women in Sports

After coming off a series of blows to the brand image caused by Kevin Plank, the former CEO and President, Under Armour has seen declining returns in the stock market as well as in brand equity. Controversies regarding the Company started when a report filed by the SEC in 2023 stated that Under Armour had artificially inflated its share price (2017), which was further amplified by insider trading scandals, followed shortly by controversial rumors and scandals involving Plank himself and his illicit relationships. Eventually, Plank stepped down and relinquished his position as CEO.

Replacing him is Stephanie Linnartz, who brings a wealth of experience in brand transformation initiatives and is pivoting the brand to appeal more to female audiences. Under her leadership, Under Armour sees itself heading towards a more equitable and fair brand image. The Company targets a much larger demographic and is also in alignment with current social trends. This opens a new door for the brand, particularly under its celebrity partnerships. Under Armour is poised to represent itself not only as a premier brand for men through various celebrities such as Dwayne the Rock Johnson, Steph Curry and more, but also females as it prepares to onboard popular female athletes into its program. As Stephanie begins shifting Under Armour's image back to a positive light, brand awareness and loyalty is likely to remain prevalent and also increase. Street investors are expecting a turnaround story but are still waiting on results before coming to a conclusion. However, by betting on the people running the show, investors are likely to see above-average gains. Specifically, Stephanie brings alongside a team of experienced professionals in brand transformation, such as Jim Dausch, who worked under her back at Marriott International, where she served as president and him as the Chief Product Officer. New management and board is expected to turn Under Armour's sinking ship and revitalize it with new blood and energy, and especially a fresh set of ideas.

## Management Team Compensation

Management	Title	Cash Compensation (USD)
Frisk, Patrik (Prior)	Former Advisor	8,640,309
Pugliese, Stephanie L. (Prior)	Former Executive Officer	2,817,660
Browne, Colin (Prior)	Former Chief Operating Officer	1,606,578
Baratto, Massimo (Prior)	Former Executive VP & Chief Consumer Officer	1,216,535
Bergman, David E.	CFO & Principal Accounting Officer	1,049,702
Plank, Kevin A.	Founder, Executive Chairman & Brand Chief	1,009,625
Rocker, Tchernavia	Chief People & Administrative Officer	1,006,395
Linnartz, Stephanie Coleman	President, CEO & Director	300,000
El-Erian, Mohamed Aly	Lead Independent Director	170,000
Coltharp, Douglas E.	Independent Director	120,000
Katz, Karen W.	Independent Director	115,000
Olson, Eric T.	Independent Director	105,000
Gibbs, David W.	Independent Director	105,000

## Management Team

### Stephanie Linnartz – CEO, President



Stephanie Linnartz joined Under Armour in February 27<sup>th</sup>, 2023 as the new CEO and President. Linnartz prior served as the President of Marriott International and is known for her approach to driving business growth through consumer excellence. With focuses in technology and digital initiatives, she spearheads Under Armour's expansion in the realm of e-commerce and supply chain efficiency. Stephanie is expected to lead the company through a period of transformation, focusing on revitalizing the brand and homing in on engagement and loyalty. She is a strong advocate for women empowerment and is expected to lead a change in Under Armour's focus, particularly expanding it to a wider range of womenswear.

### Kevin Plank – Founder, Chairman



Kevin Plank founded Under Armour in 1996 and has since acted as president and CEO for 28 years, and now sits as the Chairman under the Board of Directors. Kevin Plank originally created Under Armour's first piece of apparel to keep his clothes dry during football practice, later capitalizing on the rapidly expanding demand for similar clothes. Kevin has since led the company to meteoric success, managing to surpass other apparel companies founded in the same era, and has managed to consolidate the Company's position among mainstay brands such as Adidas, Nike, and Puma, which have existed for far longer. Kevin brings a wealth of experience from having started the company from the ground up, having used his savings and credit card debt.

### Jim Dausch – Executive Vice President, CCO



Jim Dausch joined Under Armour on July 24<sup>th</sup>, 2023. Prior to joining Under Armour, Jim spent 20 years as the Chief Product Officer at Marriott International. Under Jim's leadership, Marriott International saw substantial growth in its digital presence with innovative strategies that enhanced customer engagement and streamlined operations. Jim brings decades of experience in leading transformational initiatives, particularly in the digital space, with focuses on loyalty programs. Jim's knowledge in the digital space brings a much-needed spearhead as the Company undergoes begins steering away from third-party outlets and focusing on direct-to-consumer channels. Jim's appointment marks a pivotal moment in Under Armour's evolution, positioning the company for sustained growth and competitive advantage in the digital marketplace.

## Shareholder Base, Liquidity, Market Depth

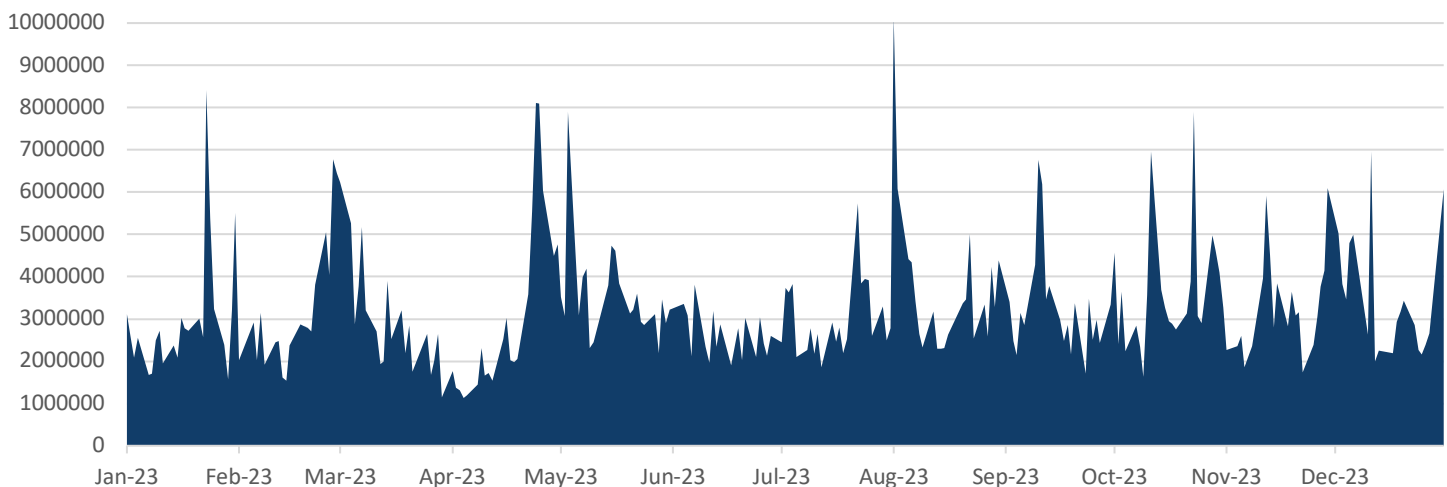
### Shareholder Base

Under Armour currently has 443.525 million shares outstanding. Approximately 69% of share ownership is owned by institutions. Kevin Plank himself owns 12% and holds a 65% voting share, allowing for him to have full control over the company's decisions and operations. Below can be seen a distribution of the Company's institutional ownership.

Holder	Stock Held	% of CSO	Mkt Value (mm)	Change in Shares	%Change
The Vanguard Group, Inc.	37,788,746	8.625	309.9	1,768,199	4.91
BlackRock, Inc. (NYSE:BLK)	33,929,258	7.744	278.2	1,028,783	3.13
State Street Global Advisors, Inc.	16,303,087	3.721	133.7	285,495	1.78
Dimensional Fund Advisors LP	12,659,515	2.889	103.8	2,870,346	29.32
ArrowMark Colorado Holdings, LLC	8,559,116	1.953	70.2	2,417	0.03
Alyeska Investment Group, L.P.	7,744,158	1.767	63.5	4,897,400	172.03
Geode Capital Management, LLC	5,805,546	1.325	47.6	290,474	5.27
Disciplined Growth Investors, Inc.	5,156,663	1.177	42.3	-12,337	-0.24
Victory Capital Management Inc.	4,833,932	1.103	39.6	465,407	10.65
Loomis Sayles & Company, L.P.	4,767,562	1.088	39.1	-27,046	-0.56
D. E. Shaw & Co., L.P.	4,726,166	1.079	38.8	-2,600,986	-35.5

### Liquidity

Under Armour has a strong average trading volume of 5.9 million per day. Large spikes in volume can be traced to earning reports or significant operation changes.



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## Valuation

### Discounted Cash Flow Analysis

#### Revenue:

Fallouts of the COVID-19 pandemic caused a surge of demand in FY2022 as customers began to head back into in-person outlets and stores. However, the initial revitalization quickly began to settle down, and as a result, Under Armour showed a decline in revenues in FY2023. This is further supplemented by uncertainty regarding the economy, in which consumers have cut back on their spending due to less discretionary income. This has ultimately resulted in a lack of desired liquidity in the market. While Under Armour remains affected in the short term, the majority of Under Armour consumers are health-conscious, well-to-do millennials who will continue to buy Under Armour so long as their fitness activities remain constant. As a result, revenues are expected to slow down initially, but maintain constant growth over time.

Due to recent market conditions as well as strategy changes underrecognized by the market, Under Armour is prospectively undervalued. Under Armour remains poised for gains in the upcoming years as it continues its steady rate of growth that has since allowed it to go from a new company to one that competes with legacy and decades longer of brand equity.

#### Apparel:

Under Armour's largest source of revenue has come from its lines of apparel, particular its mainstays mentioned prior in the report. Over time, fluctuations of revenue growth in regard to Apparel have remained minimal. Apparel revenues in the recent quarter were 3.872 billion and are expected to increase to 3.958 billion due to a slow start but recovery in the later quarters. The Company's apparel segment is expected to grow at a steady, continuous rate over the next five years.

#### Footwear:

Under Armour's footwear line is expected to continue to grow due to increased efforts in influencer advertising, namely onboarding large sports athletes such as Stephen Curry among others. As Under Armour shifts focus towards the youth of today and the trendiness in regards to big brand names and pop culture, the Company can expect an increase and consistent revenue growth in the category.

#### Accessories:

With the dominance of the Apparel and Footwear lines, Under Armour accessories expects to see smaller growth compared to its popular counterparts. However, as the brand continues to shift towards direct-to-consumer and more brand loyalty initiatives, consumers are more inclined to purchase additional add-ons. As a result, Under Armour is expected to grow its Accessories segment marginally.

#### WACC:

The average cost of capital (WACC) was calculated to be 12.6%. Bloomberg data was utilized to calculate a cost of equity at 12.1%, cost of debt to be 2.9%. The cost of equity was calculated using a risk-free rate of 3.8%, an expected market return

of 9.95%, and a beta of 1.34. The cost of debt was calculating through the pre-tax cost of debt of 15.6% and an effective tax rate of 21.2%.

**CAPEX:**

Under Armour is expected to maintain around 30% CAPEX given the company's heavy involvement in processing facilities, warehouses, and other factories. However, the Company can expect to decrease their CAPEX in future years given their focus on shifting away from physical locations (approximately

**Tax Rate:**

An assumption of a corporate standard tax rate of 35% was used in facilitating the aspects of the model. This is applicable until FY2029.

**Dividend Policy**

Under Armour has maintained a state of reinvesting its excess cash into its operations to improve margins and R&D efforts for new lines of products. The Company is expected to continue this trend and has no promises to make any future dividends provided no significant change in financial strategy occurs.

## Comparable Companies Analysis

Under Armour primarily manufactures, designs, sells wholesale and retail sports and athletic wear. It is ranked among the top five sports brands in the world by volume of sales and market capitalization. While the other four have similar characteristics product-wise, large spreads are present with market capitalization, multiples, and overall valuations due to longer historical presence. Chosen below are companies with like financial situations and that also cater to akin product lines and segments.

**Lululemon Athletica Inc. (NASDAQGS:LULU)**

Lululemon is a designer, manufacturer, and retailer of specialty athleisure wear that caters towards comfort, practicality, and usability in athletics. Founded in 1998 in Vancouver, Canada, featured items of the brand include items such as lounge pants, yoga pants, tube tops, and jackets, cater towards yoga, running, training and other sports. Lululemon also provides fitness and yoga studios and commonly partners with universities to distribute collaborative products. Lululemon operations across the world with stores and distribution channels across the United States, Australia, South Korea, Germany, New Zealand, Singapore, and many more. Lululemon primarily operates Direct-To-Consumer. Specific segments include a chain of company-operated stores, yoga and fitness studios, and more.

**American Eagles Outfitters (NYSE:AEO)**

American Eagle Outfitters Inc. is an American manufacturer and retailer of goods pertaining to upper wear, specialty jeans, and more. American Eagle operates under three common brands: American Eagle (commonly referred to simply as AE), Todd Snyder New York brand, and the Unsubscribed brand. Similar to Under Armour, American Eagle caters to ubiquitous wear that is comparatively affordable. They sell through Direct-To-Consumer through their retail brick-and-mortar stores

as well as their online storefront. American Eagle Outfitters was founded in 1977 and is headquartered in Pittsburgh, Pennsylvania.

**Levi Strauss & Co. (NYSE:LEVI)**

Levi Strauss & Co. designs, manufactures, and sells majority denim-related products. Popular Levi items include their jeans, jackets, and more. Levi's business model revolves around e-commerce as well as third-party franchisees, retailers, and more who ultimately distribute the products. Levi Strauss and Co. has several brands under their belt, namely Dockers, Beyond Yoga, Signature, Denizen labels and more. Levi Strauss & Co has 50,000 retail stores worldwide and includes 3200 brand-dedicated stores. Levi was founded in 1853 and is headquartered in San Francisco, California.

**V.F Corporation (NYSE:VFC)**

Founded in 1899 and located in Denver, Colorado, V.F Corporation is a consolidation of companies that primarily designs, manufactures, and markets leisure and comfort wear. VF has locations and distribution channels across Europe, Asia-Pacific, and the Americas area. Companies under the brand include pop-culture wear such as the North Face, Timberland, Vans, Dickies, and more. V.F Corporation sells majority through direct-to-consumer with retail stores, specialty stores, as well as e-commerce lines. Third-party segments include third-party retailers, pop-ups, and local convention events depending on specific brand and merchandise.

**Hanesbrands Inc. (NYSE:HBI)**

Hanesbrands Inc. was founded in 1901 and is currently headquartered in Winston-Salem, North Carolina. The company manages several brands, notably Hanes, Champions, Playtex, and more. Hanesbrands caters towards the athlete market and has key product lines featuring activewear and performance wear as well as thermal wear. Hanesbrands has distribution channels across Europe, Americas, and the Asia-Pacific region.

## Recommendation - Buy

### Buy

Due to recent market conditions as well as strategy changes underrecognized by the market, Under Armour is prospectively undervalued. Under Armour remains poised for gains in the upcoming years as it continues its steady rate of growth that has since allowed it to go from a new company to one that competes with legacy and decades longer of brand equity.

Under Armour's implied share price weighting is as follows:

- A 25% weighting on the Perpetuity Growth DCF method, which projects a \$9.89 share price
- A 25% weighting on the Exit Multiple Implied Price DCF method, which projects a \$11.23 share price
- A 25% weighting on the P/E Implied Price method which projects a \$5.98 share price
- A 25% weighting on the EV/EBITDA Implied Price Method, which projects a \$11.61 share price

The above weighting results in a target share price of 9.68, resulting in a total return of 17.1%.

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## Risks

### Discretionary Products Takes a Dive

Discretionary products have a chance to take a slant in sales due to potential economic fallouts. Sales for apparel and footwear companies have generally seen a significant decrease in profits both in times of uncertainty as well as during an economic fallout. Currently, sales in clothes have fallen 4% in the past fiscal year, affecting many clothing companies and Company competitors alike. However, this systematic risk is reflected in beta as potentially all consumer cyclical stocks see to decrease in price and market capitalization. Under Armour is particularly able to combat this due to its strong balance sheet as well as consistent profits and cash flows. More importantly, Under Armour sits at lower losses than comparable companies due to its previous cut-down of orders and changing of brick-and-mortar strategies.

### Global Supply Chain

With increased turmoil due to war-conflicts, global supply chain has and could continue to see further delays in processing, fulfillment, and general cost of material. Longer delay times as well as higher costs transferred to customers could result in lower customer satisfaction and decreased brand loyalty which counteracts the new initiatives Under Armour is attempting to lead. Should Under Armour not transfer prices over to consumers, higher costs and lower margins can result in a decrease of profits as well as general company health. Further slowed demand could also be particularly prevalent amongst areas of turmoil, which lowers worldwide revenue in certain geographic segments.

### Divided Brand Image

With Stephanie's leadership and increased focus on women's apparel, Under Armour could potentially alienate its pre-existing male-dominated fan base. Male shoppers might find the original brand they were committed to has changed many of its values – regardless of whether those values have gone for the better, those consumers could feel as if the original connection they had to the brand is gone. This could result in a slight decrease of product sales due to those consumers purchasing less products or halting their purchase of Under Armour products entirely. However, this represents an extreme case and is unlikely to steer away the vast majority of Under Armour's customers, leading to minimal effects on overall company performance.



Appendix 1: Model Summary

Summary Page																					
	Mar-19	Mar-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Mar-23	Mar-24	Dec-24	Mar-25	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29
	FY2019	FY2020	FY2021	Q1-2022	Q2-2022	Q3-2022	Q4-2022	FY2022	Q1-2023	Q2-2023	Q3-2023	Q4-2023	FY2023	FY2024	Q3-2025	Q4-2025	FY2025	FY2026	FY2027	FY2028	FY2029
Income Statement																					
Revenue	-	5,683,466.0	1,300,945.0	1,349,057.0	1,573,885.0	1,581,781.0	1,398,913.0	5,903,636.0	1,317,012.0	1,566,710.0	1,486,095.0	1,467,394.5	5,837,211.5	6,121,849.6	1,634,069.1	1,615,341.0	6,421,365.5	6,740,223.9	7,096,664.8	7,486,067.5	7,905,606.4
EBITDA	-	486,290.0	(45,956.0)	34,483.0	119,410.0	94,669.0	35,259.0	283,811.0	20,930.0	145,759.0	69,520.0	146,739.4	382,948.4	577,437.8	204,288.8	209,994.3	780,396.2	876,229.1	1,029,016.4	1,122,910.1	1,201,652.2
Net Income	-	360,060.0	(59,610.0)	7,682.0	86,925.0	121,617.0	170,545.0	386,769.0	8,549.0	109,614.0	114,143.0	54,378.1	286,684.1	207,530.6	91,792.4	95,381.3	342,353.1	399,037.8	499,434.6	558,045.0	616,054.5
Earnings Per Share	#DIV/0!	\$ 0.77	\$ (0.13)	\$ 0.02	\$ 0.19	\$ 0.27	\$ 0.37	\$ 0.84	\$ 0.02	\$ 0.24	\$ 0.25	\$ 0.12	\$ 0.63	\$ 0.46	\$ 0.20	\$ 0.21	\$ 0.76	\$ 0.88	\$ 1.10	\$ 1.23	\$ 1.36
Cash Flow Statement																					
Capital Expenditures	-	(69,759.0)	(39,923.0)	(35,747.0)	(58,117.0)	(53,756.0)	(40,176.0)	(187,796.0)	(39,591.0)	(44,553.0)	(48,652.0)	(53,563.7)	(186,359.7)	(221,034.6)	(58,430.0)	(59,160.4)	(232,295.3)	(239,599.6)	(248,426.9)	(257,579.5)	(267,069.3)
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Divestitures	-	1,413.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Per Share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dividend Payout to Earnings	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Payout to Core FCF	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Yield	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance Sheet																					
Current Assets	-	3,336,299.0	2,832,825.0	3,000,087.0	3,079,403.0	3,116,604.0	2,959,586.0	2,959,586.0	2,984,218.0	2,871,760.0	3,122,816.0	2,779,970.2	2,779,970.2	3,000,273.3	3,253,853.7	3,376,364.2	3,376,364.2	3,724,682.3	4,253,750.4	4,831,262.0	5,477,737.7
Non-Current Assets	-	1,655,097.0	1,620,007.0	1,605,713.0	1,690,668.0	1,710,951.0	1,897,497.0	1,897,497.0	1,882,942.0	1,874,793.0	1,921,690.0	1,930,617.3	1,930,617.3	1,967,456.4	1,996,312.2	2,006,172.3	2,006,172.3	2,035,596.8	2,066,105.3	2,097,737.9	2,130,535.9
Assets	-	4,991,396.0	4,452,832.0	4,605,800.0	4,770,071.0	4,827,555.0	4,857,083.0	4,857,083.0	4,867,160.0	4,746,553.0	5,044,506.0	4,710,587.5	4,710,587.5	4,967,729.7	5,250,165.9	5,382,536.4	5,382,536.4	5,760,279.1	6,319,855.7	6,928,999.9	7,608,273.6
Current Liabilities	-	1,450,176.0	1,298,595.0	1,458,680.0	1,473,264.0	1,502,129.0	1,356,891.0	1,356,891.0	1,464,206.0	1,283,104.0	1,466,182.0	1,077,885.4	1,077,885.4	1,127,497.0	1,162,961.4	1,199,950.6	1,199,950.6	1,178,655.4	1,238,797.5	1,289,896.6	1,353,115.7
Non-Current Liabilities	-	1,452,226.0	1,425,283.0	1,418,045.0	1,480,474.0	1,493,424.0	1,501,789.0	1,501,789.0	1,397,544.0	1,373,707.0	1,405,304.0	1,405,304.0	1,405,304.0	1,405,304.0	1,405,304.0	1,405,304.0	1,405,304.0	1,405,304.0	1,405,304.0	1,405,304.0	1,405,304.0
Liabilities	-	2,902,402.0	2,723,878.0	2,876,725.0	2,953,738.0	2,995,553.0	2,858,680.0	2,858,680.0	2,861,750.0	2,656,811.0	2,871,486.0	2,483,189.4	2,483,189.4	2,532,801.0	2,568,265.4	2,605,254.6	2,605,254.6	2,583,959.4	2,644,101.5	2,695,200.6	2,758,419.7
Shareholders' Equity	-	2,088,994.0	1,728,954.0	1,729,075.0	1,816,333.0	1,832,002.0	1,998,403.0	1,998,403.0	2,005,410.0	2,089,742.0	2,173,020.0	2,227,398.1	2,227,398.1	2,434,928.7	2,681,900.5	2,777,281.8	2,777,281.8	3,176,319.7	3,675,754.3	4,233,793.3	4,849,853.8
Cash	-	1,682,870.0	1,022,126.0	1,063,062.0	868,013.0	864,051.0	727,726.0	727,726.0	720,845.0	673,617.0	1,058,199.0	702,139.6	702,139.6	799,442.9	1,064,201.1	1,127,809.4	1,127,809.4	1,419,525.7	1,855,077.7	2,398,290.1	3,003,282.9
Debt	-	662,531.0	672,286.0	672,834.0	673,382.0	673,930.0	674,478.0	674,478.0	675,026.0	675,574.0	676,043.0	676,043.0	676,043.0	676,043.0	676,043.0	676,043.0	676,043.0	676,043.0	676,043.0	676,043.0	676,043.0
Net Debt	-	(1,020,339.0)	(349,840.0)	(390,228.0)	(194,631.0)	(190,121.0)	(53,248.0)	(53,248.0)	(45,819.0)	1,957.0	(382,156.0)	(26,096.6)	(26,096.6)	(123,399.9)	(388,158.1)	(451,766.4)	(451,766.4)	(743,482.7)	(1,179,034.7)	(1,722,247.1)	(2,327,239.9)
Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt/EBITDA	#DIV/0!	n/a	7.6 x	-	-	-	-	n/a	-	-	-	-	n/a	n/a	-	-	n/a	n/a	n/a	n/a	n/a
Operating Metrics																					
Return on Equity (ROE)	-	17.2%	-3.4%	0.4%	4.8%	6.6%	8.5%	19.4%	0.4%	5.2%	5.3%	2.4%	12.9%	8.5%	3.4%	3.4%	12.3%	12.6%	13.6%	13.2%	12.7%
Return on Assets (ROA)	-	7.2%	-1.3%	0.2%	1.8%	2.5%	3.5%	8.0%	0.2%	2.3%	2.3%	1.2%	6.1%	4.2%	1.7%	1.8%	6.4%	6.9%	7.9%	8.1%	8.1%
Return on Invested Capital (ROIC)	-	16.8%	-1.9%	1.5%	4.8%	3.8%	1.4%	11.5%	0.9%	6.0%	2.7%	5.6%	14.6%	20.0%	6.3%	6.3%	23.3%	22.4%	22.2%	-	-
Valuation Metrics																					
Stock Price (High)	-	\$ 19.27	\$ 22.60	\$ 18.21	\$ 18.21	\$ 18.21	\$ 18.21	\$ 18.21	\$ 7.88	\$ 7.88	\$ 7.88	\$ 7.88	\$ 7.88	\$ 8.02	\$ 8.02	\$ 8.02	\$ 8.02	\$ 8.02	\$ 8.02	\$ 8.02	\$ 8.02
Stock Price (Low)	-	\$ 6.89	\$ 14.77	\$ 5.92	\$ 5.92	\$ 5.92	\$ 5.92	\$ 5.92	\$ 7.88	\$ 7.88	\$ 7.88	\$ 7.88	\$ 7.88	\$ 7.88	\$ 8.02	\$ 8.02	\$ 8.02	\$ 8.02	\$ 8.02	\$ 8.02	\$ 8.02
Stock Price (Average)	#DIV/0!	\$ 13.08	\$ 18.89	\$ 12.07	\$ 12.07	\$ 12.07	\$ 12.07	\$ 12.07	\$ 7.88	\$ 7.88	\$ 7.88	\$ 7.88	\$ 7.88	\$ 7.95	\$ 8.02	\$ 8.02	\$ 8.02	\$ 8.02	\$ 8.02	\$ 8.02	\$ 8.02
Diluted Shares Outstanding (Average)	-	468,644.0	471,425.0	468,167.0	454,506.0	453,715.0	461,509.0	461,509.0	454,506.0	453,715.0	448,435.0	453,715.0	452,592.8	453,153.9	452,592.8	452,592.8	452,592.8	452,592.8	452,592.8	452,592.8	452,592.8
Market Capitalization (Average)	#DIV/0!	6,129,863.5	8,808,576.1	5,648,434.9	5,483,614.9	5,474,071.5	5,568,106.1	5,568,106.1	3,581,507.3	3,575,274.2	3,533,667.8	3,575,274.2	3,566,430.9	3,602,573.3	3,629,793.9	3,629,793.9	3,629,793.9	3,629,793.9	3,629,793.9	3,629,793.9	3,629,793.9
Enterprise Value (Average)	#DIV/0!	5,109,524.5	8,458,736.1	5,258,206.9	5,288,983.9	5,283,950.5	5,514,858.1	5,514,858.1	3,535,688.3	3,577,231.2	3,151,511.8	3,549,177.6	3,540,334.2	3,479,173.4	3,241,635.8	3,178,027.4	3,178,027.4	2,886,311.1	2,450,759.2	1,907,546.8	1,302,554.0
P/E	#DIV/0!	17.0 x	n/a	-	-	-	-	14.4 x	-	-	-	-	12.4 x	17.4 x	-	-	10.6 x	9.1 x	7.3 x	6.5 x	5.9 x
EV/EBITDA	#DIV/0!	10.5 x	n/a	-	-	-	-	19.4 x	-	-	-	-	9.2 x	6.0 x	-	-	4.1 x	3.3 x	2.4 x	1.7 x	1.1 x
FCF Yield to Market Capitalization	#DIV/0!	6.7%	-4.4%	-	-	-	-	-4.2%	-	-	-	-	-4.4%	5.5%	-	-	12.3%	11.5%	15.8%	19.1%	20.7%
FCF Yield to Enterprise Value	#DIV/0!	8.0%	-4.6%	-	-	-	-	-4.2%	-	-	-	-	-4.5%	5.7%	-	-	14.1%	14.5%	23.5%	36.3%	57.7%
Free Cash Flow																					
EBIT	-	486,290.0	(45,956.0)	-	-	486,290.0	(45,956.0)	283,811.0	20,930.0	145,759.0	69,520.0	102,103.0	338,312.0	393,242.3	155,567.0	160,694.0	586,816.8	666,054.0	811,098.0	896,963.2	967,380.9
Tax Expense	-	(30,817.0)	(7,449.0)	-	-	(30,817.0)	(7,449.0)	99,004.0	(4,370.0)	(29,343.0)	(14,759.1)	(21,676.5)	(71,823.6)	(83,485.3)	(33,026.9)	(34,115.3)	(124,581.2)	(141,403.3)	(172,196.1)	(190,425.3)	(205,375.0)
D&A	-	-	-	-	-	-	-	-	-	-	-	44,636.4	44,636.4	184,195.5	48,691.7	49,300.3	193,579.4	210,175.1	217,918.4	225,946.9	234,271.3
Capital Expenditures	-	(69,759.0)	(39,923.0)	-	-	(69,759.0)	(39,923.0)	(187,796.0)	(39,591.0)	(44,553.0)	(48,652.0)	(53,563.7)	(186,359.7)	(221,034.6)	(58,430.0)	(59,160.4)	(232,295.3)	(239,599.6)	(248,426.9)	(257,579.5)	(267,069.3)
Changes in NWC	-	22,539.0	(292,504.0)	-	-	22,539.0	(292,504.0)	(428,714.0)	(67,896.0)	(111,178.0)	297,976.0	(401,510.2)	(282,608.2)	(73,388.3)	286,611.3	(21,912.9)	24,729.3	(77,897.0)	(33,374.1)	16,799.9	21,736.3
Unlevered Free Cash Flow	-	408,253.0	(385,832.0)	-	-	408,253.0	(385,832.0)	(233,695.0)	(90,927.0)	(39,315.0)	304,084.9	(330,010.9)	(157,843.1)	199,529.6	399,413.1	94,805.7	448,249.1	417,329.2	575,019.3	691,705.3	750,944.2
Valuation Summary																					

Current Price	\$ 8.27
Target Price	\$ 9.68
Total Return	17.0%
Recommendation	BUY



Appendix 2: DCF Analysis

Discounted Cash Flow Analysis															
(Figures in mm USD)	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29
	FY2019	FY2020	FY2021	FY2022	FY2023	Q1-2024	Q2-2024	Q3-2024	Q4-2024	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
WACC Calculations															
Cost of Equity															
Risk-free rate	4.0%														
Expected market return	11.8%														
Market Risk Premium	8.3%														
Beta	1.42														
Cost of Equity	15.8%														
Cost of Debt															
Pre-tax cost of debt	5.0%														
Effective tax rate	21.2%														
Cost of Debt	3.9%														
WACC															
Market value of equity	3,752,223.1														
Market value of debt	675,574.0														
Total Capitalization	4,427,797.1														
Cost of equity	15.8%														
Cost of debt	3.9%														
WACC	14.0%														
Free Cash Flow															
EBIT	-	486,290.0	(45,956.0)	283,811.0	338,312.0	79,130.1	105,377.0	101,698.5	107,036.8	393,242.3	586,816.8	666,054.0	811,098.0	896,963.2	967,380.9
Less: Tax expense	-	(30,817.0)	(7,449.0)	99,004.0	(71,823.6)	(16,799.3)	(22,371.5)	(21,590.6)	(22,723.9)	(83,485.3)	(124,581.2)	(141,403.3)	(172,196.1)	(190,425.3)	(205,375.0)
Add: Depreciation and amortization	-	-	-	-	44,636.4	45,194.4	45,759.3	46,331.3	46,910.5	184,195.5	193,579.4	210,175.1	217,918.4	225,946.9	234,271.3
Less: Capital expenditures	-	(69,759.0)	(39,923.0)	(187,796.0)	(186,359.7)	(54,233.3)	(54,911.2)	(55,597.6)	(56,292.5)	(221,034.6)	(232,295.3)	(239,599.6)	(248,426.9)	(257,579.5)	(267,069.3)
Less: Change in net working capital	-	22,539.0	(292,504.0)	(428,714.0)	(282,608.2)	(14,824.1)	(335,181.8)	310,508.0	(33,890.4)	(73,388.3)	24,729.3	(77,897.0)	(33,374.1)	16,799.9	21,736.3
Unlevered Free Cash Flow	-	408,253.0	(385,832.0)	(233,695.0)	(157,843.1)	38,467.8	(261,328.3)	381,349.6	41,040.5	199,529.6	448,249.1	417,329.2	575,019.3	691,705.3	750,944.2
Discount factor					0.50	0.75	1.00	1.25	1.50	1.50	2.50	3.50	4.50	5.50	6.50
Present Value of Unlevered Free Cash Flow					23,260.6	34,869.3	(229,252.3)	323,766.9	33,721.2	163,105.1	334,200.1	263,890.9	318,974.1	336,605.7	320,579.2
Discounted Cash Flow Valuations															
Perpetuity Growth Method															
Perpetuity Growth Rate	2.0%														
PV sum of unlevered FCF	1,760,615.8														
Terminal value	2,726,844.0														
Enterprise Value	4,487,459.8														
Add: Cash	673,617.0														
Less: Debt	675,574.0														
Less: Other EV adjustments															
Equity Value	4,485,502.8														
Shares outstanding	453,715.0														
Implied Share Price	\$ 9.89														
Exit Multiple Method															
Terminal EV/EBITDA Multiple	6.5 x														
PV sum of unlevered FCF	1,760,615.8														
Terminal value	3,334,416.71														
Enterprise Value	5,095,032.5														
Add: Cash	673,617.0														
Less: Debt	675,574.0														
Less: Other EV adjustments	-														
Equity Value	5,093,075.5														
Shares outstanding	453,715.0														
Implied Share Price	\$ 11.23														
WACC															
14.90%	14.40%	13.90%	13.40%	12.90%											
\$ 8.63	\$ 9.02	\$ 9.45	\$ 9.91	\$ 10.42											
\$ 8.83	\$ 9.25	\$ 9.70	\$ 10.19	\$ 10.73											
\$ 9.06	\$ 9.50	\$ 9.98	\$ 10.50	\$ 11.07											
\$ 9.30	\$ 9.77	\$ 10.28	\$ 10.83	\$ 11.45											
\$ 9.56	\$ 10.06	\$ 10.60	\$ 11.20	\$ 11.86											
WACC															
14.90%	14.40%	13.90%	13.40%	12.90%											
\$ 8.05	\$ 8.24	\$ 8.44	\$ 8.64	\$ 8.85											
\$ 9.12	\$ 9.34	\$ 9.57	\$ 9.81	\$ 10.05											
\$ 10.19	\$ 10.45	\$ 10.71	\$ 10.98	\$ 11.26											
\$ 11.27	\$ 11.55	\$ 11.84	\$ 12.15	\$ 12.46											
\$ 12.34	\$ 12.66	\$ 12.98	\$ 13.32	\$ 13.66											
Current Price															
Current Price	\$ 8.27														
Implied Price	\$ 9.89														
Total Return	19.5%														
Current Price															
Current Price	\$ 8.27														
Implied Price	\$ 11.23														
Total Return	35.7%														

Appendix 3: Comparable Companies Analysis

Comparable Company Analysis																	
(Figures in mm USD)																	
Company	Ticker	Share Price	Diluted Shares Outstanding	Equity Value	Cash	Debt	Other EV Adjustments	Enterprise Value	2021A EBITDA			EV/EBITDA Multiple			2021A Diluted EPS		
									2021A EBITDA	2022 E EBITDA	2023E EBITDA	2018A EV/EBITDA	2019E EV/EBITDA	2020E EV/EBITDA	2021A Diluted EPS	2022 Diluted EPS	2023E Diluted EPS
Lululemon Athletica	NASDAQGS:LULU	\$ 484.10	126.2	61,093.4	1,091.0	1,168.0	-	61,170.4	1,599.0	2,017.9	2,395.6	38.3 x	30.3 x	25.5 x	7.9	\$ 6.68	\$ 7.49
Tapestry Inc.	NYSE:TPR	\$ 37.49	229.2	8,592.7	622.1	1,629.9	-	9,600.5	412.4	700.6	1,027.3	23.3 x	13.7 x	9.3 x	(1.5)	\$ (0.37)	\$ 1.48
Levi Strauss & Co.	NYSE:LEVI	\$ 16.36	397.1	6,496.6	294.5	1,004.6	-	7,206.7	868.6	871.1	663.3	8.3 x	8.3 x	10.9 x	1.4	\$ 1.41	\$ 0.69
Hanesbrands Inc.	NYSE:HBI	\$ 4.23	350.0	1,480.5	191.1	3,310.3	-	4,599.7	889.1	1,027.3	700.6	5.2 x	4.5 x	6.6 x	(1.5)	\$ (0.36)	\$ 0.22
American Eagles Outfitters	NYSE:AEO	\$ 21.48	197.5	4,242.3	240.9	927.0	-	4,928.4	774.2	481.8	567.1	6.4 x	10.2 x	8.7 x	2.0	\$ 0.64	\$ 1.11
												-	-	-			
												-	-	-			
Under Armour	(NYSE:UA)	\$ 8.02	453.7	3,638.8	673.6	675.6	-	3,640.7	486.3	283.8	479.3	7.5 x	12.8 x	7.6 x	0.8	\$ 0.86	\$ 0.60
Median												8.3 x	8.7 x				
Mean												9.6 x	8.7 x				
High												30.3 x	25.5 x				
Low												-	-				
Median												EV/EBITDA Implied Price				P/E Implied Price	
												\$ 5.17	\$ 9.18			\$ -	\$ 11.61
Mean												\$ 5.98	\$ 9.20			\$ 0.56	\$ 13.05
High												\$ 18.96	\$ 26.97			\$ 62.32	\$ 38.78
Low												-\$ 0.00	-\$ 0.00			-\$ 87.14	\$ -

## Appendix 4: Operating Model

[illegible]

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