WELCOME  8:00 – 8:05 AM

LANCE ALLEGA  VP, Investor Relations & Corporate Development
CARRIE GILLARD  Director, Investor Relations

OPENING REMARKS  8:05 – 8:30 AM
KEVIN PLANK  Founder, Chairman & Chief Executive Officer

STRAategic TRANSFORMATION  8:30 – 9:00 AM
PATRIK FRISK  President & Chief Operating Officer

DIGITAL  9:00 – 9:25 AM
PAUL FIPPS  Chief Digital Officer

CONSUMER ACTIVATION  9:25 – 10:00 AM
JIM MOLLICA  SVP, Consumer Engagement
ATTICA JAQUES  VP, Global Brand Management

15 MIN BREAK  10:00 – 10:15 AM

INNOVATION  10:15 – 10:35 AM
CLAY DEAN  Chief Innovation Officer

SUPPLY CHAIN  10:35 – 10:55 AM
COLIN BROWNE  Chief Supply Chain Officer

2018 INVESTOR DAY
AGENDA

REGIONAL OVERVIEWS  10:55 – 11:55 AM
JASON LAROSE  President, North America
MASSIMO BARATTO  Managing Director, EMEA
MANUEL OVALLE  Managing Director, LATAM
JASON ARCHER  Managing Director, APAC
CHRISTINA MEI  Managing Director, China

CATEGORY OVERVIEW  11:55 – 12:05 PM
KEVIN ESKRIDGE  Chief Product Officer

30 MIN LUNCH  12:05 – 12:35 PM

CATEGORY BREAKOUTS  12:35 – 2:35 PM

10 MIN BREAK  2:35 – 2:45 PM

FINANCIAL REVIEW & SUMMARY  2:45 – 3:20 PM
DAVID BERGMAN  Chief Financial Officer

QUESTION & ANSWER  3:20 – 4:00 PM

CONCLUSION RECEPTION  4:00 PM
Certain references included in today’s discussion and presentation include “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts, such as statements regarding our future financial condition or results of operations, our prospects and strategies for future growth, our anticipated charges and restructuring costs and the timing of these measures, the development and introduction of new products and innovations, the implementation of our marketing and branding strategies, and the future benefits and opportunities from significant investments. In many cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “projects,” “plans,” “assumes,” “anticipates,” “believes,” “estimates,” “predicts,” “outlook,” “potential” or the negative of these terms or other comparable terminology. The forward-looking statements made orally and contained in this presentation reflect our current views about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause events or our actual activities or results to differ significantly from those expressed in any forward-looking statement. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

This presentation also includes certain non-GAAP financial measures. Our non-GAAP financial measures should not be considered in isolation and should be viewed in addition to, and not as an alternative for, the company’s reported results prepared in accordance with GAAP. Additionally, the company’s non-GAAP financial information may not be comparable to similarly titled measures reported by other companies.

A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements, including, but not limited to: changes in general economic or market conditions that could affect overall consumer spending or our industry; changes to the financial health of our customers; our ability to successfully execute our long-term strategies; our ability to successfully execute any restructuring plans and realize expected benefits; our ability to effectively drive operational efficiency in our business; our ability to manage the increasingly complex operations of our global business; our ability to comply with existing trade and other regulations, and the potential impact of new trade, tariff and tax regulations on our profitability; our ability to effectively develop and launch new, innovative and updated products; our ability to accurately forecast consumer demand for our products and manage our inventory in response to changing demands; any disruptions, delays or deficiencies in the design, implementation or application of our new global operating and financial reporting information technology system; increased competition causing us to lose market share or reduce the prices of our products or to increase significantly our marketing efforts; fluctuations in the costs of our products; loss of key suppliers or manufacturers or failure of our suppliers or manufacturers to produce or deliver our products in a timely or cost-effective manner, including due to port disruptions; our ability to further expand our business globally and to drive brand awareness and consumer acceptance of our products in other countries; our ability to accurately anticipate and respond to seasonal or quarterly fluctuations in our operating results; our ability to successfully manage or realize expected results from acquisitions and other significant investments or capital expenditures; risks related to foreign currency exchange rate fluctuations; our ability to effectively market and maintain a positive brand image; the availability, integration and effective operation of information systems and other technology, as well as any potential interruption of such systems or technology; risks related to data security or privacy breaches; our ability to raise additional capital required to grow our business on terms acceptable to us; our potential exposure to litigation and other proceedings; and our ability to attract key talent and retain the services of our senior management and key employees. For additional information concerning factors that could cause actual results and events to differ materially from those projected herein, please refer to our most recent 10-K, 10-Q and 8-K reports.
KEVIN PLANK
FOUNDER, CHAIRMAN AND CEO
VISION

TO INSPIRE YOU WITH PERFORMANCE SOLUTIONS YOU NEVER KNEW YOU NEEDED AND CAN’T IMAGINE LIVING WITHOUT.

MISSION

UNDER ARMOUR MAKES YOU BETTER.
Our vision is to inspire you with performance solutions you never knew you needed and can’t imagine living without.

We Will

Under Armour makes you better.

Love Athletes
Stand for equality
Fight on together
Create fearlessly
Always connect
Think beyond
Stay true
Celebrate the wins
WE’RE THE BEST AT
GETTING BETTER
STANDARDIZING SYSTEMS

OPTIMIZING OPERATIONS

ENGINEERING & CONTROLLING THE BUSINESS

MAINTAINING PREMIUM POSITIONING

STRENGTHENING OUR GLOBAL PLAYBOOK

HERE, NOW

TODAY

2017-2019

PROTECT THIS HOUSE
MARKETPLACE MANAGEMENT

OPTIMAL SUPPLY AND DEMAND EXECUTION

MULTIPLE BALANCED LEVERS

CONTINUED AGILITY
2017: **GET ORGANIZED**
Strengthened mission, vision and values
Re-engineered holistic go-to-market (GTM) process
Identified target consumer

2018: **GET TO WORK**
Single, consumer-centric strategy
Clarified focus on performance innovation
Reduced GTM process by 5 months

2019: **EXECUTE**
Drive operational efficiencies through new processes/structure
Manage the marketplace with discipline
Confidence, credibility and consistency
TRUST THE PROCESS
GETTING ORGANIZED

GO-TO-MARKET

VISION MISSION VALUES

CONSUMER AND STRATEGY

STRUCTURE AND PROCESS

CONSUMER CENTRIC STORYTELLING

MARKETPLACE MANAGEMENT
DEMAND CENTRIC GROWTH

IDENTIFY THE CONSUMER THAT ALIGNS BEST WITH OUR BRAND

WE LISTENED TO 22,000 Consumers

IN ORDER TO

Identify Market Opportunity
Define Target Consumer
Strengthen Our Brand Positioning
DEMAND CENTRIC GROWTH
UNDERSTAND HOW THE FOCUSED PERFORMER ENGAGES EMOTIONALLY AND FUNCTIONALLY
DEMAND CENTRIC GROWTH (DCG)
UNDERSTANDS CONSUMER NEEDS GROUNDED IN THEIR SPECIFIC CONTEXT

Jane is a 27-year old urbanite who enjoys running and appreciates quality time with family and friends.

**TRADITIONAL SEGMENTATION**
Jane falls into one segment:

100% OF THE TIME

**ACTIVE WEAR**
Top, running shorts, sports bra, running shoes, hoodie, leggings, casual sneakers, sleeveless tops, trainers

Running | Mid-20s woman | Moderate spend

**DEMAND SPACE SEGMENTATION**
Jane falls into multiple segments depending on her needs and context:

25% OF THE TIME

**OUTDOOR RUNNING**
Needs: High-performance, reliable, efficient
Active wear: Top, running shorts, sports bra, running shoes

35% OF THE TIME

**ACTIVE ERRANDS AROUND TOWN**
Needs: Flexible, ready for anything, comfortable
Active wear: Hoodie, leggings, casual sneakers

40% OF THE TIME

**GROUP FITNESS CLASSES**
Needs: Admired for my style, look my best
Active wear: Sleeveless top, leggings, trainers
CONSUMER AND STRATEGY

THE MARKET OPPORTUNITY

$1.8T
TOTAL APPAREL & FOOTWEAR

$280B
ATHLETIC APPAREL & FOOTWEAR

$92B
FOCUSED PERFORMER

Euromonitor Passport Global Apparel and Footwear 2017 Publication (2012-17 actual, 2018-22 projected)

NPD Global Sports Market Estimates, 2017

Euromonitor Passport Global 2017: Under Armour proprietary BCG Demand Centric Growth Study
CONSUMER AND STRATEGY

CONSUMER DECISION JOURNEY

UNDERSTAND HOW THE FOCUSED PERFORMER BECOMES A BRAND EVANGELIST

1. **Social media matters:** Instagram specifically is used in 1 in 3 journeys for consumers under 25, typically during evaluation and loyalty stages.

2. **Confirmation that digital pure-play is massive:** Amazon and Alibaba play a role in 1 of every 3 journeys.

3. **Yet most consumers still shop offline:** most consumers (and the majority of UA consumers) take physical, wholesale journeys.

4. **Men and women shop similarly:** most journeys are equally split amongst men and women.
PRODUCT
Starting with deep athlete insights in each category, we will innovate to make great product that solves focused performers’ problems & inspires them.

STORY
Bring product to life by telling a globally-relevant story through social platforms the focused performer prefers, with a robust go-to-market approach that promotes growth and scale.

SERVICE
Create a seamless consumer experience through an authentic understanding of the focused performer journey, supported by global operational discipline and execution.

TEAM
Empower all teammates to better serve focused performers to reach their full professional potential through global collaboration as one team.
TRUST THE PROCESS
GETTING ORGANIZED

VISION MISSION VALUES
CONSUMER AND STRATEGY
STRUCTURE AND PROCESS
CONSUMER CENTRIC STORYTELLING
MARKETPLACE MANAGEMENT

GO-TO-MARKET
STRUCTURAL ALIGNMENT
YIELDS MORE EFFECTIVE OPERATIONS

- Fosters better consumer understanding
- Enables data-informed decision making
- Reduces churn
- Enforces greater strategic alignment and understanding
- Puts greater rigor in footwear validation
- Unlocks organizational time
TRUST THE PROCESS
GETTING ORGANIZED

GO-TO-MARKET

VISION
MISSION
VALUES

CONSUMER
AND
STRATEGY

STRUCTURE
AND
PROCESS

CONSUMER
CENTRIC
STORYTELLING

MARKETPLACE
MANAGEMENT
CONSUMER CENTRIC STORYTELLING
CONSUMER CENTRIC

STORY TELLING

CALL CENTER
SMS
SOCIAL MEDIA
DIGITAL ADVERTISING
ARMOURBOX
UNBOXING
UA.COM
BLOGS
EMAIL
DIRECT MAIL
UA APP (SHOP APP)
WHOLESALE
UA STORES
UA FITNESS APPS

CONSIDER
EVALUATE
ADVOCATE
EXPERIENCE
PURCHASE
TRUST THE PROCESS
GETTING ORGANIZED

GO-TO-MARKET

VISION MISSION VALUES
CONSUMER AND STRATEGY
STRUCTURE AND PROCESS
CONSUMER CENTRIC STORYTELLING
MARKETPLACE MANAGEMENT
MARKETPLACE MANAGEMENT

DISCIPLINED OPERATING MODEL

17-month go-to-market calendar

More profitable channel agnostic growth that delivers consistently repeatable results

Clearly defined product architecture to deliver sharper differentiation
TRANSFORMATION OVERVIEW

PRODUCT
- Demand Centric Growth
- Consumer Decision Journey

STORY
- Marketing Transformation
- Pricing Optimization

SERVICE
- Go-To-Market
- System Implementation

TEAM
- Operating Model
- Smart Spend
CONSUMER CENTRIC

STRATEGIC & BALANCED

STRUCTURALLY SOUND

OPERATE THROUGH GREAT PROCESS

DELIVER CONSISTENT FINANCIAL PERFORMANCE
WHERE

ATHLETIC PERFORMANCE

FOR

FOCUSED PERFORMER

BRAND POSITIONING

HUMAN PERFORMANCE COMPANY
REASONS TO BELIEVE

DEFINED CONSUMER
Performance will prove to be our greatest strength
Focused Performer: $92B addressable global market
Data driven insights driving intuitive, always-on engagement

INNOVATION PIPELINE
Realignment and prioritization
Systematic product releases

DISCIPLINED GO-TO-MARKET
Reduced calendar by 5 months
Entire organization operating within new framework
Clear construct to drive improving productivity

GOAL
Perform disciplined operations within the GTM framework to deliver repeatable, scalable results and profitability to drive greater shareholder return

STRUCTURE IN PLACE
One global ERP system implementation in-process
Enhanced regional structure and new leadership now in place
Sport categories clearly defined
PAUL FIPPS
CHIEF DIGITAL OFFICER
WE’RE THE BEST AT GETTING BETTER
COMMUNITY IS CRITICAL
Largest digital fitness community
Digital community has grown over 65% since 2015
App users purchase 36% more online

AN ENGINE FOR INVESTMENT
Learned the value of the app revenue streams
Apps should self-fund investment in digital talent and capabilities

DATA DRIVES PINNACLE EXPERIENCES
Evolved Single View of the Consumer
Built consumer profiles with integrated data
Enabling personalization at scale
BUILDING ON OUR COMMUNITY
Integrating the community with the Under Armour brand
Building a fitness ecosystem around commerce and social media

DRIVING ENGAGING EXPERIENCES
Creating relevant and immersive experiences
Making the Focused Performer better
Driving Connected Footwear

PERSONALIZING COMMERCE
Leveraging data to create and strengthen brand fans
Driving personalized journeys and recommendations
DIGITAL HOVR™ RUN

**EASE OF USE**

SET YOUR RIGHT SHOE FLAT FOR 5 SECONDS

This resets the shoes for connection.

**CONTENT & COACHING**

NICE RUN, RICH!

AVG CADENCE

OUTSIDE OF RANGE

173

YOUR CADENCE

174-186

TARGET RANGE (IN)

- Your cadence was below your target range.
- One of the most important times to pay attention to your cadence is when you start to feel tired during a run. It's common for runners to overstride when they fatigue, and that can lead to injury.

Focus on this...

- On your next run, try relaxing your arms and pumping them a little faster, with a

**COMMUNITY**

Xavier Artist ran 3.35 miles
in Towson, MD - 2 days ago

It was a good run with my mom and Ms. Gigli! We kicked it into High gear.

Search for shoes
SHOP APP

GEAR FOR YOU

Get stronger and train longer with our top gear that helps you hit your goals.

HEAD-TO-TOE STYLES

Train harder while looking great with these top men's looks.

THE NEW UA HOVR™ COLDGEAR® REACTOR EXPERIENCE

THE COLD CAN'T SLOW YOU DOWN.

SEE THEM IN AUGMENTED REALITY

CUSTOMIZATION

WE'RE MAKING YOUR ICON

Dear [Name],

Just a quick update, your Icon shoe is in the lab being built.
SCALE PERSONALIZATION
Activate the data and technology
Create, test and scale personalized performance journeys

DRIVE DIGITAL & PHYSICAL
Connect our commerce journeys across DTC
Build seamless experiences

GROW RECURRING REVENUE
Amplify direct, recurring revenue offerings
Connect digital and physical subscriptions
Drive reinvestment in digital
Growth rates exclude potential impacts of changes in foreign currency exchange rates.
2017 operating income percentage presented on a non-GAAP basis. GAAP operating income percentage for 2017 was (54)%.
DIGITAL
REASONS TO BELIEVE

GOAL
Strengthen, connect and deepen Under Armour’s relationship with the Focused Performer by delivering data-informed seamless experiences and performance solutions

CONNECTING THE TALENT
Investing in digital talent
Connecting teams from across the organization
Focusing on building immersive and engaging experiences

DRIVING VALUE
Driving direct app to profitability
Creating indirect value to the brand
Funding key investments in our digital capabilities

LEVERAGING THE DATA
Bringing together consumer data
Fueling deep athlete insights
Executing personalized experiences at scale

PLAYING AN EVOLVED, DEFINED GAME
Driving performance experiences that make the Focused Performer better
TENTPOLE MOMENTS
Reliance on episodic mass marketing
Built for the way consumers used to engage
Read and response was measured in months

SINGLE TOUCHPOINT
Misaligned consumer synergy and engagement
Underutilization of owned channels
Missed opportunity for digital and physical convergence

LESS RELIANCE ON DATA
Gut, intuition and legacy driven decision making
Limited reliance on data; limited ability to scale

DIVERGENT CONSUMERS
Separate consumers for each category
Lack of clarity on who we were for
Inconsistency in our messaging, investment and creative
NOT "EVERYONE"

OR JUST "CREATORS"

ATHLETES WHO ARE HARDWIRED TO FIGHT

SEE EVERY BARRIER AS AN OPPORTUNITY

$92B ADDRESSABLE MARKET
**Consumer Activation Opportunity**

**Younger & Diverse**
- 18-39: Gender, balanced 50% male, 50% female
- 40+: More ethically diverse +3% vs. GenPop
- More live in urban areas +5 vs. GenPop

**More Active**
- **Day/Week**
  - Average: 3.25
  - Focused Performer: 4.5
- **Day Top Activities**
  - Running
  - Training

**Spends More**
- **Average Spend Last 6 Months**
  - Overall: $350
  - Focused Performer: $330
  - $285

*Under Armour proprietary BCG Demand Centric Growth Study*
FOCUSED PERFORMER

OBSTACLES + NAYSAYERS ARE FUEL FOR FOCUSED PERFORMERS. WHEREAS MANY WOULD RETREAT, THEY GO HARDER.

IN TRAIN, THEY COMPETE WITH THEMSELVES AND THEIR PEERS TO BENCHMARK PROGRESS IN THE ABSENCE OF A TEAM OR COACH.
TARGET CONSUMER

FOCUSED PERFORMER

THEY ONLY CARE ABOUT PERFORMANCE APPAREL WHEN THEY CAN NOTICE A DIFFERENCE

STYLE IS PART OF THIS…

IT’S NOT JUST ABOUT LOOKING GOOD. IT’S ABOUT “FEELING THE PART”
FOCUSED PERFORMER

IT IS FUNDAMENTALLY CONNECTED TO THEIR MOOD, MENTAL HEALTH, AND SELF IDENTITY

DEMANDING BODY POSITIVITY FROM BRANDS
CONSUMER CONNECTIVITY

BRAND METRICS

- AWARENESS
- CONSIDERATION
- PURCHASE
FROM
DIVERGENT CONSUMER SEGMENTS
FRAGMENTED SPEND AND CREATIVE TENTPOLE MOMENTS

TO
SINGLE VIEW OF THE CONSUMER
CONSISTENCY ACROSS CREATIVE & INVESTMENT
WITH FOCUSED PERFORMER
 ALWAYS ON CONSUMER ENGAGEMENT
WILL MAKES US FAMILY
R/EVOLUTION

THE GAME HAS
FUNDAMENTALLY
CHANGED
THE GAME HAS FUNDAMENTALLY CHANGED
Attention spans are measured in seconds

Average attention span of a goldfish: 9s
Average online impression: 3–5s

Engagement is the new metric for success

Engagement = proactive interaction
(e.g. view, like, share, comment, etc.)
ORGANIZING AROUND THE CONSUMER
ORGANIZING AROUND THE CONSUMER

Choreographed, personalized interactions across all connection points
ORGANIZING AROUND THE CONSUMER

ENHANCING OUR DATA

REDEFINING MARKETING TECHNOLOGY STACK

DISTRIBUTE PERSONALIZED CONTENT
Organizing around the Consumer Now

Data + Tech = Insights

Context + Personalization = Engagement

Revenue
DATA INFORMED ENGAGEMENT APPROACH

CDP
CUSTOMER DATA PLATFORM
Intelligence to guide productive interactions

RETURN ON MARKETING INVESTMENT
DATA INFORMED ENGAGEMENT APPROACH
Intelligence to guide media investments

DMA
DIGITAL MARKETING ACCELERATOR
Agile activation team
THE CONSUMER JOURNEY
NEW MODELS OF ENGAGEMENT
TODAY'S CONSUMER IS SOCIAL

ENTERTAINMENT  NEWS  CONNECTING  SHOPPING
ENGAGEMENT DRIVES REVENUE
Consumer decision journey is not linear
Personalized experiences and choreographed frequency
Multi-channel activation and implementation

DATA INFORMED STORYTELLING
Precision in consumer focused journeys and interactions
Unlock smarter execution to drive full-funnel brand metrics

SPEED+LEARNING=GROWTH
Utilize learning environments to drive ROI
Faster real-time decision making cross functionally
Feedback loop creation to build data-informed culture
CONSUMER ACTIVATION

REASONS TO BELIEVE

ORGANIZED AROUND FOCUSED PERFORMER
Clear alignment into usage occasion and psychographic needs
Transition from big tent-pole to always on
Holistic approach to making athletes better—fitness, nutrition, coaching, motivation, competition

BUILT MARTECH PLATFORM FOR SCALE
Billions of data points stitched across consumer touchpoints
Turning insights into activation

GOAL
Rapidly learn from agile tests, earn consumers’ attention by delivering personalized content, and shift to “Always-On” model

PREPARED FOR ENGAGEMENT BATTLE
Social investment and personalization will drive growth
Investment in agile test & learn will drive speed and learning
CLAY DEAN
CHIEF INNOVATION OFFICER
INNOVATION
IN THE
REARVIEW
2013–2016
GET BIG FAST

INCONSISTENT STRATEGY AND PROCESS
Lack of repeatable processes
Variable use of consumer insights
Shifting category focus/prioritization

IRREGULAR INLINE HAND-OFF
Overlapping responsibilities with product and design
Suboptimal adoption rates for developments
Undisciplined “pencils down” decision making

TECHNICAL, COMPONENT DEVELOPMENT
Ingredient focused work
Limited concept or design creation
Compelling technical stories limited by lack of full design concepts

PRODUCT STORYTELLING
Inconsistent innovation messaging
REBUILDING PROCESS AND TEAM
Repeatable innovation phase gate approach
Improved, more efficient inline development and GTM integration
Stronger, focused designers and engineers; complete concepts

DOUBLING-DOWN ON THE FOCUSED PERFORMER
Clear consumer target and segment
Disciplined process centered on consumer insights and data analytics
Consumer tested/performance validation

BUILDING LONG-TERM, STABLE FRANCHISES
Focused on strategic growth and commercialization of new technologies
Innovation lifecycle planning for segments and categories
Consumer valued innovation to reinforce UA leadership position
HOW WE INNOVATE

REVOLUTIONARY → EVOLUTIONARY → ORTHOGONAL
ORIGINAL, NEW AND DISRUPTIVE DEVELOPMENTS that change how the world works and disrupt an industry or segment of work.
ORIGINAL, NEW AND DISRUPTIVE DEVELOPMENTS

that change how the world works and disrupt an industry or segment of work.
Evolutionary

Innovations that build upon pre-existing ideas or technologies and that exploit and prolong their life through optimization and renewal.

1997
The original Under Armour ColdGear® Mock gave athletes the ability to battle the elements with a soft, brushed inner layer that circulates heat and an element battling outer layer that keeps you dry and protected.

2006
The ultimate cold weather gear. Diamond faced ColdGear construction with strategic UA Metal ventilation zones lock in lightweight thermal regulation, and accelerate moisture transport.

2013
UA ColdGear® Infrared technology that uses a soft, thermo-conductive inner coating to absorb & retain your own body heat.

2016
Your own personal Thermostat. Adaptive fabric that maintains the perfect level of warmth.
ORTHOGONAL

Utilizing existing tools, services or executions in new or novel ways that evolve products or processes in a new or innovative way.
THE TEAM, THE TEAM, THE TEAM
FEEDING COMMERCIALIZATION
INNOVATION

STAGE GATES & PROCESS

CORPORATE STRATEGIC FILTERS
- Focused Performer
- Footwear
- Global Markets
- Train
- Run
- Women's
- Connected Fitness

DESIGN POSSIBILITIES

PROVEN & TESTED TECHNOLOGIES

INPUTS & OPPORTUNITIES
- Sport
- Performance
- Research
- Consumer
- Insights
- External Partners
- Athlete Insights
- Supply Chain
- Open Innovation
- SVOC
- Design
- Sourcing
- Retail Partners
- Factory Partners
- Industry Partners
- Category Inputs
- Mega/Meta Trends
- Connected Fitness
STARTING WITH CORE NEEDS
INNOVATION
TESTED BY ATHLETES
INNOVATION

...AND VALIDATED BY CONSUMERS
... BUILDING LONG-LASTING FRANCHISES
CATEGORY 1

360° STRENGTH, STABILITY, AND STRUCTURE
CATEGORY 1

CATEGORY 2
STRONGER AND LIGHTER

CATEGORY 3
MINIMALISTIC AND BREATHABLE
SOLID PROCESSES AND TEAMS
Implementing true innovation phase gate process
Adhering to clear dates and gates aligned to the GTM process
Fully utilizing 3D development and engineering
Designing full concepts

FULL ATTENTION ON THE FOCUSED PERFORMER
Utilizing insight and analytics
Working and testing with athletes
Validating with consumers

CREATING LONG-TERM, INNOVATION FRANCHISES AND PLATFORMS
Predictable technology maturity through lifecycle planning
A rich full pipeline of technologies in footwear and apparel
Constant and consistent exploration of new technologies

GOAL
Create a pipeline of performance solutions that make you better in ways you never thought possible.
WE’VE YET TO MAKE OUR DEFINING PRODUCT!
COLIN BROWNE
CHIEF SUPPLY CHAIN OFFICER
CHASING CAPACITY
Unit growth tripling
Vendor base expanded to 200 partners/65 primary vendors
Inefficient systems to handle capacity, speed, growth

SKU PROLIFERATION
Growth, scale and speed dictated design decisions
Peak SKU count: 2017
Siloed category expansion

INFRASTRUCTURE BUILD EXPECTATIONS
Investments made to support larger business than what materialized
Distribution House expansion every other year
Global ERP implementation began process
SUPPLY CHAIN

SOURCING BY COUNTRY: GLOBAL

2013 UNITS
2018 UNITS

Malaysia: 3% 6%
Philippines: 4% 4%
Cambodia: 5% 5%
Other: 1% 1%
Vietnam: 6% 23%
Jordan: 12% 17%
Indonesia: 8% 6%
The Americas: 12% 20%
China: 46% 18%
SUPPLY CHAIN

COMPLEXITY OVERVIEW

26
Sourced Countries

2,500
UA Teammates (across global supply chain)

270M
Units

18
Logistics & Distribution Locations

415K
SKU’s (style, color, size)

151
Factories

7
UA Sourcing Offices

UNITS
270,000,000 annually
22,385,000 monthly
4,803,000 weekly
820,000 daily

CONTAINERS
15,969 annually
1,330 monthly
323 weekly
56 daily

Approx. 992 units/min coming off production lines
SUPPLY CHAIN PRIORITIES

- Product (Always #1)
- Service
- Lead Time Revolution
- De-risk – Tariff and Duty
- Amplify Margins
- Inventory Reduction
- Sustainability Ambition
- Engagement
MAKE GREAT PRODUCT
- SKU rationalization
- Reduce complexity
- Overdrive margin
- Quality that exceeds consumer expectations

SUPPLY CHAIN EXCELLENCE
- Establish strategic partnerships across each product team
- Sustainability reporting
- Optimize duty savings
- Optimize operating model

DISTRIBUTION OPTIMIZATION
- Lead time reduction
- Days of inventory improvement – best practices
- Improving service levels
SUPPLY CHAIN
EARLY WINS
REDUCTIONS 2017–2019

SKUs: 40%
Materials: 75%
Margin: +
Inventory: -
Lead Times: 20%
Vendors: 30%
SUPPLY CHAIN STRATEGIES FOR 2023

MAKE GREAT PRODUCT
SKU management
COGS optimization
Unlock digital opportunity
Quality

STRATEGIC SOURCING
Strategic global partners
Duty precision management
Lead time revolution
Global leadership
Sustainability leadership

DISTRIBUTION OPTIMIZATION
Service optimization
Product flow
Front side flip (connected)
Inventory best practices
REASONS TO BELIEVE

TRUST THE PROCESS
Our year 1 results are consistent with our clearly defined plan
We have a world class clearly defined plan

INVESTMENTS
Utilization of investments in ERP, DH, Innovation, sourcing offices
Leveraging the power of being $5B

GOAL

Deliver world-class product, value and service to drive our long-term growth and profitability.

BUILD A GREAT TEAM
Best in class across the industry
Global mindset
JASON LAROSE
PRESIDENT, NORTH AMERICA
NORTH AMERICA
REGION OVERVIEW

MARKET

$95B* athletic apparel and footwear market

2 directly operated countries

Largest single UA country: United States

~180 retail doors / 2 e-Commerce sites

~13,500 points of distribution

* NPD Consumer Panel US Active Apparel and Footwear Data January 2017 to December 2017; Euromonitor Passport Global 2018
Focused Performer: $29B* addressable market

Convergence of athletic, athleisure, sportswear and lifestyle

Participation in sports growing**

*Under Armour proprietary BCG Demand Centric Growth Study; Euromonitor Passport Global 2018
**2017 SFIA Topline Participation Report
<table>
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<tr>
<th><strong>BRAND</strong></th>
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<tr>
<td>Aided awareness: 92%</td>
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<tr>
<td>Unaided awareness: 50%</td>
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<tr>
<td>Underscored focus on athletic performance</td>
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<tr>
<td>Largest category: Train</td>
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<tr>
<td>Largest opportunities: Footwear and Women’s</td>
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ROLE OF LARGEST MARKET
Fuel international expansion
Establish Footwear business
Expand direct-to-consumer business

MARKETPLACE DYNAMICS
Contraction in sporting goods
Trend toward lifestyle product
Build of inventory in the market

OUR STRATEGY
Reach more athletes
Add ~2,000 points of distribution
Authenticate Footwear and Women’s
NORTH AMERICA

DRIVE TOP LINE GROWTH

International / Connected Fitness

North America

<table>
<thead>
<tr>
<th>YEAR</th>
<th>REVENUE ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$2.3B</td>
</tr>
<tr>
<td>2014</td>
<td>$3.1B</td>
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<tr>
<td>2015</td>
<td>$4.0B</td>
</tr>
<tr>
<td>2016</td>
<td>$4.8B</td>
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</table>
NORTH AMERICA

OVERALL MARKET / CONSUMER SHIFT

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2017</th>
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</thead>
<tbody>
<tr>
<td>Athletic Specialty / Sporting Goods</td>
<td>36%</td>
<td>32%</td>
</tr>
<tr>
<td>Department Stores / Family</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>Ecomm Pure Play</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>DTC (Hybrid Brands)</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Off-Price</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>Mass / Vertical</td>
<td>29%</td>
<td>29%</td>
</tr>
</tbody>
</table>

NPD Consumer Panel Active US Apparel and Footwear Data January 2014 to December 2017
NORTH AMERICA

UA DISTRIBUTION DIVERSIFICATION

% NA REVENUE

2013 | 2014 | 2015 | 2016
---|---|---|---
65% | 64% | 62% | 57%
23% | 23% | 23% | 23%
9%  | 9%  | 10% | 11%
3%  | 3%  | 6%  | 9%

Other Wholesale
DTC: Digital
DTC: Retail
Athletic Specialty/Sporting Goods
MARKETPLACE MANAGEMENT
Stabilize and right-size inventory levels
Define clear points of differentiation
Continued wholesale contraction

DISTRIBUTION EVOLUTION
“Win with the winners” amid wholesale contraction
Service channel agnostic consumer
Increase role of digital in commerce and content

OPERATIONAL DISCIPLINE
Leverage organizational structure
Drive process efficiencies
NORTH AMERICA
CLEARLY DEFINED SEGMENTATION
BEFORE

<table>
<thead>
<tr>
<th></th>
<th>OCCASION A</th>
<th>OCCASION B</th>
<th>OCCASION C</th>
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<tbody>
<tr>
<td>BEST</td>
<td>RETAILER A</td>
<td>RETAILER B</td>
<td></td>
</tr>
<tr>
<td>BETTER</td>
<td>RETAILER C</td>
<td>RETAILER D</td>
<td></td>
</tr>
<tr>
<td>GOOD</td>
<td>RETAILER E</td>
<td>RETAILER F</td>
<td></td>
</tr>
</tbody>
</table>
NORTH AMERICA

CLEARLY DEFINED SEGMENTATION

NOW

<table>
<thead>
<tr>
<th>OCCASION A</th>
<th>OCCASION B</th>
<th>OCCASION C</th>
</tr>
</thead>
<tbody>
<tr>
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<td>RETAILER D</td>
</tr>
<tr>
<td>GOOD</td>
<td>RETAILER E</td>
<td>RETAILER F</td>
</tr>
</tbody>
</table>
BALANCED PREMIUM GROWTH
Focus on premium performance distribution
Offset contraction with balanced channel growth
Drive penetration in Footwear and Women’s

OWN OUR STORY
Amplify connection to Focused Performer
Lead with Train and Run
Skew investment towards retail and digital

OPERATIONAL EXCELLENCE
Leverage go-to-market construct
Prioritize investments to highest return
Continue to improve service levels
North America
Financial Outlook

Revenue Growth

Protect This House
Recalebrate & Focus

Perform with Balance
Fortify & Deliver TSR

(LOW SINGLE-DIGIT % CAGR)


Operating Income % 2.2%

Low Single-Digit % CAGR

Low Single-Digit % Rate

Mid-Single-Digit % Rate

Growth rates exclude potential impacts of changes in foreign currency exchange rates.
2017 operating income percentage presented on a non-GAAP basis. GAAP operating income percentage for 2017 was 0.5%.
**REVENUE - CHANNEL**

**2018**
- **DTC: Digital** 12%
- **DTC: Retail** 26%
- **Wholesale** 60%
- **Licensing** 2%

~180 Doors

**2023**
- **DTC: Digital** 15%
- **DTC: Retail** 28%
- **Wholesale** 55%
- **Licensing** 2%

~235 Doors

**WHOLESALE**

- **5YR CAGR** 0-2%

**DTC RETAIL**

- **5YR CAGR** 3-5%

**DTC DIGITAL**

- **5YR CAGR** 3-5%
North America

Revenue – Product Type

2018

- Footwear: 21%
- Apparel: 71%
- Accessories: 8%

2023

- Footwear: 22%
- Apparel: 71%
- Accessories: 7%

Apparel

5YR CAGR
0-2%

Footwear

5YR CAGR
3-5%

Accessories

5YR CAGR
0-2%
NORTH AMERICA REASONS TO BELIEVE

STABILIZING THE FOUNDATION
ERP upgrade complete
Improving inventory planning and execution
Prioritizing serving our customers

GROWING PREMIUM FULL-PRICE DISTRIBUTION
Winning with winners in channel agnostic consumer environment
Investing and building Footwear and Women’s businesses
Delivering differentiation at all points of distribution

REDEFINING GROWTH
Controlling premium growth through selective distribution expansion
Operating in disciplined go-to-market approach
Improving margin #1 objective

GOAL
Re-establish Under Armour as the performance authority in North America and drive profitability through operational excellence
MASSIMO BARATTO
MANAGING DIRECTOR
EUROPE, MIDDLE EAST, AFRICA
$75B* market growing at a low single-digit rate

57 markets / 4 directly operated / 12 distributors

Largest single UA country: United Kingdom

~130 retail doors** / 15 e-Commerce sites

~6,000 points of distribution

* NPD, footwear and apparel market, 2017
** Retail doors inclusive of owned and mono-branded partner locations
Focused Performer: $22B* addressable market

Online boom changing the game in the region

High spend per capita
(9 of 15 countries, $200+ in WE**)

Highly fragmented country by country

* Euromonitor Passport Global 2018; Under Armour proprietary BCG Demand Centric Growth Study
** NPD, footwear and apparel market, 2017
EUROPE, MIDDLE EAST, AFRICA
REGION OVERVIEW

BRAND

Aided awareness: up to 75%
Unaided awareness: up to 25%

Aspirational brand for consumers and customers

UA growth is outpacing market growth

Largest category and focus: Train
GROW STRATEGICALLY
Controlled growth model
Win in Train, Run and Footwear
Accelerate women’s opportunity

ENHANCE PREMIUM DISTRIBUTION
Balance market and channel segmentation
Drive brand enhancing e-Commerce and full price retail

DRIVE IMPROVING PROFITABILITY
Leverage scale and processes
Enforce the standard
Growth rates exclude potential impacts of changes in foreign currency exchange rates. 2017 operating income percentage presented on a non-GAAP basis. GAAP operating income percentage for 2017 was 4%.
EUROPE, MIDDLE EAST, AFRICA

REVENUE - CHANNEL

**Wholesale**
- 2018: 84%
- 2023: 75%

**DTC Retail**
- 2018: 7%
- 2023: 10%

**DTC Digital**
- 2018: 9%
- 2023: 15%

---

**5YR CAGR**
- Wholesale: 10-12%
- DTC Retail: 22-24%
- DTC Digital: 20-22%

*Retail doors inclusive of owned and mono-branded partner locations*
EUROPE, MIDDLE EAST, AFRICA

REVENUE – PRODUCT TYPE

2018

Accessories 9%
Apparel 74%
Footwear 17%

2023

Accessories 8%
Apparel 71%
Footwear 21%

APPAREL
5YR CAGR GROWTH
10-12%

FOOTWEAR
5YR CAGR GROWTH
15-17%

ACCESSORIES
5YR CAGR GROWTH
10-12%
Evolve the foundation to grow strategically and build a sustainable profitable brand in EMEA

**BUILD THE BRAND**
- Accelerate brand awareness
- Lead with Train and Run categories
- Execute holistic athlete journey

**OWN THE CHANNEL**
- Protect and grow premium distribution
- Drive a balanced omni-channel portfolio
- Invest in DTC expansion

**SET THE STANDARD**
- Service level excellence
- Build data capabilities to drive efficiencies and higher productivity
- Expected mid-teens operating margin by 2023
MANUEL OVALLE
MANAGING DIRECTOR
LATIN AMERICA
REGION OVERVIEW

MARKET

38 markets / 4 directly operated / 6 distributors

Largest single UA country: Mexico

~75 retail doors* / 3 e-Commerce sites

~3,000 points of distribution

*Retail doors inclusive of owned and mono-branded partner locations
Focused Performer: $9B* addressable market

Passionate connection to sport

High disposable household income +22%**

Increasing online penetration

* Euromonitor Passport Global 2018; Under Armour proprietary BCG Demand Centric Growth Study
** Euromonitor Passport, Economy, Finance & Trade, November 2018
REGION OVERVIEW

Aided awareness: ~50% (Mexico, Chile, Brazil, Panama)
Unaided awareness: ~15% (Mexico, Chile, Brazil, Panama)

Low, but growing awareness in footwear

Largest category: Train

Largest opportunities: Footwear and Run
LATIN AMERICA
REGION OVERVIEW

LOW DOUBLE-DIGIT REVENUE GROWTH
Focus on key markets
Invest in retail expansion
Leverage digital as fastest growth channel

MOVING FORWARD

FOCUS ON KEY CATEGORIES
Win in Run through Footwear and Innovation
Protect our performance core in Train
Authenticate the brand with core sports

DRIVE PROFITABILITY
Business model evolution
Supply chain optimization
Leverage infrastructure with scale
Return-oriented marketing investment
LATIN AMERICA
FINANCIAL OUTLOOK

REVENUE GROWTH

15%
10%
5%
0%


PROTECT THIS HOUSE
RECALIBRATE & FOCUS
LOW DOUBLE-DIGIT % CAGR

PERFORM WITH BALANCE
FORTIFY & DELIVER TSR
LOW DOUBLE-DIGIT % CAGR HIGH SINGLE-DIGIT % RATE

OPERATING INCOME % (13%)

Growth rates exclude potential impacts of changes in foreign currency exchange rates.
2017 operating income percentage presented on a non-GAAP basis. GAAP operating income percentage for 2017 was (21)%. 
LATIN AMERICA

REVENUE – CHANNEL

2018

DTC: Retail 27%
DTC: Digital 5%
Wholesale 68%

~80 Doors

2023

DTC: Retail 18%
DTC: Digital 6%
Licensing 1%
Wholesale 75%

~170 Doors

WHOLESALE
5YR CAGR 12-14%

DTC RETAIL
5YR CAGR 1-3%

DTC DIGITAL
5YR CAGR 13-15%

*Retail doors inclusive of owned and mono-branded partner locations
LATIN AMERICA

REVENUE – PRODUCT TYPE

2018

Footwear: 35%
Apparel: 55%

2023

Footwear: 42%
Apparel: 47%

APPAREL
5YR CAGR
5-7%

FOOTWEAR
5YR CAGR
13-15%

ACCESSORIES
5YR CAGR
10-12%
LATIN AMERICA
REASONS TO BELIEVE

GOAL
Build performance brand awareness through premium distribution to drive sustainable revenue growth while delivering improving profitability

PREMIUM DISTRIBUTION
Selective wholesale distribution expansion
Invest in full-price DTC experience
Continue implementing our clear segmentation strategy

FOOTWEAR DRIVEN GROWTH
Doubling penetration
Fuel growth through Run category
Deliver impactful innovation across pricing strata

PROFITABLE EXPANSION
Win Mexico, Argentina and Brazil
Scale digital to drive connection and relevance to Focused Performer
Target high-single-digit operating margin by 2023
ASIA PACIFIC
REGION OVERVIEW

MARKET

16 markets / 4 directly operated / 7 distributor & license

Largest single UA country: China

~700 retail doors* / 14 e-Commerce sites

~1,350 points of distribution

*Retail doors inclusive of owned and mono-branded partner locations
### Asia Pacific Region Overview

#### Consumer

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focused Performer</td>
<td>$32B* addressable market</td>
</tr>
<tr>
<td>Powerful Emerging Connection to Sport</td>
<td></td>
</tr>
<tr>
<td>Explosive Middle Class Growth</td>
<td></td>
</tr>
<tr>
<td>Willingness to Pay for Performance and Premium</td>
<td></td>
</tr>
</tbody>
</table>

*Euromonitor Passport Global 2018; Under Armour proprietary BCG Demand Centric Growth Study*
ASIA PACIFIC

REGION OVERVIEW

BRAND

Aided awareness: ~50% (China T1 & T2), ~40% (Australia)
Unaided awareness: ~25% (China, Australia)

~50% awareness in footwear

Largest category: Train

Fastest growing category: Run
ASIA PACIFIC
REGION OVERVIEW

ENHANCE PREMIUM DISTRIBUTION
Expansion strategy
Full price (DTC/partner) model driving the brand
Significantly amplify digital connections

EXPAND CATEGORY PENETRATION
Win in Footwear
Protect our Train and Run core
Enter emerging opportunities in adjacent categories

DRIVE PROFITABILITY
Drive scale and consistent brand heat
Controlled growth to protect premium position
Deliver more bottom-line dollars to fund global growth
Growth rates exclude potential impacts of changes in foreign currency exchange rates.
2017 operating income percentage presented on a non-GAAP basis. GAAP operating income percentage for 2017 was 19%.
**ASIA PACIFIC**

**REVENUE – CHANNEL**

**2018**
- **Wholesale**: 52%
- **Licensing**: 6%
- **DTC: Digital**: 24%
- **DTC: Retail**: 18%

**2023**
- **Wholesale**: 53%
- **Licensing**: 2%
- **DTC: Digital**: 28%
- **DTC: Retail**: 17%

**WHOLESALE**
- 5YR CAGR: 24-26%

**DTC RETAIL**
- 5YR CAGR: 22-24%

**DTC DIGITAL**
- 5YR CAGR: 28-30%

*Retail doors inclusive of owned and mono-branded partner locations*
ASIA PACIFIC

REVENUE – PRODUCT TYPE

<table>
<thead>
<tr>
<th>Product Type</th>
<th>2018</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Footwear</td>
<td>29%</td>
<td>32%</td>
</tr>
<tr>
<td>Apparel</td>
<td>64%</td>
<td>61%</td>
</tr>
<tr>
<td>Accessories</td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

APPAREL
5YR CAGR: 23-25%

FOOTWEAR
5YR CAGR: 28-30%

ACCESSORIES
5YR CAGR: 24-26%
ASIA PACIFIC
REASONS TO BELIEVE

GROWING FITNESS MARKETPLACE
Core in Focused Performers, halo in Sportstyle
Wider and deeper channel penetration
Adjacent market and category expansion

OPERATING WITH DISCIPLINE
Evolved regional structure operating consistently across markets
Better inventory management
New capabilities, ERP roll-out

GOAL
Drive demand with localized brand heat, fulfill consumer desire with controlled expansion and deliver balanced growth with higher profitability

PROTECTING PREMIUM POSITION
Controlling pace of growth to deliver higher profitability
Lead with digital consumer connections and DTC experiences
Leveraging infrastructure investments as we scale
KEVIN ESKRIDGE
CHIEF PRODUCT OFFICER
CATEGORY MANAGEMENT

EVOLUTION

PRODUCT

APPAREL
FOOTWEAR
ACCESSORIES

CROSS-FUNCTIONAL

MARKETING
PLANNING

PRIOR STRUCTURE
Focused Performer

Focus on global merchandising and planning

Clear communication & integration points with regions and cross-functional teams
MARKET OPPORTUNITY AWAITS

$92B*

FOCUSED PERFORMER GLOBAL CATEGORY SIZE

$24B
$10B
$12B
$12B

$14B
$8B
$12B
$6B

MEN'S
MEN'S
MEN'S
MEN'S

TRAIN
RUN
CORE SPORTS
SPORTSTYLE FOOTWEAR

*Euromonitor Passport Global 2018; Under Armour proprietary BCG Demand Centric Growth Study
PORTFOLIO MIX PROJECTIONS

**2018**
- Core Sports: 34%
- Sportstyle Footwear: 3%
- Train: 50%
- Run: 13%

**2023**
- Core Sports: 31%
- Sportstyle Footwear: 2%
- Train: 49%
- Run: 18%

<table>
<thead>
<tr>
<th>Category</th>
<th>5YR CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Train</td>
<td>6-8%</td>
</tr>
<tr>
<td>Run</td>
<td>13-15%</td>
</tr>
<tr>
<td>Core Sports</td>
<td>4-6%</td>
</tr>
<tr>
<td>Sportstyle FW</td>
<td>5-7%</td>
</tr>
</tbody>
</table>
GROUND IN INNOVATION
Solving problems for athletes with products that inspire
Designing ground-breaking solutions that give our consumer their edge

CONSUMER CENTRIC GO-TO-MARKET
Obsessing the Focused Performer by category
Analyzing insights to fuel creativity and relevance

MERCHANDISING
Providing breadth of product to service the consumer’s journey
Using data and analytics to inform assortments and marketplace strategies

DISTORT TO HIGHEST ROI
Investing with clarity in priority categories
Understanding each category’s role to the portfolio and activating

GOAL
Make beautiful product and experiences that deliver the unexpected for the Focused Performer at the right moments along their athlete journey
DAVID BERGMAN
CHIEF FINANCIAL OFFICER
2018 Outlook - October 30, 2018

- **R**: +3-4%
- **GM**: Slight Improvement
- **OI**: $150-165M
- **EPS**: $0.19-0.22
- **CE**: $175M
- **INV**: Flat to down slightly

*The following items presented above are on an adjusted basis and represent non-GAAP financial measures: OI and diluted EPS. For additional information, see the reconciliations provided in our December 12, 2018 press release available on our website.*
PROTECT THIS HOUSE 2017-2019
2018 OUTLOOK TIGHTENED

R
+3-4%

GM
SLIGHT IMPROVEMENT
+20-30 BPS

OI
$160-165M

EPS
$0.21-0.22

CE
$175M

INV
DOWN MID-SINGLE-DIGIT RATE

*The following items presented above are on an adjusted basis and represent non-GAAP financial measures: OI and diluted EPS. For additional information, see the reconciliations provided in our December 12, 2018 press release available on our website.
EARNINGS PER SHARE

\(~40\%\)

5YR CAGR
RETURN ON INVESTED CAPITAL

20%

ACHIEVED BY 2023
UNDER ARMOUR

LONG-TERM OPERATING PRINCIPLES

- GROSS MARGIN
  BALANCED EXPANSION

- SG&A
  GROWTH LESS THAN REVENUE

- OPERATING MARGIN
  10%+

- INVENTORY GROWTH
  LESS THAN ½ REVENUE GROWTH

- CAPEX
  3-5% OF REVENUE

- OPERATING CASH FLOW
  MID TO HSD % OF REVENUE

EARNINGS PER SHARE

~40%

5YR CAGR

RETURN ON INVESTED CAPITAL

20%

2023 TARGET
Growth rates exclude the potential impact of changes in foreign currency exchange rates.
SAVE CHAINED

2018

WHOLESALE
DTC Retail
23%
Wholesale
60%
Licensing/CF
5%

DTC DIGITAL
DTC Digital
12%

2023

WHOLESALE
DTC Retail
23%
Wholesale
57%
Licensing/CF
4%

DTC RETAIL
DTC Digital
16%
5YR CAGR
6-8%

MONO-BRANDED DOORS*
STORE LOCATIONS
~2,600

*Includes both owned/operated doors and partner locations.
GROSS MARGIN

DRIVERS & OFFSETS

CHANNEL MIX

REGIONAL MIX

PRODUCT MIX

SUPPLY CHAIN

PRICING

OFF-PRICE

DTC

APAC

HIGHER FOOTWEAR GROWTH

VENDOR / COST OPTIMIZATION

SKU VOLUME

LABOR & MATERIALS COSTS

OPTIMIZATION
GROSS MARGIN
EXPANSION THROUGH 2023

CHANNEL MIX
REGIONAL MIX
PRODUCT MIX
SUPPLY CHAIN INITIATIVES
PRICING

2019-2023
275-300 BPS IMPROVEMENT

2023 TARGET
>48%
2017 AND 2018
RESTRUCTURING

2017 & 2018
RESTRUCTURING PLANS

$350M

2019-2023
AVERAGE ANNUAL SAVINGS

$200M
2019-2023 AVERAGE ANNUAL SAVINGS

$200M

REINVESTMENT

$50M MARKETING

$75M OTHER SG&A

SG&A LEVERAGE

$75M
SELLING, GENERAL & ADMINISTRATIVE
LEVERAGING

HEADCOUNT

5TH AVE

DEPRECIATION

MARKETING

INT’L 3PL

OTHER SG&A

2019-2023

400-450

BPS IMPROVEMENT

2023 TARGET

~38%
OPERATING INCOME

RETURN TO LOW DOUBLE-DIGIT RATE

REVENUE

GROSS MARGIN

SG&A

2019-2023

650-700 BPS IMPROVEMENT

2023 TARGET

~10%
Effective Tax Rate
Continued Optimization

Low 20s %

Average 5yr Range
EARNINGS PER SHARE
DRIVE TOTAL SHAREHOLDER RETURN

~40%

5YR CAGR
CASH FLOW FROM OPERATIONS
MID TO HSD% OF REVENUE

2019–2023 CUMULATIVE: $2.5B+

2023 ANNUAL TARGET APPROACHING: $700M
PROTECT THE BALANCE SHEET
PRIORITY USE OF CASH

REINVEST

MANAGE DEBT

AGILE & OPPORTUNISTIC
**INITIAL 2019 OUTLOOK**

- **R**: +3-4%
- **GM**: +60-80 BPS
- **OI**: $210-230M
- **T**: ~19-22%
- **EPS**: $0.31-0.33
- **CE**: $210M

Gross margin improvement is calculated against the 2018 adjusted amount, which is a non-GAAP financial measure. For additional information, see the reconciliation provided in our December 12, 2018 press release available on our website.
REASONS TO BELIEVE

ATHLETIC PERFORMANCE
Performance will prove to be our greatest strength
Focused on innovative product and experiences

BECOMING CONSUMER CENTRIC
Data driven insights driving intuitive, always-on engagement
World’s largest digitally connected health and fitness community

AMPLIFIED INVESTMENTS
International, direct-to-consumer and footwear businesses

MARKETPLACE MANAGEMENT
Selective, premium wholesale distribution
Emphasizing digital and retail excellence

DRIVE SHAREHOLDER RETURN
Margin expansion, cost efficiencies, return-focused investments
Balanced, sustainable earnings growth
Strong cash generation

GOAL
Deliver sustainable, profitable growth and returns to build and increase shareholder value.