

10-Feb-2015

# Under Armour, Inc. (UA)

Analyst Meeting - Connected Fitness

# CORPORATE PARTICIPANTS

Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

Mike Lee

Co-Founder and CEO, MyFitnessPal, Inc.

Mette Lykke

Chief Executive Officer, Endomondo ApS

Brad Dickerson

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# MANAGEMENT DISCUSSION SECTION

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

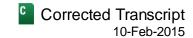
Every one, welcome to our Digital Day Webcast both here live as well as those of you tuning in online from all over the world. We're thrilled to have you here today and there is - are a lot of friends in the room and a lot of long-time shareholders also. So the purpose of today was really for us to be able to take a step back and simply tell you our story.

We had a lot of big news come out last week and that news was wrapped – maybe one headline was what we did with the acquisitions that we made. But what gave us the ability to even make those acquisitions is the performance, what we always call and refer to as our scoreboard. And our scoreboard is strong.

If you look at the quarter where we delivered net revenues up 31% in the fourth quarter, 32% for the full year. Our fifth consecutive quarter of 30% plus topline revenue growth. Put that on top of our 19th consecutive quarter of 20% plus topline revenue growth. Add that with 21 quarters of 20% plus growth in our largest business, which is our apparel business and then also with our growth engines that we've talked about for years that finally started paying for us.

And you got to see and feel the credit of that. 96% growth in our international business. 44% growth in our footwear business. When we invest we believe we're making these investments in the right place. Today is absolutely no different. But even with the success that we felt and I think that we've drawn as a company, we still find ourselves for this mantra, this approach, the name of the cafeteria at Under Armour is called the Humble and

Analyst Meeting - Connected Fitness



Hungry. And that mentality is something that drives us each and every day and something that I want to take just about 90 minutes of your time today and walk you through what we think is the introduction. The introduction to what is going to be and is today the largest Connected Fitness community in the entire world.

So the agenda we're going to take you through today is the few things we want to cover. First, I want to give you some data, and I just want to talk about the market as a whole, where is it going, some of the things that we're seeing anecdotally as well as some of the facts that are happening out in the world.

Secondly, I want to take you through and tell you about our journey. The journey that we've been on to get here today, because this wasn't one quick decision that we made in just a few moments, last week on Wednesday; this decision has been something that's been building up for literally close to the last decade.

Then I want to explain our platform and I'm going to bring some friends and they'll help me, because, most importantly, I want you to meet the leadership team that I'm so incredibly excited about. The team that I believe is what allows us to make that claim as being not just the largest, but frankly, the best, and more importantly, the best positioned going forward.

And then, I'm going to ask Brad to come up and take you through some of the financials and the things that will lead you up to getting us from now and to our Financial Day that we'll have later in the fall, and then we're going to stand up, and we'll have a little Q&A for you.

So let me begin with just some of the basic topics. So, first of all, the major trends that are happening in the world, what we see? The way that consumers are making purchasing decisions, more importantly, what they expect from brands they trust. And over the last 19 years, that's what Under Armour has been doing, that's what we've been investing in, is building and becoming that brand that the consumer can trust.

And as we say with our Universal Guarantee Of Performance, it's our job to dictate what the consumer should like. But it's our job to do that in a way that comes from an understanding of listening to what the consumer is telling us. Brands are about, point of view; that's what I mean when I say dictate. Dictating the tempo is a mentality for Under Armour that comes through in everything we do.

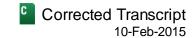
But the consumer is expecting something from brands they trust. So let's talk about some of the things that consumers are expecting right now. First of all, is the — may be overly cliché world of the Internet of Things, a \$7 trillion marketplace. And again, if you look at some of the stats and think about how many things are connected in the world; in 2009, it was thought that there was about 1 billion connected things, 1 billion things with chips in them. The estimates are that by 2020 there will be somewhere between 25 billion to 50 billion things will have a chip, it will be connected. And it basically means that everything is going to live in this ecosystem in this world.

So what we are left ourselves to think and what brought us really to partner this decision is what's the role that we will play for that? Beyond just making shirts and shoes, well, that is our core business; I think, we have a bigger and a broader responsibility to the consumer. And that's I believe what we're answering today.

So if you think about what that means, if everything is connected, if everything has a chip and coming out of CES, just a few weeks ago, that was one of the biggest takeaways we have is that, wow, the connected home, the connected car, the driverless, all these pieces and what that means. But look at that second piece that says what does that changing landscape looks like? How does it affect media?

Think about the way that people used to engage when you talked about marketing. Today, you have to watch the same commercial seven times to have the same impact as one view would do for someone just 15 years ago. We

Analyst Meeting - Connected Fitness



can no longer depend on just this traditional medium. We must find new ways to attract when we speak to the consumer. And that attention is moving to digital platforms. And the first part of this presentation could be incredibly, maybe almost cliché, because you've heard it, but let me put in the context of the facts that are shaping the decisions that we're making today.

Our core consumer is spending more and more time across different screens, platforms, networks and content providers and it's our job to answer them. What you see up here is a panel of 16 to 24 years old that we ask — were asked the question, what would you miss most? 57% of them said their smartphone, 22% said going online, 16% said watching television, 5% said listening to the radio, and absolutely no one said reading a newspaper. 79% of them would miss a digital product and no one in the world would miss a newspaper, if you are between 16 to 24.

The third major trend that we see is the importance of data and doing something with this big data that's being consumed and being processed. What do we do with it and how do we synthesize it, make it easy and make better decisions, and, for us, make better product to make the athlete better? All these mobile and connected devices are generating massive, massive amounts of data. And the best friends in the future that we believe are the ones that know how to provide actionable insight, things that we can actually do with it.

So let me use two companies that maybe help me explore this example that I think are in the media and that really get a lot of play. First, of which would be Amazon. 40% of Amazon sales are due to its recommendation engine based on a consumer's past views, likes and purchases.

They're basically taking what you bought in the past and anticipating what you are going to want in the future. And from that that's getting the consumer involved, and it makes it easy, and it's a simplistic seamless process that the consumer go through. And everyone says this is great, I've got Amazon Prime. So what's our role with that?

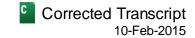
Let me give you one other example, Netflix. Netflix had this amazing idea with the show House of Cards which I'm a big fan of as well. But the way they got for this show wasn't let's just read the script and see if we go for it. They used data to help make the decision to build the show.

And the pieces, when you look at the bubbles in the show that happen, they began with a director who is incredibly popular, and they used science and data and measuring statistics to come to that answer. Then it took this already popular show that existed in Britain and then worked. And then they took the actor Kevin Spacey that people wanted to see, they just didn't know the context, they wanted to see him. And those three pieces alone is what allowed that crossover, allowed those concentric circles to meet in the middle with this U.S. incredible behemoth they have in House of Cards.

That idea of what that means in a simpler fashion is what we are talking about today. How can we take these pieces of science, these pieces of big data? How can we be the ones to synthesize that and aggregate that in the most simplistic and seamless way to make decisions that will help us be a better brand for our consumer, to make the athlete better.

So think about what that means. You may have heard me use this analogy before, but I believe it's my soul. The fact is, is that you know more about your car today, than you do about your own personal health and fit ness, and you wonder why is that. I know how much gas, I know how much oil, I know how much tire pressure. I can pull a diagnostic from sitting in the front seat of my car. But ask me about my body – how many people in this room who are not O-positive, know their blood type? I dare you. Okay, one, two, three. There is like 100 people here. How many people know how many days they were sick last year? You want to call HR and find out? How many people know how much you exercise? How much you sleep? How well you are managing your diet? What's going into your machine? And all this data is something that we rely on going to see the doctor, it'd be six months, 12

Analyst Meeting - Connected Fitness



months, 18 months or 24 months, getting wade, having our blood pressure taking, pulling out a Manila folder and having them talk about the data that they received the last time, I would say, 12 months ago. A lot happens in that time frame.

And what we want to do is we want to shorten that window. And that's going to be part of the leap that we will provide. And what you are hearing about all this excitement around wearable technology and the energy that that alone is creating.

So today this information, it exists literally in a hand-written Manila folder. And there are systems that are synthesizing this, but not real-time, not real-time with what is happening with your world.

So how do we get here? Like, why do we have a role here? Let me begin with simply our journey.

Our journey for Under Armour, it always comes back to this, but it goes back to 1996, it goes back to that first t-shirt, goes back to that mentality when as an athlete running around on a Maryland football field I couldn't understand why no one had ever made a better alternative to a short sleeve cotton t-shirt in the summer and a long sleeve cotton t-shirt in the winter. And I'm looking and going no one has addressed this soaking wet t-shirt, dry that weighs six ounces, saturated that weigh up to three pounds, why is no one innovated here? That opportunity. That wide space was something for me that felt incredibly unique and I knew we just had to go.

I must be honest with you, is that looking at this space, is something that gave me an incredibly similar feeling is that wondering what it was like when you look and say why don't we have better information? Who should be providing that? And we believe the people that should provide that are the brands that people trust. And that is something that we never ever compromise. Trust is one of those things that is built and drops and it is lost in buckets. And we take great pride in the buckets that we built and our ability to maintain that for a long time.

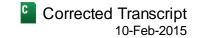
So let me keep going with our journey. It was that first shirt that you see in our first ad here. And I thought it was an incredibly slick piece of marketing material that we used. And it was this ad that when – going all the way back to 2008, as our company was growing from 1996 to 2008, we were 12 years in, we just got into footwear where we were doing this thing. And for some reason, this world of consumer electronics, this world of big data, I knew we have to be involved, but I didn't know how.

So my answer to that was basically take our first shirt, our first Style 39, HeatGear full t-shirt, and I handed it to my partner Kip who was running product at that time, and I said Kip, I want you to make this shirt electric. And I didn't even know what it meant at that time. But we knew there was more data that we could be providing for athletes in just keeping them cool in the summer and keeping them warm in the wintertime.

And so from that the genesis began. And we introduced this product called Armour39 at the NFL [ph] com line (11:46) in late February of 2011. The first athlete to wear Armour39 was our own Cam Newton. You saw this progress as we've had this incredible relationship with the NFL over the years, where this is a place, where there are literally 32 grown men sitting at the 40 yard line with a hand stopwatch clicking as an athletic crosses the line. About to invest and spend millions and millions of dollars to make your bet on which athlete is best. I'm wondering can we provide a more complete picture for the consumer? Can we provide a more complete picture for the athlete themself?

And with that, with the genesis and the growth of the Armour 39, we realized that this was a terrific product, but it was difficult and hard to put in a shirt. And so our journey along this road of consumer electronics then let us to what we had with the evolution to the next version of Armour 39, which then was built into a strap.

Analyst Meeting - Connected Fitness



Because we learned that we would always be better – there would always be this other better place. So as we went into 2012 and we saw this, and at this time we saw wearables begin to pick-up. And in order to build this product, which was a better product than the first one we built, we were using 13 different outside parties to build this product. Literally on five different continents to build this product. And the thing that occurred to us, which was many people come to, is that it is incredibly difficult. And so it was for us that we came and our thesis became solid and understanding that the value for us, for Under Armour specifically, was not in the hardware and there is enough good people that are doing that with the latest mouse trap, with the latest innovation that will be coming out every six months, nine months or 12 months and that was not the role or the place for us to play. The opportunity that we had to play was a very different relationship and that we saw the value quite simply in the community.

You look at this picture, which reminds you of a time before like what does it mean to be a part of a community, what does it mean to be connected? And, yes, that is a flip phone in the bottom right-hand corner if you can't see that on the screen.

So what does a similar photograph look like today in evolving the live events? Exactly, people are more interested in recording the information, their own lousy recording than actually just stopping and enjoying it. And you wonder, what does that mean? It means that the role of big data is something that will only increase more and more.

So this understanding of the value being in the community is what led Under Armour to MapMy Fitness, and, frankly, more personally, it led me to Robin Thurston, the leader that I will introduce today that is going to take this effort for Under Armour and will drive it for us going forward.

And with that, we saw that there was this opportunity. I remember trying to translate to Robin what we are doing and I was explaining him the things like Armour39, Electric 39 and biometric measurement, and data and accelerometry and WILLpower and all these trades that we put into our product before. And I was trying to say that we are a digital company too. But the problem is, we are a digital company that doesn't have a lot of engineers. And when you think more digital about our company, and the idea being a user since August of 2012, my first conversation with Robin was in August of 2013, and then we consummated a deal in December of 2013 of that year. And that entire process was something that led to saying that the value for us was in the community.

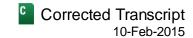
And what we bought, what we got with that acquisition is that like many of these things. First and foremost we've got a leader. We got a leader and we have a leadership team. Under Armour, prior to this — and I'll show you a slide toward the end of this — we had less than a dozen engineers working in our company. In one fell swoop we bought nearly 70 with a team of more than a 100 that was supporting this effort and initiative for us.

We had already made Connected Fitness team. We took a basically what was a disbanded group and we gave him energy and purpose. And with that, we gave him a platform; a platform that came with a community. And that community of nearly 20 million people in December of 2013 stands proudly at more than 31 million today.

The growth rate that we're seeing is extraordinary as there are people opting in. They're using the app. They want to be a part of this community that we build. And also importantly, we've got great talented engineers and app developers. So the impact of MapMy Fitness, the impact of Austin and the engineers around our core business, more importantly working toward our mission of making all athletes better because that was the reason that we got involved with this to begin with.

So, what did we learn? We learned that we like community. But we also learned what made MapMy Fitness unique and that was our approach to it, was that the approach was completely open, meaning that they are completely

Analyst Meeting - Connected Fitness



agnostic, meaning that there is not a single device in the planet that does not work with the MapMy Fitness platform, meaning that whether the latest and the greatest new wearable is from Jawbone or Fitbit or SUUNTO or Garmin, who ever the brand that comes out with it, there is no distinction.

They all work within our platform. Whether it is Android, whether it's iOS, it all works within our platform. We don't have competitors in this world. We are partners, and it's our job to make the most seamless way for them to connect with the Under Armour brand. Within 400 different devices that work with MapMy Fitness and Under Armour Record and as you see, with the two partners that we brought on in the last few days.

So, as much as you learn what you like when you bring on a new partner, you also learn the things that you frankly don't have. And what we recognized we didn't have with MapMy Fitness is, first of all, we didn't have a lot of scale. And so what wanted and we said scale is that we have – we believe scale that can grow from North America but like most things in America, it typically ends up being centered here.

And so the first decision we made was to buy that global scale, and that's why we're b ringing on and having the addition of Endomondo, and Mette and her team joining the Under Armour family. It gave us that global view that we thought was necessary for Connected Fitness to truly have the impact that we wanted.

Secondly, what we recognize, is that these legs the stool, when you think about evaluating how is my body, how is my health, how is my sleep, how is my activity level, how is my fitness, how is my nutrition. And we contemplate and said, should we build this engine. Should we try to find out because without food pouring into your body and understanding what that means, you'll never have an accurate picture.

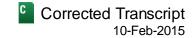
And then frankly meeting Mike, his brother Albert and the team at My Fitness Pal actually led us to a much, I think, more perfect solution. And that's what brought us to today. And with that, the existing business of MapMy Fitness; the creation and the announcement we had a few weeks ago at CES with introducing Under Armour Record.

Bringing on board Endomondo based in Copenhagen, bringing on board My Fitness Pal based in San Francisco and giving us those anchor beachheads as well. We've now created the world's largest digital health and fitness community with more than a 120 million unique members and growing every moment.

We want to be the ones to lead the path of synthesizing all this data and tracking, and make it easy and digestible for them to get a complete view of themselves in terms of activity, sleep, exercise, and nutrition. Activity, what am I doing during the day? Sleep, how long does it happen? Exercise, did I work out or didn't I, and if so, how hard? And nutrition, what went in my body? Understanding that gives you the picture. That's not waiting for 12 months to be read to from a manila folder in the doctor's office. So I ask the question, and you say, well, who should own this. When I think about it, nobody ever made a short-sleeve T-shirt for summertime? Just a great cotton T-shirt, that's it. And the thing that I look at, when I think about community, and I think about the power of that, and what that means.

And one thing that I know is that if Facebook is social, if Linked In is business, who owns health and fitness. Not owns it, but who participates in it. Who's helping, who's synthesizing and frankly that is what we be lieve is our opportunity. And frankly, with the 120 million registered users and from the lead, we like our positioning and we very much like where we're growing. And when I sat that, from a geographic standpoint, Endomondo was obvious. That community of 20 million users, most of whom are based in Europe, they provide us a great opportunity for us to learn from and interact with the consumer who are still relatively new to us. And just like we came down with Robin, at Under Armour, culture is so important. Culture, culture, culture. And what it means is how are the leaders and the partners that we bring on, we'll work and interact with that culture. We're incredibly lucky to allow

Analyst Meeting - Connected Fitness



that to happen and meeting Mette and her team, was one of the most important days that we had bringing on that approach.

Secondly was with Mike Lee and what My Fitness Pal could actually provide and bring to the Under Armour platform, a complete picture of our athlete in totality, provided the most informed and personalized input on our users' health and fitness from a nutritional standpoint. But My Fitness Pal was always so much more than that too. They were loosely doing what we were doing. Map My Fitness was loosely doing what that MFP was doing. Endo was loosely doing what each other was doing. And that's where I think the combined; the aggregated communities are so much more powerful.

So think about the 80 million registered users that Mike and My Fitness Pal then brought to us. Think about the power that we have in this community. This is not people sitting back doing Weight Watchers. This community includes professional athletes. On the whole, this community is more fit than United States' population. They are younger, more active and more fitness-focused as a whole. And when you think about the scale that we've not put in place with these, and I want to be clear is that we expect all three of these platforms to continue to exist as verticals; to continue to serve their communities; to do a great job, and MFP users you will only have an enhanced experience.

Endomondo users will find the same thing. MapMy Fitness users will have it as well. But as we think about it internally, we believe there's a longer term play that our job is continue to use the word aggregate to bring these communities together to provide a bigger and a better product. And so, we believe that the brand, the trust that Under Armour has taken 19 years of building is something that we can continue to articulate as we develop these three individual platforms into a bigger idea.

Think about the scale, the scale at which this community is growing. 136,000 registrations a day in the month of January. 40 million people combined in 2014. One in five Americans has one of our four apps now on their phone or on their desktop. 85 million of which are under the age of 40,62% of which or 75 million of which are women; 43% or 53 million of which live outside of North America.

And more importantly, we've now skimmed the planet of 7 billion and we've come back and delivered to you the 120 million that have demonstrated the greatest proclivity to actually want to measure themselves in some way, shape or form. That is a unique population. And think about the scale that we talked about. Since this presentation began, how many minutes ago [ph] Kerry (23:29)?

# Unidentified Company Representative

26 minutes.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

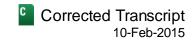
26 minutes, how many people have joined one of our four apps?

# Unidentified Company Representative

2,408.



Analyst Meeting - Connected Fitness



### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

2,408. And that's happening in real-time. 94 people every single minute; that is growth and scale.

One thing that we know — so how does this translate? We keep talking about our core. How do we bring this back to our core? One thing that we know, over 120 million person universe, in the month of January alone more than a 100 million workouts were logged in one of our four apps. And one thing we know is that the more that someone exercises, the more that someone participates in physical fitness, the more that someone works out, the more shirts and shoes they're ultimately going to buy.

This is not the introduction of a new growth driver for Under Armour. This is supplementing our existing five growth drivers and I'll get into that in just a little bit. So as we say, with Record, now with the world's largest digital health and fitness community, we can provide the most complete measure of a person's activity. Activity, sleep, exercise and nutrition bar none.

So let me tell you about Record and what that is? We launched UA Record last month. The pinnacle destination on your phone and a dashboard of your health. Connected Fitness provides us with the opportunity to build strong relationships and ultimately to sell a lot more shirts and shoes. What that means for us is that we have a different opportunity. I'd like to may be take a minute and give this to Robin, but before I do, [ph] Truman, I wonder if you can help me and go back before I bring Robin up on stage.

I love for us to show the inspiration that I gave to Robin prior to convincing him to be a part of our company, and be a part of our brand. And it was a vision and a commercial that we made a couple of years before this, the name of this commercial, we affectionately called Future Girl.

And as you'll notice in this video, it's a woman who wakes up in the morning and she grabs this monochrome top, this monochrome bottom. She puts it on and she begins to do Yoga in her studio. And you watch her through nothing more than the swipe of a wrist, she modifies the color of her top, the color of her shoes, the color of her bottoms. She adjusts the thermostat that controls the micro climate that lives between her apparel and her skin.

And with Future Girl, and what that means and that opportunity, we look and we say this day is going to happen if we believe that our future is going to be defined by these hard pieces of glass or plastic that's sit in our back pockets. You're crazy. It is going to convertinto apparel. It is converting to the things we're wearing, and the things that are most easy.

And so as Robin comes up here on stage to take you through what our new product Record is that we launched last month, let me begin by showcasing for you, I think the video that really started it all.

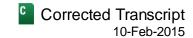
[Video Presentation] (26:22 - 27:30)

### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

Thanks, Kevin. So I wanted to tell you little bit about how we got to Record and certainly the ac quisitions that we just made. I'll never forget Kevin and I were sitting in a little tiny conference room. The first time he showed me the that video and he was like, I made that video for you and I was like; man, this guy is really serious about getting into this Connected Fitness space, that the fact that they had made a commercial almost a year before.

Analyst Meeting - Connected Fitness



So after our acquisition, I had a chance to come into the company, it was actually a much more seamless process than I had expected it because Under Armour really wasn't a technology company. We were a small start-up in Austin, Texas, as Kevin mentioned very few engineers. But there was a real desire, I think internally for them to understand digital at really every area of the company.

So in marketing, certainly in product, in the sales channels because partners were working and thinking about digital in a new way. And so as I started to meet with everybody inside the company, the various sports categories, the product people. It was clear to me that Under Armour had amazing assets, but they weren't really leveraging them from a consumer perspective.

And so, I'm going to show you a quick video and then I'll step through the core functionality, but it was really important to try to figure out a way to leverage all of those core assets. I'm going to run the video.

[Video Presentation] (29:02 - 30:25)

So MapMy Fitness is really good, MapMyRun, MapMy Ride very, very good in the vertical sports category. So we have – 18 million runners, runners using everyday to understand pace, speed all of the metrics and see that map. The really simple idea was start, stop and save. Just make it really frictionless for the consumer to get that information quickly.

But there were some gaps in the product and we realize that very, very early after getting to Under Armour and things that were really important to the brand. So the first one was – I'm going to use this essentially the wheel on the left here.

So we had focused a lot on this area. So really looking at the – may be the one hour a day or the 30 minute run that you might have done. MapMy Fitness did that well. But we didn't really give you a complete picture of everything that you were doing. So how much activity during the day, how much sleep and that was – we wanted to present that in a new way.

Not only from a time over time perspective but also just what is that daily view look like. What's a really quick way for you to understand? Did you kind of have a good day, bad day from an activity perspective? Did you wor kout today? What did that look like? And then how do you de-duplicate all of that data?

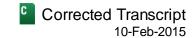
The problem with a lot of the platforms that are outthere right now is if you go for a run and you have your Jawbone on, you wear your Garmin or you upload from MapMy Run, that you duplicate date. And so we had to build and engineer a framework for record that de-duplicated the data. That was very important.

But then the second part of it was that, once you have this daily view that's de-duplicated, what does that look like overtime after connecting to devices. So when you look at, again Open was really important connect to over 400 devices on the platform. If you look – here is an example of iPhone, motion sensing, Jawbone, Withings, My Fitness Pal from a nutrition perspective and our own device of course A39 as well as hundreds of other heart rate monitors that are Bluetooth that you can connect directly into the platform and other third party devices.

But you need to be able to look at that in some context so what happens overtime. Did you sleep better last month? Did you work out better last month versus the month before that. How did you do year -over-year? I personally probably have the most data of any one in the system, I ran probably about 35,000 miles about seven years worth of data in MapMy Fitness.



Analyst Meeting - Connected Fitness



And as you start to look at this, you start to realize some major trends like you can see from one year to the next may be what happens to job change, a child, all kinds of things that happen in the context of really you r life and how much effort you can put into your activities.

But more importantly, you can start to give the athlete or the athletic person the opportunity to improve by seeing that data. So the historical views here are really important, how does your sleep relate to your workouts, how does your sleep relate to your steps each today, and then starting to trigger things that can change that. So how do we start to give you suggestions around maybe taking a few extra steps today or sleeping a little bit extra because we know it's going to impact your workout for that day or suggesting the righttype of workout, all of those things in the context of helping the athlete improve and work out more.

The other part that was – we certainly will have to add actually tracking in here, major component that we're – important area is that the gym tracking really on MapMyFitness wasn't up to par, and our goal here is really to create a platform for the gym that we have the best tracking inside the gym that will live on record, as well as being able to track other things.

Social, social in the context of these platforms because we know that the more social people are, the more activity that they do, and it motivates them. So we created certainly a way for you to follow our athletes, for you to follow our trainers and they will be providing content in the platform as well as your friends.

So we have both a friend's model, typical. You have to invite someone in to share something with them as well as a follow model for people like our trainers and the athletes that are in the platform, truly leveraging the assets of Under Armour. And these new micro challenges, the small micro challenges that we've created a way for you just to compete with up to 20 people, maybey our family, maybey our friends, maybe your running group, maybe a gym group all at the same time.

So you can run multiple small challenges where we saw the most impact, that under 20 number, in people wanting to engage at a really high level and creating a little bit of that back and forth like I know you can do it. I beat you today. That really drove people to increase workouts, and as Kevin said, in the platform it's all about for us getting people to even work out one more day a week will have such a massive impact on the business.

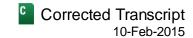
So who is the product targeted at? I'll give a couple of just high-level personas here; it is all about actionable data. Ultimately for the consumer, it's all about providing them a picture that truly changes the outcome of the ir performance in one way or another. So we targeted what I would call a traditional Under Armour customer for the male persona.

I'm going to give you the hypothetical male persona. 17-year-old Eric is a high school basketball player, super competitive, trains all the time, wants to be recruited to play at college, trains before school, after school, logs all his training, his game stats, everything from what he is playing. Well, before, we really just knew what Eric purchased really. We didn't have a way to help Eric improve.

Today, through an application like this, we can — many of you, if you played high school sports or you have kids in high school sports, you don't know if they're fatigued. The coach doesn't even know if they're fatigued. You don't know if they're over-training. You don't know if their training plan should be a little bit different, because most of the time all of the energy is focused just on the court or on the field. We have the opportunity to provide that feedback through this framework to ensure that Eric stays on track.

Second persona we used, and this really started out of our -I Will What I Want campaign was the athletic female. So, sample Kelly, 31 years old, very athletic, but doesn't consider herself an athlete. She wants to be fit, staying

Analyst Meeting - Connected Fitness



very active, she tracks her nutrition, big challenge for Kelly is she gets bored. She tries a bunch of difference classes. She's not sure what she wants to go to. We have to provide a way through the data to give her new ideas of things that she can do or others in the community might be doing that she could participate in to keep that, that drive behind this.

Those are two of the cores. There is obviously thousands of different personalities of people that are using Record already that we're – or different types of personas, but these were the big ones that drove, how do we really help these individuals in their daily lives.

So Kevin, back to you.

#### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

It's all right. Give him a round of applause. Good job, good job, thank you. So driving value, we keep talking about these platforms that we have. These platforms that have now been created and how they fit back into our growth drivers as a company. And the growth drivers that we talk about are the same five growth drivers that we spoke about on our roadshow, all the way back in 2005.

And what we talked about then – was there were five key engines that we had. Men's apparel, Women's apparel, footwear, international and direct consumer. And those five key growth drivers, something that we've stayed true to at Under Armour year-after-year, being consistent, making investments and sometimes asking you to help us make long-term investments with them.

So to sell this idea, and seeing how we don't have to build a newer sixth growth driver, but how the acquisitions and how this new voice and this new face for Under Armour actually fits into the entire world and the entire community that we have. Having the world's largest digital health and fitness platform is going to be meaningful in each and every one of these silos and segments.

Data is one of the key ingredients that we see in each one of these businesses for us as we drive. And we know that it's critical for us to have an open platform that will actually help us drive making those great decisions. So as we said, all of these acquisitions, they support our growth drivers. And more importantly, let me help you and when we go through each one of them, how we see this affect happening.

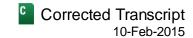
Let me begin with our Men's business. We have a platform to address the needs of Men's because we have something in training and generating quantifiable data that athletes can actually use to make good hard decisions about what can they do to improve their performance. Think about our core consumer, think about just right here in the U.S., think about the 15-year-old high school football player.

All they want to do is they want to make varsity. They want to play on the team. They want crack the starting lineup. And they're probably still today measuring themself in a door jam in their bedroom with a pen over their head saying, did I grow an inch this year or not. And you're wondering saying — isn't there a better way for us all to measure ourselves. We believe that happens, and there is no coincident that we're using Tom Brady will help us to illustrate this.

So go to our Women's business. How do these decisions the last few weeks actually infect and help our women's business? Today, right now, there are 75 million women on our Connected Fitness platforms, with one of our four apps on their phones.



Analyst Meeting - Connected Fitness



Last year Under Armour had an amazing year telling our story about Women, really breaking through. And we did that by articulating it with the voice of this big tough hungry North American athletic company, and we used a ballerina, and we used a super model.

And we asked them to help us, help us articulate our voice. And we had this amazing campaign called, I Will What I Want, what you see behind me the Gisele campaign that broke. And between Gisele and Misty Copeland the ballerina spot we had – we had 13 million views on YouTube. It was massive. The approach, the reception, everything.

But still at the end of the day, you have to scratch your head and askyourself, like is one of the top trending topics of the year of 2014. Yet we still only had 13 million YouTube views, the power of an audience of 75 million is something that we can absolutely work with.

And then as we talk about our men's business and women's business, I'm going to stay with the Brady thing, Super Bowl is still fresh in our mind and I'm going to talk about their kids, because Gisele posted this online as well, yes, we have children as well, as they are preparing for the parade in Boston to celebrate the Super Bowl. So when you think about our opportunity to tell and communicate and convey great stories, we believe in that.

Our footwear business, nearly 300,000 users. Let me give you the stats. Nearly 300,000 users on just the MapMy Fitness platform today. Nearly 300,000 people voluntarily log in when they buy a new shoe, the branded shoe, the style. They then voluntarily log in all the runs that they're doing, whether they're on the trail, whether they re on the street. And they're telling us and giving us this information because this information can help them.

What we have the ability to do with that information is to anticipate, what happens at mile 300 with that shoe, what happens at mile 400, and can we help you make a suggestion. We can track the wearability, lifespan and gain insights on most importantly what our core mission is, is to make an athlete better by making better product. Everything we will do with this new direction is about informing ourselves to make better product for the athlete.

Did you know things like factoids or the fact that the average person when they go for a run, they run for 3.1 miles, most of us would probably guess the average run would be about 3 miles, but the fact is some people run five, some people run one, but we actually empirically know that the average run based on the universe of just from MapMy Fitness of 31 million that it's 3.1 miles.

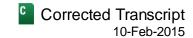
International, we talked about our international business, because outside of North America alone, which is a massive initiative for the company, it's still relatively small on an overall basis, roughly 9% of our total business. But International is something where we – our expectation is to be a global brand and our definition of being a global brand is that someday more than half our revenues will come from outside of our home country.

And with 53 million people on this platform, there is an incredibly high likelihood that the first handshake that Under Armour shares with this new consumer may very well be coming from a digital capacity. And frankly we embrace that. But it must be core to our brand, and it must be us, and that's what you'll see from the integration that we'll talk about. It will be our global handshake.

And finally the fifth driver that we have our Direct Consumer Channel, where we see the potential obviously for the greatest affect. Let me define the Under Armour community prior to the events in the past couple of weeks.

Our community, as we assessed it before, we had roughly 40 million people in North America and we only had — we had less than 100 stores outside of North America before this, but roughly 40 million people would go in and out of Under Armour outlet stores. Countless numbers more would go into our wholesale partners, our key

Analyst Meeting - Connected Fitness



partners we have like DICK's, and Sports Authority, and Foot Locker, and Finish Line, Academy, all these great, great partners we have.

We have 31 million people on MapMy Fitness. We'll sell roughly 200ish million units of gear and we have roughly 5 million names that are part of Under Armour e-commerce globally and you look at all those different minor ecosystems with the one thing in common is that they all want to participate with the Under Armour brand. Or frankly we know that with this community that we now have of a combined 120 million. We believe the opportunity for us to find great synergy to actually make the athletes' life better by having this information is something that could be incredibly constructive to us living up to that mission statement that we talked about.

Now, we can take all those data points that we have. What they're doing? Where they come from? And just like Netflix did House of Cards, we believe we can make a better solution for the consumer. So driving it back to the core. What does this mean for us? This is not a new driver for us. But as I said, these acquisitions, they impact every part of our business and run through us.

So again, the first question people ask is that how you are going to drive value? We gave a little indication of that as we talk about our growth drivers but we think there is more. So let's talk about and the cliché ones out there. So beginning with people saying, what you are going to do for advertising? And again each one of the platforms today has a model that has advertising.

But before we tell you that we're going to drive massive advertising revenue, I'm not sure that's the best use today. We'll figure that out. We'll make those determinations in time but as we stand here five minutes into this, I think that we have the ability to maybe take a breath.

There is also the opportunity that we have with subscriptions. And frankly, premium subscriptions, things like the super users on My Fitness Pal and better elite services that we can offer and charge a premium or a monthly membership fee. And so there is some revenue model that's there.

There is also the opportunity for new platforms. We say new platforms it's a way of how can we take the data that we now have and how can we pull that together and make better decisions. New business models have been created around selling products you based on your past purchase history. The thing that makes what we have now very different. Yes, we'll have a history of how you interacted in our store, how you've interacted online. The way that you've communicated and what you've done purchasing.

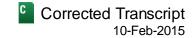
But what makes Under Armour a bit different is that we also can help you make better decisions not just based on what you bought, but more importantly based on what you do. So you think about that idea is that having the information that someone does. They run 60 miles a week or someone exercises four times a week or they don't sleep enough. And understanding what our communities are opting in to do for us to sympathize and make easy and better for them. We believe we'll have the ability to create a better, long-term experience for our core consumer.

Again that example that I used, this feature called gear tracker that exist on MapMy Fitness today. Imagine what we can do, we can actually anticipate that. Congratulations, you just run your 300 mile. Unfortunately this shoe happens to deemphasize at 350 miles, would you like us to send you a new pair. Things that are not invasive but things that are substantive and things that actually help and are additive.

So finally, we also see the opportunity and we think about monetizing. We don't like the word monetizing, as much as we like the word driving value. So we see driving value for the overall brand, to ensuring some of those



Analyst Meeting - Connected Fitness



growth drivers. Our recent Investor Outlook talk about being a \$4 billion company by 2016. We believe these are the things that would drive that down with us.

Licensing is another one of these opportunities. We announced recently a partnership with HTC which – let me explain this partnership, which is frankly HTC is building this product. Under Armour is saying, this is a product that we believe is worthy of our brand, and, of course, HTC would only build product worthy of their brand as well.

But we're validating that with our universal guarantee of performance, with our stamp on top of that product. And once we do that — what HTC has done is there is no app from HTC. There is no launch to track the information on their wearable device. The only place this wearable device will launch into is into UA Record. And frankly, if we build the great functionality, and frankly, if we can apply predictive analytics across a field of 120 million other registered users, why would you want your data anywhere else. Again, our encouragement, is that whatever the flavor of the month, with the next great wearable device is, and we believe HTC has a terrific product.

But as – the next one get invented. Where does your data go? Is it lost at fitbit.com? Was it last on the Jawbone UP? And so these are all great partners of ours, but we want to be the destination for these partners and we want to take this backend off of their hands and we want to make it simple and better for the consumer.

So brining back to the core. Again, as I mentioned and gave you some of the stats earlier. One thing that we know and we understand is that everything about our consumer is rapidly changing. And the brands that do not involve and offer something more than just a product, will get left behind and we are frankly not willing to concede to anyone.

We are investing in Connected Fitness because we believe it's the future. Because we believe that there is this mash. We believe there is technology on one side and there is trusted brands on the other. And we weren't willing to concede our brand or our capability of being the world's leading innovator of apparel and footwear for the world to any body in Silicon Valley or any place else.

We hear consumer electronics companies talking about when the consumer wears their product or wears their brand, we are looking and saying, if it's to be worn, if it's to be made, why are we not entitled. Why should it not be us? So the fact is that we are not entitled. And so we have to earn it. So believe the steps that we've made in the last two weeks, are things that drive that down.

So coming back to our growth providing our consumers, with again this idea of the complete picture of the athlete. Aggregating information, presenting to them in a personalized and meaningful way, driving commerce and long term value for our shareholders, of course. But doing it all with the heart and soul and the understanding of the consumer, of the athlete and of the athletic consumer as we continue to evolve as a brand.

So to do this, I have got one final video I'd like to show you and then I am going to take you through and tell you about our team and I'd like to introduce who we have from Under Armour and what exactly we've done.

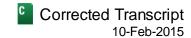
With that let's watch one last video.

[Video Presentation] (51:11-53:26)

So that's an idea of the vision that we think that we campaign. So ask me, I mean one question is are we ready for this. Are we ready for this next up? If you'd asked me that question two years ago, I would have had probably say no because we just didn't have the assets. And most importantly, we didn't have the team.



Analyst Meeting - Connected Fitness



So and then I want to invite the team up here to introduce you and to meet the entrepreneurs who literally, three of the entrepreneurs who literally have invented the entire category Connected Fitness and what that means. And let them talk but first let me show you some geography to give you some context, so we think about the way we will see the world going forward.

First of all, it begins with what will happen with these businesses. Is these businesses will stay intact? And we believe again, we will drive these verticals. We will continue to drive their communities, drive their sign -ups. But we believe we're creating an anchor. We're creating, recruiting anchor unlike any other. And first of all, that Mette and her team will stay in Copenhagen.

Our world headquarters will remain in Baltimore. Robin and the Connected Fitness headquarters will stay in Austin, Texas. And we've also established a beachhead and something we contemplate in saying how can we open an office in the Valley. How do we open an office in San Francisco? So Mike will continue to run our efforts from North America, from San Francisco.

Secondly is emphasizing the idea of team that comes with us. Again what's been build? Our Austin headquarters, a photo that you see there which actually these guys are moving into this week. When I talked about two years ago what did Under Armour Connected Fitness looks like. Frankly, it was small. It was a community of roughly less than 60, combining our e-commerce teams with our Connected Fitness or digital teams, less than 60 people.

With the acquisition of MapMy Fitness with renewed Vigor, Jason LaRose and his team of what we built out with Under Armoure-commerce in general. That number then exploded and grew to nearly 200 by 2014.

Today as we sit with these recent additions to the Under Armour family, we now have nearly 400 and we'll add another 100 at least this year. But the investment is something we think that will pay and we be lieve that it will reward us in the right ways.

The breadth of experience that we have is frankly unparalleled and without question an incredibly distinct advantage of Under Armour over any one else who's trying to compete in this space. And quite frankly, it's one that would be difficult for any one to replicate, let alone catch.

Combined think about our Connected Fitness team, which you'll meet here in a minute with Robin who you saw and Mette and Mike. We have close to 30 years of combined experience in this space. We just came up with the name Connected Fitness about eight months ago.

So we believe we are in front of, if not driving the eight ball right now. The strategic acquisitions have given us leadership position, but most importantly they've also given us leaders. We've got three of the best lines I think in the world. And so now I'd like to invite up Robin, Mette, and Mike, and let me let you all introduce and meet the team. Thankyou.

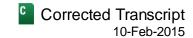
Hi guys. How are you?		
Mike Lee		

Co-Founder and CEO, MyFitnessPal, Inc.

Good.



Analyst Meeting - Connected Fitness



### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

Good

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Exciting day?

### Mike Lee

Co-Founder and CEO, MyFitnessPal, Inc.

Yeah.

#### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

Yeah, absolutely.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Yeah. It's great when it all comes together too. We've been talking about these pieces for a long time. So finally, getting the cat out of the bag actually it feels good. It's been a long time coming. So, let me begin may be by just let each of you introduce yourselves to the audience and seeing them for the first time. And so Robin, we started this thing 15 months ago or so or 16 months I guess, and we started 18 months, long road getting here. But tell everybody about yourself and why you're authenticity is something that bleeds through with everything you have at MMF and more.

### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

Sure. So, as you know, I spent most of my younger years — I started bike racing in 1981. I grew up in Denver, Colorado, spent years on the U.S. National Team in racing, really all of my youth. I went to Europe in 1990 and raced for the Swiss professional team, and unfortunately had a pretty bad accident in 1994 that cut my cycling career short and was lucky enough to sort of...

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

You went through the back of a Pace Cart, 40 miles an hour, face first.

### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

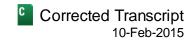
That's true, that's true. I had 156 stitches on my face.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

I tell people that. They're scared what they are going to see when they meet you. But you look handsome.

Analyst Meeting - Connected Fitness



### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

I was lucky. There was a good surgeon that day, plastic surgeon in the ER in France. So I was lucky enough. I went back to school for finance and did my undergrad and graduate degree. But there was small company at the time, Lipper, that was eventually bought by Reuters that was in Denver, Colorado. And I was an analyst there for sort of first part of my career, really spent almost 15 years in the finance business.

And when I was at Wellington Management last in Boston, I was on a cycling trip in Europe with some friends, some Americans, some Europeans and we were riding all of these small go-path roads in 2005 and somebody said, next year I'd really like to come back and I know you can't come, but it would be great if I know all these roads without you being here.

And it just really kicked off this idea that I was like — I think there was a really big opportunity to share that story, my 30 years of cycling with my friends in a way that they could basically use it. It would be useful information, not a guide book, but something they actually can print out, take with them at the time. There was no mobile phones yet.

And so I was working on this with a couple of friends of mine in Boulder. And I had this other friend at a company called Markit that – it was called Wall Street on Demand and purchased by Markit. But he – I was sitting one day, lunch with him, and he said he was a big runner and he's like what's the name of your website. I was like MapMy Ride. And he goes, it's weird, I think there's a MapMy Run, and I was like – so I reached out to Kevin Callahan, the other Co-Founder. He was living his beach bum living in San Diego, and he had built this. He couldn't afford a GPS device. I mean, he didn't have a car. So he had no way to know how far he was running his miles. And he almost actually called the site Poor Man's GPS, luckily he didn't because I would have never found him.

But he got MapMy Run. And one of my developers quit. I was doing, it still is a project, and I called Kevin. I said hey, do you want to move to Denver? And he was like yeah, sure, I hate my job. So he picked up. We moved the whole thing to Denver and kind of often away. And we were lucky. We had two of the first 200 iPhone apps, the use case for running with your phone. I think a lot of people are like that's never going to happen. No one is ever going to do that and we were like no, I think there is going to be a few people to do that.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

31 million.

### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

Yeah, 31 million people later.

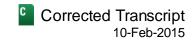
# Mette Lykke

Chief Executive Officer, Endomondo ApS

[indiscernible] (01:00:42)



Analyst Meeting - Connected Fitness



### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

Plus 20 million. So that was sort of the genesis, the whole thing and then obviously you reached out. I mean because you were one of those 20 million people.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Yes. And I called you complaining the first time.

### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

Yeah.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

You should do. We should do.

#### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

We should add this.

#### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

So anyway, so we gave you reason actually listen to some of the input that we gave. So we're going to do bigger and better than that. So authenticity, I think is the one thing that comes through with Robin's story more than anything is that. Everything Under Armourit comes from a place how do we make the athlete better that never stops especially, Mette, you were an athlete, you were a competitor, you wanted to help people in your homeland when you started. So give everyone a little story.

### Mette Lykke

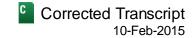
Chief Executive Officer, Endomondo ApS

So I am Mette Lykke, I am Co-Founder and CEO of Endomondo. My family has been running a chain of stores since 1947. So I actually started working in retail when I was 12 years old. I have a background with 10 years as a competitive horseback rider. Then while I was at University during the end of my studies, I was recruited to join McKinsey & Company as a management consultant.

And then when I joined them close to two years into it, I started talking to two of my colleagues about how we missed working in sports. We all had a background in sports. We all have been active in organizing events and competitions and stufflike that. So we started talking about why don't we just create a company and go back to doing that. Doing what we love.

And we saw this research that 80% of all people would like to work out more than they do today. And it was like okay, that's the problem we are going to solve. We are going to fix that. And we thought the one way to make sure people actually work out is to make it fun. Because they lack the motivation. You have to make it fun. That's the

Analyst Meeting - Connected Fitness



only way they are going to do it. So we started talking about technology. What is going on at that time. And as for Robin, it was very early days. There were a couple of Nokia phones that had GPS and no apps installed yet. But it really felt like at least for us it was a very motivating product and we just decided to go for it. So that was back in 2007.

#### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Awesome, awesome. So that motivation, it also Mike, that led to you, you had motivation when you started MFP.

### Mike Lee

Co-Founder and CEO, MyFitnessPal, Inc.

Yeah, yeah.

#### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

It's like everything else. It was as simple as...

#### Mike Lee

Co-Founder and CEO, MyFitnessPal, Inc.

Yeah. I had a lot of motivations.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Tell it.

### Mike Lee

Co-Founder and CEO, MyFitnessPal, Inc.

So I'll tell you about that in a second. So I'm Mike Lee, I'm the Co-founder and CEO. I guess, Former CEO of My Fitness Pal. And so I am long time Valley vet. I've been working in the Valley for almost 20 years. I've loved technology. I've always since I was a kid have been programming, since ten years old.

So the way I got started my motivation was actually my wedding. So the way our company got started was -I was getting married. We were going to have beach wedding and before the big day, my wife and I said well, we better lose some weight before we do this. So once your trainer, trainer told us if you want to lose weight, you have to count calories.

So we were supposed to track everything that we were eating, there's this paper book and there was just no way, I was going to do this on pen and paper. So I looked for a website. I looked for an app. I was working at Palm at that time. So lot of experience in mobile and that was mobile back then with Palm OS. And I really tried dozens of websites and apps but they were all terrible. They were all actually harder to use and just writing it down on pen and paper. So I was looking for something to build, really just more for fun and that's how My Fitness Pal was born, and here I'm today.

Analyst Meeting - Connected Fitness



### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Awesome, awesome. We don't mind welcoming the first collection of the Under Armour Connected Fitness team. Thank you.

So I know there is a couple of burning questions from the audience and hopefully we can cover the majority of those too. But I think the first one is okay, great.

Now we have three companies. So how do we merge that and how do we merge the cultures and personalities and the people most importantly. How do we merge them in? So probably the best way and I think I know we're still confronting the both Mette and Mike as we went through this process was, I can promise you all day long, but just talk to Robin, like, there will be follow through on what we said we are going to do. And Robin may be you've given us scorecard and how is the first year or so been with Under Armour and frankly what can these guys have in store for them and to expect?

#### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

Yeah. Sure, it was a lot easier than I expected frankly, I mean being – having that sort of first impression of not really being a technology company and us being a small start-up, I think there were frankly all of the – from a logistical perspective the organization took incredibly good care of the people and the team and really helping them sort of meld into the Under Armour world.

But I think the results were real strong alignment on what we were doing as a company. And the fact that while Under Armouris \$3 billion, it's still actually feels like a start-up and so there was this – I think some concerns are when things like this happen that you are actually going to slowdown and that's not necessarily good for that start-up culture. I frankly would say things sped up a little bit.

But it wasn't – we were already moving fast and those things happening together provided I think a great venue for our team to really integrate. There is obviously trips, a lot of trips back and forth and peop le getting organized around different areas of the business that I think we paved a way for this to go a little smoother with these guys. And we are certainly not underestimating at this lot of resource on how to get this figured out. But again, I think there is a good foundation now for this to happen.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Right. So with that go ahead Mike.

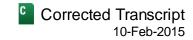
#### Mike Lee

Co-Founder and CEO, MyFitnessPal, Inc.

Well, I was just going to say you know, definitely talking to Robin about his experiences when we first started talking was really confident. But our decision was about a lot more than that. We didn't need to sell. We had a great business that was growing like crazy, still is and we want to looking to sell at all when you guys approached us

And I think, as we got to know Under Armour, the company, the culture, to see how important the commitment on the business around digital and the vision around that, I think if it wasn't Under Armour then this deal

Analyst Meeting - Connected Fitness



wouldn't have happen. I think, it really mattered to us to find a good home and I can tell you a lot more about that. I mean if we were ever going to sell and needed to be to the right partner and we found that in Under Armour and we are pretty excited.

# Mette Lykke

Chief Executive Officer, Endomondo ApS

That was certainly important for me to that we really found a brand that understood sportsmen and really understand people who workout. And then I also think when you look at the different visions we have, it looks very —it was a very good match because Under Armour wants to make all athletes better. We just want to make more athletes.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Yes.

# Mette Lykke

Chief Executive Officer, Endomondo ApS

We really want to make fitness fun. And I saw how that could – how we could help each other doing just that. And then it was funny and some of the first dialogs we had, I kept saying that I felt like we were only just getting started and I was told that that's your line.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

That's our line. Yes. That's our line. We are just getting started. So Mike, let me go back to you for a second. So one of the things that you said and it's amazing when you meet people like as we went through and had all the dialogue, so focused on the consumer. You are so focused on the product, so focused on the interaction and that of the same conversations we have. But the one thing that sticks out for me is where it's the word love where it just like people love your app like how do you build love, like that's for Under Armour. There is a little kid, I use a story of a little kid that believes they can do more because they have Under Armour, but what's that experie nce like with MFP...

#### Mike Lee

Co-Founder and CEO, MyFitnessPal, Inc.

Sure.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

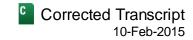
...and how does that translate?

#### Mike Lee

Co-Founder and CEO, MyFitnessPal, Inc.

Yeah. So – one the things that we always talk about at My Fitness Pal is our number one goal – our mission – most important thing for us to help our user succeed. If our users are succeeding in reaching their health and fitness goals and then we will succeed. And so that's kind of the genesis of everything and that focus has led to customers

Analyst Meeting - Connected Fitness



just love My Fitness Pal. It's actually kind of crazy how much they love it, I mean, it's amazing. It's such a cherished thing at the company.

Kevin A. Plank

Chief Executive Officer and Chairman of the Board

You should try people pulling their underwear at you, so....

#### Mike Lee

Co-Founder and CEO, MyFitnessPal, Inc.

We haven't had that happen yet. And so as we started thinking about again, we wanted looking to sell. We never really thought about being acquired. As we start to take – think about this little more seriously and one of the things that we wrote down as being important to us and then acquired is our members love My Fitness Pal. If we are going to be part of another company, has to be another company that people also love.

And honestly, I think one of the few companies in the world that people love maybe more than My Fitness Pal. Our members love more than My Fitness Pal is Under Armour. And I got this nephew who is 12 years old and I was talking with him over Christmas and I asked him, what do you want for Christmas? And I thought he would say video games, whatever and/or drone or something. And then all he wanted was Under Armour. I mean literally that was the only thing he wanted on this Christmas. He wanted head to toe Under Armour. And that's when I knew that this is something special.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

I am paying for his college education - yeah.

### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

I love to tell the story that right after our acquisition, Kevin called me like two, three weeks into it and he goes, how is the cultural thing going? What's the field like down there in Austin? And I was like I was standing there and there we have like these rows where all the developers are lined up. And I took this picture and every single developer had Under Armour logo on their shirt and I just sent back a message with the thing and I said you know, I think it's going pretty well.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Yeah, Good.

### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

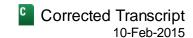
Actually we're quite doing all right.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Yeah. It's part of the – drinking the Kool-Aid for sure, that's the way it goes.

Analyst Meeting - Connected Fitness



#### Mike Lee

Co-Founder and CEO, MyFitnessPal, Inc.

They don't need RSUs, they just need – the discount 50%, discount is – yeah.

#### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Yeah. That's very generous until the rubber hits the road. Thanks, Mike. But that is I think probably the thing that we're most trying, I mean, to just answering that is that we're hyper-concerned about maintaining these teams and more importantly driving, growing these teams.

And you know something that I think we did a really great job. If you look at I can't think of a handful of people that I should left them a message than people coming and joining the business. And so the same thing that got I think these three Founders and their respective teams and their communities here are frankly the same things that we're driving to this collective vision, but we all believe it's much big ger than any single one of us.

So Mette, let me turn you for a second because international is such a big story for Under Armour since Charlie has joined our team, one amazing leader and driver for us, 94% growth in the year, 123% in the last quarter. But if you can may be just tell us about your team, tell us about international and how you can help pick this very American, North American company. And help us think globally, not just what you're doing in Europe, but frankly how that formula will translate to any new market that we go to?

# Mette Lykke

Chief Executive Officer, Endomondo ApS

So just on Endomondo alone, we have 20 million registered users and 82% of them are outside the U.S. So it really is a very global community that we have. And when – and being – frankly being based in Denmark, a small country forced us to think global from day one. So what that translates to is for example that out of 40 people on the team, we have 12 different nationalities. Our app works in 22 different languages and we just with all these nationalities on the team, we have a good understanding of what it really takes to enter new market. We're building out this network of agents across countries where they can really go in and do the groundwork. And we are ready to scale that now.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

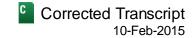
So speaking about that Robin, so synergy wise how much duplications happening across the businesses right now, how are we going to be able to streamline and take our translation services and combined that with Mette and make this merger happen? I mean how we're thinking about that?

#### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

Yeah. I mean I think from a core technology perspective, one of the big advantage is of having in-house development teams versus say, agencies — a lot of brands are having agencies build things for them or outside third parties is that you have the ability, we have the ability now to start thinking about a synchronized platfor m, a user-experienced a single sign-on that brings all of that together.

Analyst Meeting - Connected Fitness



So one thing that we'll get scale out of from our infrastructure teams to our core engineering teams is that scale to then be able to build services on top of that that we then can either testing one or several of the communities at once like Gear Tracker would be an example that where once you have a built on the platform another application like Endomondo could roll that out.

We'll get advantages from that. I'd certainly think we have the breadth of functionality that no one else has that we'll get scale out of. So I use the story that MapMy Fitness tried nutrition for a partner, and we built a very [indiscernible] (01:13:49) not very well done nutrition component of MapMy Fitness that we have some users on. But when we put this service in front of them, I think it will be clear that it's obviously the best in the world and give them a much better experience. So we get a lot of leverage out of that.

And importantly, like anyone go into the App Store today for health and fitness, the scale of the network is impressive. And I think right now we have six apps in the top ten in health and fitness on the announcements. So...

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Today.

### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

Today.

#### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

In the App Store right now, in health and fitness.

#### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

In health and fitness.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Under Armour Connected Fitness has six of the top ten.

### Robin J. Thurston

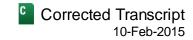
Chief Executive Officer & Director, MapMyFitness, Inc.

In the U.S. market and certainly globally, we're moving up too. So that network effect or scale is really, really important to – I think our ability to provide those amazing services to the users.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Analyst Meeting - Connected Fitness



So when we talk about that. One other things is there is so much information, there is so much data coming in this as well, like just what are we doing with the data. And Mike first of all, I know that big data analysis is something where you are incredibly proud of your team because your passion and how good is your team?

### Mike Lee

Co-Founder and CEO, MyFitnessPal, Inc.

I think they are one of the best engineering teams in the Valley. I think of all the things at the company that we have done, the team we've built is probably the thing we are most proud of.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

And the size is roughly a 100 or so right now?

### Mike Lee

Co-Founder and CEO, MyFitnessPal, Inc.

Yes, about a 100 people. It's engineers from all the best companies in the Valley. We've got guys from Apple, Google, LinkedIn, Facebook. When we make recruiting offers, the kinds of people that we are trying to hire were competing with Airbnb, Dropbox and all the hottest startups in the valley and we are winning those battles because we have this amazing team, this amazing mission and team is so passionate about.

So I think Robin was saying earlier about how brands, a lot of other brands will use agencies to try to build their products. And no offence to agencies, but I just don't believe you can build a world-class product with an agency. You have to have your own team. To me it's really obvious that digital is going to play more and more of a role in athletic performance. And so Under Armour's mission is to make athletes better. This is a core competency we just have to have. And I think now we've got the team to do that.

### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

Yeah, I mean — and the other thing on the big data side, I mean, I think what if you look at what we all created in the space and what sort of happened, the last five to seven years has really been about data collection, right. I mean, it's basically — I mean, me personally — I spent 15 years of my life writing everything down from 1981 to 1994. I mean, I wrote down what I ate for breakfast, how much I weighed. Everything was in a book for a coach to look at...

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

As an elite athlete...

### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

As an elite athlete. It costs...

#### Kevin A. Plank

Chief Executive Officer and Chairman of the Board



Analyst Meeting - Connected Fitness

Corrected Transcript
10-Feb-2015

You are an elite level U.S. team athlete.

### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

Exactly. It costs hundreds of thousands of dollars at that time to do that like the monitoring, everything that they did. And so then you kind of progressed through the 1990s and people moved to Spreadsheets, and they are still putting things in journal like I'll often joke on MapMy Run that still our biggest competitor is an Excel Spreadsheet, people just writing in how far they went. I think that's changing rapidly.

So there is sort of two evolutions I think that happened. The first is that really the athletic person for free can now get the same type of analysis that an elite athlete could only get with spending hundreds of thousands of dollars 10,15 years ago. And on top of that the last five years have been about data collection. Now it's going to be about Predictive Analytics. Now it's going to be about making that athlete truly better.

# Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Mette, you are concerned with the athlete, what happens in the gym, that experience, that personal training experience that comes through an Endomondo, one of your, I think elite and premium functions too. How does this translate to you?

# Mette Lykke

Chief Executive Officer, Endomondo ApS

Yeah, I very much agree. It has to be about the so-what-now. Now we have all these data then what good does it really do. So one of the things we have been working on with our premium subscription solution is personal training plans. Not just creating 20 training plans and putting the consumer into one of those boxes, but actually creating a truly personal plan, and that's part of our subscription and very popular with our users.

### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

I mean I think you know what's going to happen is it's going to feel like you have a coach in your pocket. Right? Literally something that knows everything about you from how active you've been, your diet, your goals, your health requirements, your dietary restrictions. I mean, we'll be able to do things like if you ate a bigger breakfast, recommend a longer workout for you in the afternoon. And that's just a really simple but again — simple example but there will be more and more of these use cases, highly personalized, highly contextualized recommendations that the data and the power of a smartphone in your pocket will be able to provide. I just think it will be a game changer in terms of performance.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

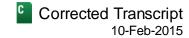
So that's your take on where it's going as well. Mette, what's your take, what's the world going to look like? Let's get some predictions.

# Mette Lykke

Chief Executive Officer, Endomondo ApS



Analyst Meeting - Connected Fitness



Well, first of all I think what we think of wearables today and three years from now, we are going to call that apparel.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Right.

# Mette Lykke

Chief Executive Officer, Endomondo ApS

But also I think we have to continue working on the social dimension alongside all of this technology because that's truly what makes it sticky, and that what's motivating.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Right.

# Mette Lykke

Chief Executive Officer, Endomondo ApS

And that's one reason I am excited about this is that for us going from 20 million users to 120 million users, the likelihood of you having a friend on the platform just increased significantly.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Right.

# Mette Lykke

Chief Executive Officer, Endomondo ApS

And you are more active. The more friends you have, the more you will go out, and the more shirts and shoes you are going to buy.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Mike, field it.

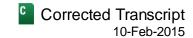
### Mike Lee

Co-Founder and CEO, MyFitnessPal, Inc.

Well, I just – I think that social element that Mette is taking about is really key. I think these are digital products, but we always remind our team and really emphasize to our team that there are people on the other end, people that have to make these behavioral changes. And one of the things that we're really excited about by combining with Under Armour is Under Armour brings the will.

Right? So, just an example of this, when I told our team, and I announced it to our team and literally when I announced that it was Under Armour that was acquiring us, everybody cheered and the team was pretty jazzed.

Analyst Meeting - Connected Fitness



And so I was talking to this engineer afterwards, and he said, 'man, I love Under Armour'. He said 'I love their commercials. Every time I watch one of their commercials, I immediately go work out.'

Right? And it's – but that – I joke about that a little bit, but that inspiration is key. Again, the kinds of changes that our users are trying to make to improve their performance. They are not easy changes to make. You have to have that willpower. That's an expertise that we just didn't have at the company that I think we are really excited about being able to get from Under Armour.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Yes. There is a SoulCycle right around the corner for everyone in the room as well. Dig in. Robin, bring us home. So tell us what does all this mean and where are we going, record is this platform again, supporting and enhancing I think these distinct communities and making sure that your communities know that too. Our job is to embolden and making stronger and give you the assets and resources to allow you just to develop and build a great product.

But collectively it's what we're asking for, I think the horsepower that's here on stage and on full display of look at what we've assembled and imagine the collective product that we can build. They all came from a different vertical that we think there is a bigger idea within Under Armour record that frankly can translate to something real-time to make an athlete's life better, to make a consumer's life better and healthier.

### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

Yeah. I mean 2015 is going to be obviously a lot about bringing that together, testing some ideas that we've been working on over the last 12 months as well now in these communities. But I think it does go back to ensuring that these products that people really have a connection with that we continue to develop them as well as building that layer which is record to aggregate this information up into and leverage the assets of Under Armour.

So that's really what 2015. I think beyond that it's going to be about, I mean I still – the one thing I took away, I'll never forget this presentation we had very early on at Under Armour about. It was about a basketball shoe, and it was our internal shoe team talking about, and it was product, product, product, and the time and energy t hey were putting into it. And that's what I feel like in these communities, these leaders, these teams, that's what they've done, and we just want to continue that as we move forward.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Awesome. Ladies and gentlemen, Under Armour Connected Fitness. Thanks, guys.

Next up, we are going to have Brad, who is going to join us on stage and take us through some of the financial impact. And then both Brad, Robin and myself will wait and have a conversation as well. Thanks, Brad.

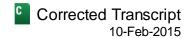
### **Brad Dickerson**

Chief Financial Officer

All right. That is a lot of IQ for a person like me to follow. I will do my best. So last week, last Wednesday night we gave our earnings call out, and as typical we gave a lot of detail out last Wednesday night. So this isn't about really reiterating any of those conversations. This isn't about talking about the strength of the U.S. dollar, the timing of our SG&A investments. We are here today to talk about Connected Fitness and the impact to our business overall.



Analyst Meeting - Connected Fitness



So the focus today is really going to be about Connected Fitness, how does it impact our current year financial statements, but probably more importantly what's our view going forward as far as how it impacts us and the expectation of where we drive value.

So there can be couple of interesting slides. I think you are going to find interesting, some new way of looking at information, and this first one is going to be one of those. So let's take a look at our Connected Fitness investments and how they've impacted our income statement over the last three years and in the current year.

So this first line here represents our historical reported operating margin from 2012 to 2014 and obviously in 2015. This is the midpoint of our \$397 million to \$407 million operating income guidance that we gave last week at 10.7%.

The second line here represents the guidance we gave back at the end of October, our preliminary view of 2015. We talked about operating income and top-line, both growing at 22%. This was obviously before the impact of the acquisitions of Endomondo and My Fitness Pal.

Third line, I think is going to be really interesting, and this is first time you're going to see this. But going forward as we released our financial information is because of the size of the investment over \$700 million in the balance sheet in this space and obviously the impact to our P&L, we are going to start to break this out going forward. And this is going to be a really interesting view, I think, for you guys here today. Just looking at what is our operating margin look like, if you add back the impact of our Connected Fitness investments over the course of the last couple of years when we started to invest.

First time you're kind of seeing this view. I think there is a couple of really good conversation points in here. First, the magnitude of the level of investments in Connected Fitness. This just didn't start over night. Back in 2012, Kevin talked about the Armour 39 product, and we started to invest a little bit then.

Into 2013, specifically towards the end of the year, bringing MapMyFitness on board, as we again started to invest in Connected Fitness during the course of 2014, you can see through 2014 that there was actually 70 basis points impact to our operating margin just focused on the investment of Connected Fitness.

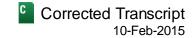
So you look at 2012 to 2014, the interesting thing I think there is a lot of conversations that I've had many of you in the audience is questions coming to me is, when you're going to leverage your business? When are you going to leverage your business on one side, and the other side was need to invest more, you need to invest more.

I think there is a really cool balance that Kevin and I talk about a lot is how do we balance that out. And there is an expectation that parts of our business should be leveraging right now while we invest in other parts of our business.

And the cool thing about this slide is if you look again that top-line there, from 2012 to 2014 our core business ex-Connected Fitness went from 11.5% to 12.2%. We are leveraging in the places that you would expect us to leverage in our more mature businesses, in our corporate service functions, all the while still investing in growth drivers like footwear and international.

I think the important thing to note in that top line too, is that those investments in footwear and international didn't start in 2012 and 2013. They started way back in 2009, 2010, may be even before that. We always talked along the way that investing ahead of the curve in those businesses, and they would pay off at some point in time down the road. And we start to see those things pay off in 2013 and 2014. We talk about the growth of our

Analyst Meeting - Connected Fitness



international business being 96% in 2014, footwear, 44% in 2014. That didn't come from investments in 2013 and 2014. That came from investments back in 2009, 2010, 2011. So I think this is a really great big takeaway on this. It's a leverage of our core business.

And I think the other big takeaway is Connected Fitness, although a complete different kind of technical space than our core business, it's going to look a lot like some of the things we did in footwear and international. Investing way ahead of the curve and the expectation and the benefit well in advance. This is a long-term investment. We're going to paint the picture and talk a little bit more about that later on.

So first, let's talk about the impact specifically to 2015. First on the income statement, many of these things we talked about last Wednesday night. So first on the revenue side, we talked about revenue for Endomondo and My Fitness Pal combined being approximately 1% of our growth in revenue, kind of offsetting some of the currency headwinds we've talked about last week. It's about \$25 million to \$30 million in top-line revenue, mostly coming through advertising and subscription services like Kevin talked about before.

We also talked about the impact to the bottom line and operating margin. So we talked about one-time deal costs that will happen in the first quarter as we closed Endomondo earlier in the year and will be closing My Fitness Pal in the coming month, about \$7 million of one-time costs, about 20 basis point dilution to operating margin.

On the existing business, this is really just on-boarding the existing business models of Endomondo and My Fitness Pal and their expectations of their numbers in 2015 which are dilutive to our model. It's about \$15 million impact or 40 basis point dilution to our operating margin.

And lastly, we talked about the post-acquisition intangibles. The valuation of those and the amortization of those over the course of the next few years [ph] it's a (01:28:46) non-cash amortization been about \$12 million impact to this year or about 30 basis points.

Below the operating income line, we are going to have additional funding and debt we are going to talk a little bit about that in one second here. That will be about an extra \$8 million of interest expense below the operating income line in 2015.

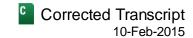
On the balance sheet side, so what are the use of cash and source of funds here, so the use of cash obviously in the acquisition of Endomondo again earlier in the year. The acquisition coming up that we'll close it in the next month, My FitnessPal, the use of cash. There will be some tangible assets that come with those business.

There will be some intangible assets I talked about post-acquisition that will have a non-cash amortization up. Obviously, there will be some goodwill on the balance sheet as we get through that. So the combined value of those purchases and acquisitions about \$560 million that you'll see coming on-board to our assets side of our balance sheet in the first quarter.

On the source of funds, really we brought the source of funds in for the Endomondo transaction before the end of 2014. We actually drew an additional \$100 million on our term debt in Q4 of 2014. So the funds are already in the place for the Endomondo transaction.

But as we go through the first quarter and close My Fitness Pal deal, we will also look at our excess cash balance. We are going to expand our revolver and also probably expand some term debt in order to fund the acquisitions. So that will be kind of the impact to the balance sheet side.

Analyst Meeting - Connected Fitness



So next, let's take a look at beyond 2015. That's more focused on 2015 but the one good thing about Under Armour, we don't look at our business in one year increments and we especially look at our opportunities in one year increments.

So let's take a look a little bit beyond the current year and expand, I guess, just a little bit on my comments last week [indiscernible] (01:30:35) may be 2016 and 2017, how beyond 2015 looks like after these acquisitions. So again, I don't want you to take this away specific long-term guidance. We are going to owe you that later on this year when we get to our Investor Day. This is more directional context of kind of conversation what the expectation would be when we give that specific guidance later on.

So first before we go forward, let's go backwards a little bit. And the last time that we gave long-term guidance was our Investor Day back in 2013. And in this long-term guidance what we basically said in this first line here you are going to see is that from the results we had of operating income at the end of 2012 through 2016 that we would have approximately a 23% CAGR in bottom line. But the result in was \$480 million operating income number at the end of 2016. If we just took that same CAGR that we gave through 2016 and just kind of added it on for 2017, going to approximate – okay, we get to \$591 million of operating income. It's just using kind of simple math.

So now let's a look secondly, let's bring our actual results in for 2013-2014. You see the over-achievement, the story we told back in June 2013 at our Investor Day. So our core business exceeded our expectations from Investor Day, some of that which is our core business in North America. Some of that was things like international footwear really starting to kick in places like 2014, we started to exceed our numbers.

Now, if we just take those actual results of getting to \$354 million in 2014, let's take a look at again our preliminary guidance that we gave back in October before any conversation on these two acquisitions. We said we are going grow the top and bottom line 22% going forward.

Let's just take that 22% forward through 2015, through 2016, through 2017 at 22% CAGR and you get to \$643 million of operating income. Now what we said last week and an important point for today is we still see ourselves getting to that number eventually in 2017. It's just going to look a little different.

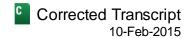
So a little bit more dilutive in 2015 as we start to really get these acquisitions on -board, integrate, strategize, continue to invest in businesses, may be leveraging some of our other core businesses that you expect us to leverage in, the ability to get back to that kind of 22% CAGR over the course of the next three years.

There's a couple really, really important things to note on the screen. First, many of you and I had these conversations and challenges around operating margin versus operating income. And we really do try to stay away from operating margin guidance even though we put operating margin in this presentation is more for context. So I really want to keep going back to and very consistent around operating income guidance.

A lot of you like to imply margin, but really here we're talking about is growth and operating income dollars, and the expectation of growth in dollars and balancing that with the investments needed. And not getting us focused on the 10 basis points or 20 basis points of operating margin. That's a really important thing to takeaway. And obviously, we'll expand more on that in our Investor Day later in the year.

I think the second big takeaway here really is this is not specific guidance. So I don't want you to walk away and say okay, Under Armour is guiding to \$643 million in 2017. This is really the context of the ability for us to deleverage a little bit and be dilutive in 2015 with these acquisitions but really offset that in future years, the 2016 and 2017, and get right back to the same trajectory of operating income. So it's really important to take that in context also.

Analyst Meeting - Connected Fitness



Now the last conversation here is return on investment, something our financial people obviously like to talk about. And again, this is not going to be new information based on the conversations we've had earlier in a lot of presentation material. But I really want to focus again on the expectation and what you should see and when you should see it.

So later this year a lot more detail on this. A lot more detail of where the investments is going to be in Connected Fitness going forward, a lot more on the expectation of where we're going to see that upside and benefit. But 2015 is really about on-boarding these companies, integrating these companies into our culture and our business, strategizing and finding the right direction forward.

How we're going to add value long-term? Kevin had a great statement before, monetize is not necessarily equal long term value. So we focus on long term value and not just monetization. So in 2015, less focused on where is the return, more focused on strategy and direction for the return longer term.

We will on-board the advertising and subscription services that come with these companies, but really this is more of an investment year and a strategization year. As we look at 2016, obviously now you would expect as we get to Investor Day later this year that you're going to have some kind of conversation and context around where do we see the benefit of these investments. Kevin really articulated it very well earlier and driving it back to the core. Where should we see the best benefit to these acquisitions longer term for Under Armour, is driving right back to the core.

So the expectation would be, how do we paint that picture in the natural matching of our five growth drivers to these investments over the longer term. Obviously with the continuing kind of the stable advertising subscription service business, may be even get some licensing business coming on-board to get into 2016. Then obviously 2017 again, kind of just accelerating that – escalating that expecting a little bit more.

The big key takeaways here, there is a consistent message of investment across all the years. This is not about investing just in 2015 and seeing the return in 2016 and 2017. Just like conversation on international and footwear I said earlier, this is about getting ahead of the curve, investing ahead of the curve for a long term value. So you are going to see kind of this consistent picture of investments in next few years.

And lastly, it's about driving at the core. It's about men's, women's apparel; it's about footwear, international, direct-to-consumer. That's where we see the best connection, most natural connection and where we will see value of longer-term investment.

So finally before I bring Kevin and Robin back up to join me for questions, look at, this is a big step today in getting a lot more color and flavor of our Connected Fitness business. We are going to go into a lot more detail later this year in our Investor Day around, not just a Connected Fitness business, but also our core business. What's going to be happening in men's and women's app arel? What's going to happen in footwear? What's going to happen in our channels of business North America, international, retail, e-commerce, wholesale? All those conversations will come later in the year along with more detail around Connected Fitness.

So as we look to Investor Day later this year, we are targeting a September 16, 2015 date in Baltimore at our corporate headquarters. It's a Wednesday. That will be our Investor Day that we are targeting right now. So I'd hope to see all of you or many of you there. Again, we will outline more specifically our longer term view of our businesses and our goals.

So with that I'd like to bring Kevin and Robin back up on the stage.



# QUESTION AND ANSWER SECTION

Kevin A. Plank

Chief Executive Officer and Chairman of the Board

A

Great. I don't know where we want to begin if we got a microphone in the audience as well. So if you just wanted to flag down, Sean, I think there should be two. You can start from this side. Yeah.

Sean P. McGowan

Needham & Co. LLC

Q

Yeah, Sean McGowan from Needham. I have a couple of questions, probably more for Brad, can you give us a timeframe on the amortization of the intangibles and how much — what the ballpark...

**Brad Dickerson** 

Chief Financial Officer

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We are still working through that right now. True thing is we haven't officially closed the deal yet with My Fitness Pal and that's where the bigger part of the amortization is going to be. These tend to range around a five-year term plus or minus a year, so it's probably going to be around five year.

Sean P. McGowan

Needham & Co. LLC

When you join that line on kind of where the operating income would have been? You've taken out all the investments made into the Connected Fitness over that time. But can you talk a little bit about whether those – if you hadn't made those investments they might have been made somewhere else or how incremental is that?

**Brad Dickerson** 

Chief Financial Officer

I think that's probably the big takeaway here is the balance of our need to long term success and long term growth is that we are going to take advantage of that and invest in businesses whether it be footwear, international or Connected Fitness, there is going to be investment. And that investment is really going to support su stainable and hopefully even better long term growth for brand.

Kevin A. Plank

А

Chief Executive Officer and Chairman of the Board

That's a constant push and pull Brad and I on — gain, all we — what you do as management in any company is how to deploy the resources, time, people and money. There is only so much of any one of them. And so we struggle with that. We are back and forth and saying, is this something we are taking away from footwear by putting in a Connected Fitness. And hopefully what I wanted to illustrate I think in my presentation particularly as I talked about our five growth drivers absolutely was not — it absolutely is additive to everything we do instead of being — it's not an either or. It's frankly it's must have as we viewed it.

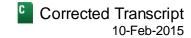
Robin J. Thurston

Д

Chief Executive Officer & Director, MapMyFitness, Inc.

May be the only other thing I'd add on that is that it's part – the one thing when I came to these guys and said is that the one thing about digital is it's still an area that's non-linear. So there is this opportunity in the marketplace

Analyst Meeting - Connected Fitness



right now that exists in this category that is simply not like buying another shoe business, right. And that's where I think as a team we really talked about that a lot over the last year.

Kevin A. Plank Chief Executive Officer and Chairman of the Board	A
Buying Rockford?	
Sean P. McGowan Needham & Co. LLC	Q
Congratulations on your Rockford acquisition.	
Kevin A. Plank Chief Executive Officer and Chairman of the Board	A
Hi. [ph] Sam (01:40:24).	
	Q

How are you? When you look at joining – when you look at the revenue driver here where – when you think about in the longer-term where do you see the connections really kicking into the revenue, is this like three years to five years? Is this when you may do apparels or wearable I was assuming working on something in one of your secret rooms down in Baltimore?

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

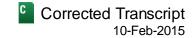
Well, I think we're certainly positioned for it more than anything. There is another version of that commercial I showed with Future Girl in it. And in the other rendition of it, it actually ends where she says – the voiceover says, this product is not available yet, but it's being built at Under Armour right now. And it's never been more true than today.

And frankly what we see by establishing, I think the beachhead and beyond the geographic location, beyond the leadership that we now have for this, but with the community of a 120 million people, if you want to speak about biometric measurement or you want to speak about wearable technology, we know exactly of the 22 million wearables that were sold last year that there is about half of that number at least is operating them on our system, in one of our four apps right now. So as we look at our ability to I think access that with people that are opting in and choosing to say, I choose to be measured, we think that's a great leadership position.

So number one, we believe we're working on the great idea right now. But frankly, if it happens to be coming from some place else, one thing about Under Armour, it's an incredibly entrepreneurial company, and the one thing I want to be famous for is not Under Armour to be famous for is not necessarily just being a great innovation company but an amazing commercialization company. When I say that, I want the entrepreneur, the innovator, that has the big idea. I want them to think about bringing that to us and we do venues like Future Show where we invited entrepreneurs to bring us their big ideas. And so, I want to make sure that I articulate is that A, we think we have some of the smartest people in the world developing the next big thing.

But when I say humble and hungry and I kick our presentation off that way, I think we also demon strate the humility to recognize when we don't. And that if someone else does, that they will look and hopefully pick up the phone and call us first, because we've demonstrated that we're the best partner of doing it and we've done that

Analyst Meeting - Connected Fitness



through a number of different products, and I think this is frankly no different. So we believe that we have one of the important vehicles in order to access the community of health and fitness. And again, with a 120 million registered users, we're arguably more than two, three or four times of size of our next closest competitor.

Lindsay B. Drucker Mann

Goldman Sachs & Co.

Q

Hi, Lindsay Drucker Mann from Goldman Sachs. I wanted to ask if number one, if you think the current platform that you have lets you do what your ultimate goal is to do or are acquisitions in the future still on the table? And secondly, Brad, may be as you talk about getting towards that next 2015 investment in a dilutive year but getting back to the trajectory of operating profit CAGR you're on, is that a-expenses come out outside of the one-time acquisition cost - is that expenses come out or is that revenue sort of accelerate from the run rate in order to catch us up?

**Brad Dickerson** 

Chief Financial Officer



Why don't I take that piece first and I'll let these guys take the first piece. On that piece, I think the context there is that we should start to see some benefit from the investments. I want to again, put the context, I'm not sitting here saying that specifically 2016 is going to be the year we said or it's going to start in 2017. More the context of we're investing ahead of the curve, just like we did in footwear and international. This takes time. And I think the thing that we're probably the most proud of in the conversation with Mike, and Mette, and Robin is — is that this is not focused on short-term monetization. This is focused on long-term value. You could absolutely make a short-term monetization decision that destroys long-term value.

So we're really focused on that being very thoughtful, very deliberate at the right pace of how we do this. So the context of that conversation is should we start to see some benefit from this. Probably sometime in that timeframe of 2016 and 2017. I think the other context there in that is going back to our core business. The things that we are definitely leveraging in, we're leveraging in some of more matured businesses. You would expect us to leverage there. We're leveraging in corporate service functions at a \$3 billion to \$4 billion to \$5 billion company down the road. You would expect us to start leveraging in places like that.

Even though footwear and international are still very, very much in investment modes, we've talked at length in the last few earnings calls about international start to swing towards profitability. So even though they're still dilutive to our overall operating performance, they're getting more profitable year-by-year. So things like that I think are — are probably more the drivers of how are we going to get back in that trajectory along with maybe some of the benefits starting to kick into this.

Kevin A. Plank

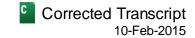
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Chief Executive Officer and Chairman of the Board

Let me start and then I'll let Robin go. So I would say that product that we have now, I'd call it an iterative process. And this process began back when – when we closed on MapMy Fitness in December of 2013 – very quickly the conversation with Robin and I went to not where are we but where we are driving and where we are going toward.

And we realized that there was the need for what MMF is a terrific product for those on the run and those on a bike but there was the opportunity to build a bigger platform. And that's where I think – opening up the aperture of what is Under Armour Connected Fitness from just being GPS tracking and what's happening in a gym to having the capacity to absorb things like nutrition, like what's really happening the gym, truly the variables and the agnostic approach.

Analyst Meeting - Connected Fitness



And so I frankly asked of the – less than roughly 70 or so engineers that Robin had – we got together and we said we're going to peel off of our existing team that we're hiring because we need to hire people just for the MapMy Fitness business to maintain that, and we're going to peel off and build this new product called Record.

And so I think what we have now is this platform that is the — it's the beginning and again it's part of our first conversation. It's a product that we're incredibly proud of because all the functionality is there. But when you now take combined and leverage resources of the three experts that we have in the room and their respective teams, we believe that the product that we have is excellent and best in market today. But what we're going to build and the way we look in the next two and three years will be revolutionary, can I say that? I think it would change the way people live. And that's I think why — Mike signed up, why Mette signed up and frankly I know it's why Robin and I got together to begin with.

Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

Α

I'd just to add to that — I think we filled in a puzzle to a certain extent. The team is, at this point the largest Connected Fitness team in this space really going on. I mean, even the biggest technology companies don't have a team this big working on it. So I think the things that we potentially are missing or the consumer, that customer might feel like could be a little bit better.

Kevin A. Plank

Chief Executive Officer and Chairman of the Board

A

No, they could. We're not declaring war here. So we want say like, we're agnostic, we're different in our space too.

Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

A

But we can fill those in with this size of team. This size of engineering team, product team. I mean, we have a massive design team to be able to help but again, to me, ultimately it all goes back to product, product how good we listen to those customer experiences and build on top of that is going to be the difference between where we're at right now and what we think we can grow to over the next three to five years.

Eric B. Tracy

Janney Montgomery Scott LLC

(

Okay. Eric Tracy, Janney Capital. I guess first if you could maybe just talk about the timing in terms of the integration of the three platforms into one single UA Record when it ultimately goes under one app? And then a follow on to that, one of the biggest benefits has been the open sort of platform environment, but it sounds like as you layer in licenses, that gets a little bit closed. Am I thinking about that correctly and what are the challenges?

Robin J. Thurston

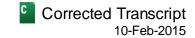
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Chief Executive Officer & Director, MapMyFitness, Inc.

So there is two things there that I would maybe line out for you. First, we see record is kind of a horizontal approach to the platform. So MFP is going to continue MapMy Fitness is going to continue, Endo is going continue. Really it's the sort of high touch and aggregator of those for people that want that aggregation. Right? There are still going to be people that might just be in MFP over time, but one goal is to create a single sign on so that all of those environments work together, friends, social all of that stuffsort of fits between the environments.

I think the way that we've always talked about the device integrations and where a licensing fits in, because to some extent May MyFitness has done some of this before. It's really two terms. One is we integrate with everyone.

Analyst Meeting - Connected Fitness



Like we'll connect it to our API, they'll often connect to our APIs. We will integrate with everyone. It's all – it's very, very critical to creating a truly social fitness community is to be able – so anyone in this room you probably all have had or tried different devices over time.

We have to make it possible for all of you to interact together whether again as Kevin said, that's iOS, Android, Fitbit, Jawbone, whatever it is. There are partners we're going to optimize for and I think those are the licensing deals were essentially we have a little bit deeper integration with them. We worked on the experience a little bit more with them, but again with the goal of making it the best possible outcome for the consumer around those devices.

#### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

А

It's – one thing I'd just add to that as well as we're getting the microphone over there, it's different from the space where we come from. It's very clear that we have a very clearer competitive set. And what makes us a little bit unique and what makes us a little bit different, I think here, is that we're working in a world where we can't succeed unless we enable and we help our partners. And, frankly, that's a two-way street, where we think they won't be able to succeed unless they're helping us.

And so it's a very different mindset and a very different bit of the world that we're approaching, but it's one that I can't emphasize enough how important it was as we look at making the first decision to move into this space with Robin was the leadership and was – the people and the culture fit and all those things. But the approach of being agnostic is one thing – we said the value we saw was in the community, there is no way to approach that with a closed mindset. And that literally, we work with every brand on the planet when it comes to being able to fit into whether it's MMF, MFP, Endo, or frankly, the new product we just rolled out with Record.

And so that is a place for us that – we encourage it. And again, whoever has the best device which we think they will continue to be additive and moving on and evolving into what is the best product out there, we encourage that product to be fully situated on our platform, and ideally we'll be the destination platform for them when anyone turn that device on.

# Erinn E. Murphy

Piper Jaffray & Co (Broker)

Great. Thanks. Erinn Murphy at Piper Jaffray. May be just building on Eric's question on kind of the open platform. How do you see the reaction from a lot of the device companies thus far, now that you've aggregated the largest health and wellness platform. I mean, how it – Fitbit or Jawbone or Garmin thinking particularly given that they have their own proprietary apps? And then, just secondly, do you have an opinion of Apple Health? And then if the Apple Watch launches, what that does potentially further create the conversation in the ecosystem?

### Robin J. Thurston

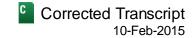
Chief Executive Officer & Director, MapMyFitness, Inc.



Sure. So I'll take the first question. So far I think all the responses have been to continue the partnership, so we haven't seen any one certainly pullback. We've been having ongoing conversations with all the biggest partners in – from a wearables perspective in this space.

I would say that the immediate reaction, as we've had whole bunch of new people reach out to us, realizing that we're the largest, right. So smartwatch is going to be a massive category. It's going to be hard not to be integrated I think of the platform of this size specifically for the social and the underlying functionality that we'll be a ble to

Analyst Meeting - Connected Fitness



provide. I mean, if you look at, there's really only one company in my opinion in the world who has been able to do software and hardware really well together.

I think most of the wearables guys are going to struggle with that. They're going to struggle with doing software well. And we think we can certainly play in that and with this scale we can do very well for them in powering those devices.

So if anything we've seen, certainly no one has pulled back and that obviously it's early still. We'll know over the next couple of weeks, months. We didn't see that with MapMy Fitness when it happened a year ago, even with our most direct competitors. So far nothing. But if anything, we've seen a lot of uptick in new device manufacturers, carriers et cetera that are launching devices that now want to be part of the platform. Sorry.

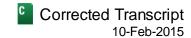
Kevin A. Plank Chief Executive Officer and Chairman of the Board	A
You got the second question too.	
Robin J. Thurston Chief Executive Officer & Director, MapMyFitness, Inc.	Д

On Healthcare, in Google Fit and Samsung, I think they are really trying to be aggregators. I think the biggest distinction with these platforms, these communities is that they're very social, right? So our goal is simply — and I think it's one of the reasons why I felt so strongly about selling to the company Under Armour is, we have a goal to just get people to work out a little bit more, right? To be and engage in their activity a little bit more, right? And those — and social is a really big part of that. So it's instrumental to our platform as a whole working. Those are partners of ours. So all of those channels are things that we will integrate with and that we will work with and that we are talking to regularly. We all have very strong relationships with Apple, Google and Samsung.

And then on the watch, we certainly see it as a massive opportunity. I mean, two of the core businesses Endo and MapMy Fitness, it's a very strong use case, right? To run with a watch on instead of potentially your phone is a great use case. It'll be another screen that we potentially allow you to log nutrition into and record will certainly be on there. So we're very, very hopeful that they're successful.

Kevin A. Plank Chief Executive Officer and Chairman of the Board	A
Maybe Mike or Mette, do you want to	
Robin J. Thurston Chief Executive Officer & Director, MapMyFitness, Inc.	A
Yeah, anything on that?	
Kevin A. Plank Chief Executive Officer and Chairman of the Board	A
You guys want to -your mics are still on -anything additive to that?	
Mike Lee Co-Founder and CEO, MyFitnessPal, Inc.	A

Analyst Meeting - Connected Fitness



[inaudible] (01:54:49) kind of think of Health Kit and Google Fit as the pipes, right? The data pipes that allow us access to all these different kinds of data and help us collect it. But – and what we're trying to build is a community on top of that. That's where we think the real value is. So they'll be critical partners for us.

Kevin A. Plank

Chief Executive Officer and Chairman of the Board

А

Mette?

Mette Lykke

Chief Executive Officer, Endomondo ApS



Yeah. So just to add on that. We are very focused on supporting our users no matter what the use case is. So this obviously goes across devices. And the smartwatch use case is going to be bigger, we think, in the future. So we certainly want to have a good experience both for Android Wear and for the Apple Watch when that gets out.

Erinn E. Murphy

Piper Jaffray & Co (Broker)

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Great.

Omar Saad



International Strategy & Investment Group LLC

Thanks. It's Omar Saad from Evercore ISI. I got two questions. The first question is for Robin, and then may be Mike and Mette if you can – I guess, you guys are allowed to answer questions too.

As you – before you went through this process and you're evaluating kind of the different opportunities with your companies and before you decided to sell to Under Armour and join that team; how did you think about kind of the different opportunities joining up and partnering with a kind of a physical world company versus staying as a pure digital play? And help us understand maybe how these types of digital and app companies think about that? Because clearly some are staying with their subscription models of pure digital plays versus going into the physical world, and why this was a much better choice for you?

And then, my second question is more on the deal side. May be Brad and Kevin, could you talk about — as you are structuring these acquisitions, it seems like there are mostly pure cash and some debt involved. Why didn't you stock any stock in these transactions or earn out situations to make sure these three key managers stay hooked into the business, stay fully motivated and their key players and their teams? Help us understand how you think about that? Thanks.

Robin J. Thurston

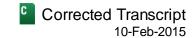


Chief Executive Officer & Director, MapMyFitness, Inc.

So I guess the way that – and in some ways I would say there are similarities when we started to talk to the other companies – I'll let them, Mike and Mette answer on their own.

But I think the challenge that I was seeing was that in the – we had started very early in advertising, so really even when MapMy Fitness first started at the end of 2006, like we were already basically selling local advertising, right? We were going to bike shops, running stores, et cetera. And I think that – and subscription didn't come that long after that. I mean, we really had a subscription play than before mobile got big.

Analyst Meeting - Connected Fitness



And the challenge was I think a couple things. One is, your ability to stay authentic for the consumer is a challenge, because you just keep putting essentially more and more things on to the product that are essentially – some of them are helpful. So like if you see a power bar ad at the right time, it's not a bad thing, right? Or there's a cup of coffee down the street that's not a bad thing. But that was a big dilemma for our internal teams, right?

And I think that one of the things when I first stated to talking to Kevin was like, they have a product that actually helps you do what you're doing better and if they start at an authentic point, where it's about making the person actually perform better, like it's not originally about selling just shirts and shoes, but it's like they start from —we just want to make them better, which is what their mission was. I just was like, this is kind of a perfect scenario for the consumer, because, yes, if they workout more and they train better, they don't get injured and we can get them to — may be just get them to do a little bit more, because of the social impact, they're going to buy more gear. Absolutely. We can see it in all the data, right?

So I think, for me, it was just – it was again combination of brand, authenticity, and thinking about my core user on the platform, and like how that community was going to grow over time, I just felt like was the perfect scenario. I mean, can you imagine like an insurance company or something, like, I don't know how I would have been able to tell the user that.

**Omar Saad** 

International Strategy & Investment Group LLC

Give me your analogy about trying to drive subscription-based business as well – a cup of coffee versus...?

Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

Oh, yeah, there's this – I love this part too and it was very early on in the App Store days when paid apps started coming on board a lot, which was, like, a guy basically like – he is sort of going through his day and he's like goes and lawyer calls, and it's like \$500 an hour; and he goes and he has to get some office supplies, \$300; he walks into Starbucks, \$5; and then he gets – he goes into the App Store and it's like \$0.99, and the guy is breaking down, like, call my accountant, call my lawyer, I can't believe this is \$0.99.

So like in our early days, like we really – it was a struggle to try to figure those pieces out. I mean, we certainly had – and again because revenue was a focus early on, we had more revenue as a core focus. But those businesses were also hard. We've tried to go into the enterprise software business and license the platform for a while. It was just – again my opinion was that it was kind of the perfect marriage.

Kevin A. Plank

Chief Executive Officer and Chairman of the Board

And I think that I saw, when I look and said, if there is a flaw in the model at any point, is that I didn't believe that they're heading to sell the consumer. I mean, just selling more services that were frankly available from competitors, any one else for free.

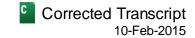
And so I think with Under Armour that we have tangible product we can actually sell and then be benefited. But I invite you guys, Mike and Mette you have – going to help answer Omar's question.

Mike Lee

Co-Founder and CEO, MyFitnessPal, Inc.

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Analyst Meeting - Connected Fitness



Sure. So I can't speak for all entrepreneurs as to how they would think about this decision, but I can tell you how we thought about it. So couple of things that we thought about what we wanted in a potential acquirer. One was culture. We want to make sure that there was a great culture fit and we feel like we've really built a special culture at My Fitness Pal. We wanted to join a company that had an equally special culture and great alignment there and we think we found that in Under Armour.

Now, there is just alignment on mission and vision. You know the fact that we're a missionary company. We really passionately believe in creating a healthier planet, incredible alignment again with what Under Armour's mission is.

Some specific things about Under Armour that we really liked. Clearly, the potential synergies in making actual products and how you can link that with software. As future growth becomes a reality, there are some pretty interesting possibilities there.

Also the brand and the marketing expertise in the valley. There was a real emphasis on digital marketing less so on brand. But I think in our space brand really matters. And that was an expertise we just didn't have. And in my personal opinion, I think Under Armour is probably the best marketer in the world today. I think that was something that we really wanted to be able to tap into.

And the other thing, I think, for me personally and I think also for our team is that, if we've joined a big digital company, we would have just been another cog in the machine. And I think we wanted to go some place that matter, where we would matter, where there was real commitment on the part of the CEO and the executive team to help us deliver our vision better, faster for our users. And I think at Under Armour we will matter and that was important to us.

I don't know Brad can talk about the earn-outpiece and why didn't we do that? But I can tell you that I personally as part of the deal I'm taking part of my proceeds and buying Under Armour's stock, because we believe in the company and it's going to be a great investment. So I think, hopefully, that demonstrates some of our commitment to making this happen.

Brad Dickerson

Chief Financial Officer

When I said that to Mike and I said, I'd like it to do this and I'd like you to do at least this amount. Mike said no. He goes I'd actually like to do this amount. And I said, wow, that's incredible it'll be — our board and George Bodenheimer is in the room here as well as would love to hear that, that'll be real exciting, and thanks very much for that, Mike. He goes, don't thank me. I think I'm going to make money. So I think that's what may be we all think too. Mette?

Mette Lykke

Chief Executive Officer, Endomondo ApS

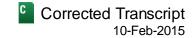
I didn't know that. I actually sent a note to legal last week asking how does this work if I want to invest. No. I totally agree with Mike. When you start up company, you spend pretty much every awake hour for years and years. It's really important that you find a good home for it. It is like selling your baby a little bit. And I'm very happy that we also get to stay on. The whole team stays on. We'll get an important mission now as well, expanding intentionally. So for me, it was certainly also about culture and the mission being very aliened.

Brad Dickerson

Chief Financial Officer

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Analyst Meeting - Connected Fitness



On the funding piece, Omar, definitely wouldn't give us credit for any kind of high finance here on this process. We were really focused on just the pace of what was happening here so. I think Mike and Mette can appreciate the comment of the pace. Things happened pretty quickly from the first conversation forward.

So we were really more focused on how do we integrate? What are the financials look like? What are the needs? How do we integrate culture? Equity was obviously a big part of the conservation with the whole employee base of both Endomondo and My FitnessPal. And how do we, over the course of time here, get their employees into a similar path as the rest our employees from an equity incentive perspective, and even to the case of sometimes rolling some of the equity that existed with some of the employees into our equity going forward.

So there was a lot of conversation around that, but it was more on the integration, the pace of getting things done. We have plenty of leverage room on our balance sheet. So it was really more the path to what was easiest at this point in time. Cost of debt is, as you all know is obviously very, very cheap right now. But the one thing we probably got over the last coupley ear, I think we've refinanced our debt structure, probably once every two years with the pace and as our business evolves.

So I think this gave us more of a pause to focus on the right things and not the wrong things in the quick kind of turnaround of these acquisitions. And then I think we have the ability longer term to figure out from a capital perspective, how could this look. And, obviously, in the short-term we can take advantage of low interest rates.

Kevin A. Plank

Chief Executive Officer and Chairman of the Board

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And I want to just drive home. When you look at this, is obviously the communities that both entrepreneurs have established is extraordinary under any way you look at it. But we talk to everybody. We talk to every company out there, the way that we could create this roll-up, and we looked at a lot of different strategies. At the end of the day, there were people that just frankly were not culture fits for our brand.

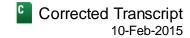
And when, frankly, when I met Mette for the first time, when I met Mike and his brother Albert, the conversations like – where it began with was not I can't believe the size of your community, this is great. It was looking going –I think you would be a great fit with our team. And I believe that we could build something much bigger because of that.

And from that point, when we establish culture, you hire for competency and you fire for fit, and it's these things that we all live in and then through the many machinations that Under Armour has gone through in our evolution as a brand, we've learned that, and you're not always perfect no matter how smart you think you are about it.

But I've got to tell you is that I've learned a lot over the 19 years of this brand and I know the things that will fit and the things that will work. And I believe that we'll have things legally that will say one thing or another, but unless I respect – I think the trust that these entrepreneurs have put into our company is providing them something they want to be a part of that and they can see as a much bigger vision than anyone can do on their own, I think that comes down to what we've built here and what we've established.

So this was not happenstance, this was not a shared acquisition that was done over the phone. This is multiple trips of our visiting offices and time in Copenhagen, and time in San Francisco and San Francisco and Copenhagen, time in Austin, and Austin visiting there, and then visiting Baltimore. I mean, this has been a process that I think we're incredibly proud of and I think that anything of this size and scale, and it should be at that level, it's personal, it's just personal.

Analyst Meeting - Connected Fitness



#### Scott D. Krasik

The Buckingham Research Group, Inc.

Hi, thanks. Scott Krasik from Buckingham Research. First, the brand awareness factor domestically versus abroad, there is a huge disparity. So have you thought about how you use Endomondo and then I don't know if there are other connected fitness platforms in Europe, or places where you'll really start to try and build the Under Armour brand and may be strategies around that to create that awareness?

And then just secondly, as an outside observer, if you don't start to drive incremental revenues through these deals either in 2016 or 2017, do we view it as a disappointment or just the industry wasn't bettery et, how do you think about that?

#### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

Let me start and then I'll let Brad go, so to begin with, I think the screen that you see up here demonstrates the four apps that we now have that are a part of the Under Armour Connected Fitness ecosystem.

And as I mentioned in my opening remarks was that with 120 million people on the —one of the four communities, that look with the Under Armour logo is now on roughly 120 million phones or desktops. And so there is very good chance that of the 53 million people that are outside of North America, a percentage of them, if not a large percentage of them, may be seeing our logo for the very first time. So this may very well be the first handshake that they have.

So when we say that, we believe we now have the ability to understand them and understand what makes them like, like the athletes we're selling to in North America that will inform us to be a better and a smarter company. And frankly, it would hopefully allow us to inform our consumer and the athlete to be better and smarter at what they do as well. So we think it's an incredible quid pro quo, and I think the opportunity of just sheer scale of what this means.

I gave you some stats. The three collective apps – four collective that are in 2014 grew a combined 46%. So if you extrapolate the numbers on 46% growth on a universal 120 million, by 2020 it's 380 million users, at 20% growth. At 30% growth it's 580 million, and at 40% growth it's 900 million. I'm not making claims as to what it can be, but we're just simply highlighting what pure scale is all about and the way that we'll have the ability to impact and frankly find likeminded consistent elements about individuals that can help inform us in new markets as well.

So, we believe the data is going to be extraordinary. We think it's going to come down to our ability to attract great, big data scientists and people who can help us make great decisions based on all the data that's being driven from this.

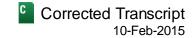
#### Brad Dickerson

Chief Financial Officer

Yeah. On the return side, obviously the benefit having Robin on board over the last year has given us a lot more insight into business, and we spent a lot of time over the course of the last few months getting to know Mette and Mike and their teams and their financial models much more obviously.

Obviously, in this whole process and conversation, we wouldn't be making this investment if we didn't see a benefit in return of this investment. I think from a credibility perspective what we owe to you is being thoughtful and deliberate on the approach and exactly what we do and when we're going to see it, and I think it's little too early to do that right now. And I think as time goes by and we integrate the businesses, we'll get a better idea of

Analyst Meeting - Connected Fitness



how that's going to work. But absolutely, we expect a return from this. Absolutely we expect it to be a long-term return on this. We wouldn't have done it if we didn't think so.

And we absolutely think that there is some synergies there in our existing businesses in places like Direct-to-Consumer, Wholesale North America International. Again, I think that – we've said this a lot, just the power and benefit of 19 years of building an e-commerce platform that today we have a relationship with 5 million people, we have 5 million names in our e-commerce platform. And now we have an additional 120 million.

We definitely think there is a way to drive long-term value, but the approach and the deliberateness of how we do that's going to be probably the most strategic thing that we have to do more than anything.

#### Robin J. Thurston

Chief Executive Officer & Director, MapMyFitness, Inc.

And I think if you also look in DTC around what's happening in beacon technology, I think there is — Chicago will be our first example of this. We'll run a fairly large test in Chicago around beacons. Studies are suggesting that with putting the right information in front of consumer. Like one of the challenges we have when someone walks in store and they walk up to a shoe, you'd really like to deliver them a technical video on what that shoe is about or showing an athlete in that shoe.

Challenge most retailers are having right now is that they don't have a way to get the person to download the app that would deliver them that information, right. So we think we have a really big advantage here in DTC, not just for us, but also for our partners. Right, so the DICK'S of the world et cetera, we think that we have a way to help them through this channel. And if you look at the recent studies \$1 in \$4 of retail will be driven by beacons by the end of 2016, I believe that.

### Kevin A. Plank

Chief Executive Officer and Chairman of the Board

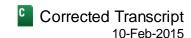
So with that, you've all been incredibly patient and generous with your time. We apologize about the short notice. Obviously, it was big news for us as a brand. If I could may be just take a moment and thank all the people that led us to this.

Frankly our second and third pure acquisitions as a company, and we got to this point because of a lot of thoughtfulness by a lot of very smart people and I want to thank my own executive team, I want to thank my board of directors.

And I especially want to thank the teams of Mike and Mette as well and frankly to each of you for putting that trust in us. So we're going to do good job with your companies. We're going to make something big that's going to make the world a better place, so we'll live up to that.

Thank you all very much for enjoying us on Under Armour Digital Day. Have a good...

# Under Armour, Inc. (UA) Analyst Meeting - Connected Fitness



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